

M&S

EST. 1884

PERFORMANCE OVERVIEW AND NOTICE OF MEETING 2016



Performance Overview
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ABOUT M&S

M&S IS ONE OF THE UK'S LEADING RETAILERS, WITH 1,382 STORES WORLDWIDE. WE ARE COMMITTED TO **DELIVERING SUSTAINABLE VALUE** FOR OUR STAKEHOLDERS AND **MAKING EVERY MOMENT SPECIAL** THROUGH THE HIGH QUALITY, OWN BRAND FOOD, CLOTHING AND HOME PRODUCTS WE OFFER IN OUR STORES AND ONLINE BOTH IN THE UK AND INTERNATIONALLY.

2015/16 PERFORMANCE

GROUP REVENUE

£10.4bn +0.8%

UNDERLYING PROFIT BEFORE TAX

£684.1m +3.5%

UNDERLYING GROUP EARNINGS PER SHARE

34.8p +5.1%

TOTAL DIVIDEND FOR 2015/16

18.7p +3.9%

PERFORMANCE OVERVIEW

CHAIRMAN'S INTRODUCTION

We are focused on strengthening our position as a modern, profitable business rooted in **fulfilling the needs of our customers.**

ROBERT SWANNELL CHAIRMAN



Steve Rowe succeeded Marc Bolland as Chief Executive at the end of the financial year. The start of Steve's tenure opened a new chapter which will see us continue to accelerate the pace and scale of change across the business.

Steve has a deep understanding of M&S, having worked here for over 25 years. He has a proven track record of delivery, and his insider knowledge coupled with an appetite for transformation makes him uniquely qualified to lead our business forward. With Steve's clear focus on our customer, simplicity and teamwork, our aim is to again become as distinctive in Clothing & Home as we now are in Food.

I would like to thank Marc for leading M&S through a period of necessary modernisation over the past six years. Much essential work has been done during Marc's tenure to build our infrastructure and capabilities. John Dixon, Executive Director of General Merchandise, left the business in July and I would like to thank John for his service over many years. Martha Lane Fox stepped down from the Board in April after nine years and I thank her for her major

contribution. We welcomed Andrew Fisher, Chairman of Shazam, who joined our Board as a non-executive director in December.

Plan A continues to influence every decision that we make and along with our strong values, it guides how we behave. Its focus on our customers and communities will continue under Steve's leadership.

I would like to extend my gratitude to all our employees, they show huge pride in working for this unique business and they are what make M&S genuinely special.

The Board's focus for 2016/17 will be on supporting Steve and his team as they implement their plan to improve our Clothing & Home performance and make us a more profitable and valuable business for our shareholders.

A handwritten signature in black ink that reads "Robert Swannell". The signature is fluid and cursive, with a distinct 'R' at the beginning.

ROBERT SWANNELL CHAIRMAN

- Continued strong growth in Food as we outperformed a competitive market and opened 75 new Simply Food stores which are performing ahead of expectations.
- Clothing & Home gross margin up 245bps; sales performance unsatisfactory but actions underway.
- Continued difficult trading conditions in International, with operating profit down 39.6%.

- Strong financial management leading to free cash flow improvements with £451.7m returned to shareholders.
- A final dividend of 11.9p is proposed, taking the total dividend to 18.7p, up 3.9% on last year. We will also pay a special dividend of 4.6p per share. The payment date for both dividends is provided on page 25.

OUR BUSINESS

CHIEF EXECUTIVE'S STRATEGIC UPDATE



We are at our best when we are completely focused on our customers. My plan is to keep things simple by **putting our customers at the heart of M&S** – every decision starts with them.

STEVE ROWE CHIEF EXECUTIVE

OVERVIEW

I am proud and privileged to be your new Chief Executive. I've worked in every part of M&S, from the shop floor to leading retail and M&S.com, from merchandising to running our Food division and my most recent position as Executive Director of Clothing & Home. I care passionately about the company and its success.

I want M&S to play a leading role in the future of retailing, and I want it to have a clear and sustainable path to growth. Following my appointment, I asked myself and the team a series of exam questions to gain a deeper understanding of why parts of the business have underperformed. Following this, we have set out phase one of our plan to improve our performance: we addressed how we can better understand our customers; we outlined plans to grow Clothing & Home; and we talked about Food growth.

OUR CUSTOMERS

Our customers are now at the heart of everything we do. Our actions are driven by what they tell us, not by what we think is right for them. M&S serves 32.2 million shoppers a year, equivalent to two-thirds of UK adults, but only 30% of our customers currently shop both Clothing and Food. 90% of all shopping trips are single mission. 58% of our customers are female, and around half are over the age of 50. There remain great opportunities for growth. Knowing who our customers are and how they shop is crucial to our future. In the last five years all of our growth has come through increasing frequency. We need to make more of M&S more relevant to our customers more often.

OUR VALUES

we
INSPIRE
our customers

we
INNOVATE
together

CLOTHING & HOME

Our Clothing & Home division has many strengths. But as the clothing market has changed, we have consistently underperformed. Turning around this division is my number one priority. We have already improved availability, sharpened prices and reshaped internal structures. We have also dropped 'General Merchandise' as the catch-all name for our non-Food business – we should be using the same language as our customers use for our business. We have more to do. We will focus on contemporary styling, quality and fit. We will continue to lower prices and reduce promotions and we will improve the experience for our customers with sharper ranges, better availability and investment in store staffing.

FOOD

In Food, we have an engine for sustained, profitable growth. The opportunity remains to grow our Simply Food store network in the UK and internationally. We will continue to innovate, with an emphasis on health, convenience and special occasions and gifting.

COSTS

We will continue to be prudent on costs. In some cases, our processes have become too complicated internally, with too much process duplication and not enough accountability. We continue to review the way we work with a view to simplifying it. Any cost savings will be invested in more store colleagues.

PRIORITIES TO ADDRESS

FOCUS ON PUTTING CUSTOMERS AT THE HEART OF M&S AND DRIVING SALES GROWTH

Implementing actions to recover and grow Clothing & Home:

- Re-establish style authority: focus on product, quality and fit;
- Restore price position: lowering prices and reduced promotional stance;
- Enhanced customer experience: sharper ranges, better availability and investment in store staffing.

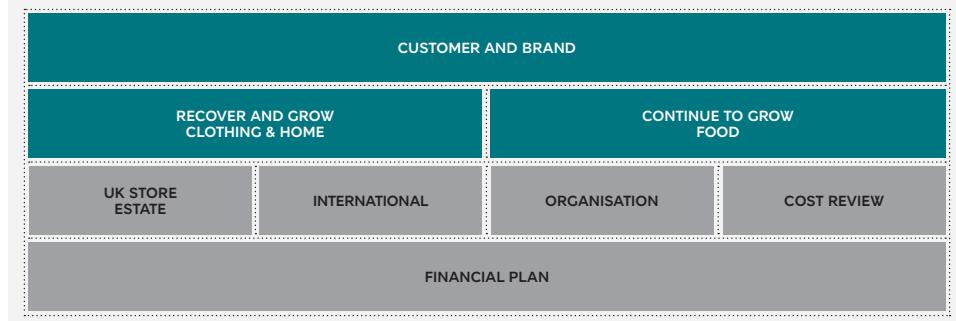
Continuing to grow Food business:

- Build on strengths: focus on quality, innovation and choice;
- Commitment to value credentials: competitive pricing while maintaining margin;
- Improved convenience: extended Simply Food store opening programme.

Driving profitability for shareholders:

- Continued tight control of costs and cash;
- Focus on shareholder returns.

Additional strategic questions, including International, UK store estate and organisation to be answered in the autumn.



OUR PEOPLE

Fairness and consistency are important to me. I believe in rewarding people for success, wherever they work in the company. We have therefore proposed a new approach to pay and pensions. The proposed pay changes would make us one of the best payers in UK retail. The proposed pensions changes would ensure we offer all employees the same Defined Contribution Scheme; a competitive pension scheme that is sustainable going forward.

LOOKING AHEAD

I wrote earlier that I am proud to be your CEO. I'd like to tell you why. Ever since I started working for this great company as a Saturday boy in Croydon, I have

seen how it has improved the quality of people's lives. M&S has also led the way in sustainability. Through Plan A, this will continue. M&S is a special company. I am proud of the role it has played in people's lives. I want to be equally proud of the role it plays in the future.

STEVE ROWE CHIEF EXECUTIVE

we act with
INTEGRITY

we're
IN TOUCH

OUR PERFORMANCE

KEY PERFORMANCE INDICATORS

GROUP FINANCIAL OBJECTIVES

OBJECTIVE

KPI & 2015/16 PERFORMANCE (52 weeks to 26 March 2016)

Grow Group revenue

GROUP REVENUE

£10.4bn +0.8%



GROUP REVENUE £bn

12/13	10.0
13/14	10.3
14/15	10.3
15/16	10.4

Increase earnings and returns

UNDERLYING GROUP PROFIT BEFORE TAX

£684.1m +3.5%



UNDERLYING GROUP PROFIT BEFORE TAX £m

12/13	648.1
13/14	622.9
14/15	661.2
15/16	684.1

RETURN ON CAPITAL EMPLOYED (ROCE)

15.0%



RETURN ON CAPITAL EMPLOYED %

12/13	15.8
13/14	14.8
14/15	14.7
15/16	15.0

UNDERLYING EARNINGS PER SHARE

34.8p +5.1%



UNDERLYING EARNINGS PER SHARE p

12/13	31.9
13/14	32.2
14/15	33.1
15/16	34.8

DIVIDEND PER SHARE

18.7p +0.7p

DIVIDEND PER SHARE p

12/13	17.0
13/14	17.0
14/15	18.0
15/16	18.7

Strong cash generation

FREE CASH FLOW (PRE SHAREHOLDER RETURNS)

£539.3m +2.9%



FREE CASH FLOW (PRE SHAREHOLDER RETURNS)

12/13	204.1
13/14	427.9
14/15	524.2
15/16	539.3

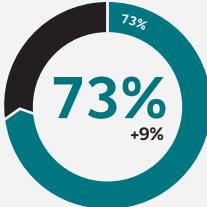
FIND OUT MORE

Read about our KPIs in our online Annual Report



Linked to remuneration

NON-FINANCIAL OBJECTIVES

OBJECTIVE	KPI & 2015/16 PERFORMANCE	
Engage, serve and retain our customers	FOOD TOTAL CUSTOMERS 20.1m ^{+0.1m}	AVERAGE NUMBER OF SHOPS PER YEAR 22.5 ^{+1.9%}
	CLOTHING & HOME TOTAL CUSTOMERS 24.7m ^{-0.7m}	AVERAGE NUMBER OF SHOPS PER YEAR 7.6 ^{+0.8%}
Foster a skilled, motivated and engaged team	EMPLOYEE ENGAGEMENT 78% ^{+1%}	
Source products with integrity	PRODUCTS WITH A PLAN A QUALITY  M&S products 2014/15 64% 2020 target 100%	
Efficient and responsible operations	GROSS GREENHOUSE GAS EMISSIONS 566,000 co₂e ^{-4%}	
	GROSS GREENHOUSE GAS EMISSIONS PER 1,000 SQ FT 29 tco₂e/1,000sq ft ^{-3%}	

KEY PERFORMANCE INDICATORS
CONTINUED

STRATEGIC OBJECTIVES

OBJECTIVE	KPI	FOOD UK REVENUE	M&S.COM TOTAL ONLINE SALES ¹
Driving growth	SALES REVENUE	£5.4bn <small>+3.6%</small>	£791.5m <small>+23.4%</small>
Reaching customers	SALES GROWTH/ SPACE GROWTH/ ONLINE VISITS	+0.2%	7.8m <small>+28.5%</small>
Improving profitability	GROSS MARGIN/ OPERATING PROFIT	32.8% <small>0bps</small>	£55.8m <small>-39.6%</small>
<p><small>1. M&S.com sales for the year ended 2014/15 have been restated to incorporate statutory adjustments and change in allocation of furniture between channels. M&S.com sales for 2015/16 have been prepared on a consistent basis.</small></p>			

LOOKING AHEAD

FOOD

- We believe that our core strategy on Food is clear and that our focus on quality, innovation and choice is right and will continue to deliver sustainable, profitable growth.
- We expect the roll out of our standalone Food stores to continue to drive sales growth, with space forecast to grow by c.5% in the year ahead.
- Given ongoing competitive pressure, we expect gross margin to remain level, as we continue to re-invest operational efficiencies into price, quality and innovation.

CLOTHING & HOME

- We are confident the actions we're taking to address sales performance will deliver results, however it will take time for our customers to notice the improvements and change their shopping behaviour.
- Given current market conditions, and our decision to invest in price and reduce promotional activity, we expect to see the same sales trend as last year.
- We will continue to realise margin gains from ongoing sourcing initiatives. However, currency remains a headwind and we expect this, combined with our decision to invest in price, to deliver an increase of c.50-100bps.

INTERNATIONAL

- We expect the factors which impacted profits this year to persist through 2016/17. We see further pressure from the Euro exchange rate, as well as weak trading conditions in Western Europe.
- The macro-economic backdrop in most of our franchise markets is not improving, and we will continue to work with our franchise partners to support them through these challenging times.
- We are still reviewing the shape of our International business and will report back in the autumn.

FINANCIAL MANAGEMENT

- Tight control of costs remains a priority and we will continue to focus on driving efficiencies. Operating costs are expected to increase by c.3.5%.
- We will invest in store staffing to give our customers great service. In addition, we are facing higher costs as a result of new space and increased depreciation as well as volume growth and inflation.
- We are continuing with our focus on cash generation. Capital expenditure is expected to be lower at c.£450m.

PLAN A

2016 HIGHLIGHTS

Together with our partners, employees, customers and suppliers we've achieved a lot to be proud of this year – including our work to build Plan A into all M&S products and engage more of our customers, Spark Something Good, and programmes that support thousands of people working in our supply chains.

PLAN A

ECONOMIC

BUILDING PLAN A INTO M&S PRODUCTS AND HOW WE SELL THEM.

73%

OF M&S PRODUCTS HAVE AT LEAST ONE PLAN A QUALITY

As of April 2016, based on the volume of items sold worldwide, 73% of M&S products have at least one special Plan A environmental or social quality (last year 64%).



90%

OF SPARKS CARD HOLDERS HAVE NOMINATED A BENEFITTING CHARITY

In October 2015, we launched our Sparks customer reward card. In addition to discounts and other benefits, card holders can nominate a charity to receive 1p from every transaction they make with M&S. Sparks points are awarded for shwopping clothes. 90% of customers have nominated a charity to benefit from their M&S purchases.

PLAN A

ENVIRONMENTAL

REDUCING THE IMPACT OF M&S OPERATIONS ON THE ENVIRONMENT.

£400,000

M&S ENERGY COMMUNITY ENERGY FUND TO SUPPORT PROJECTS ACROSS GREAT BRITAIN

In July 2015, we launched the M&S Energy Community Energy Fund. We received 246 applications from which we shortlisted 132 projects to compete for the public vote, attracting 51,000 votes. Between them, the 21 winners received two national prizes of £40,000 and £20,000 and funding for 19 regional projects of £12,500.

2.7 million

USED GARMENTS DONATED BY M&S CUSTOMERS TO OUR CLOTHES RE-USE AND RECYCLING SCHEMES

In addition to our well-established Shwopping programme with Oxfam in the UK, we've now launched similar clothes recycling and re-use schemes with I:CO at our stores in the Czech Republic and Hong Kong. In total, we collected 2.7 million garments last year.



Zero

NET CARBON EMISSIONS
FROM M&S OPERATIONS
FOR FOUR CONSECUTIVE
YEARS

39%

IMPROVEMENT IN UK AND
ROI ENERGY EFFICIENCY
PER SQ FT SINCE 2006/07
(AFTER WEATHER
ADJUSTMENT)

9%

REDUCTION IN UK RETAIL
FOOD WASTE PER SQ FT
SINCE 2013/14

PLAN A SOCIAL

IMPROVING PERFORMANCE ACROSS A WIDE RANGE
OF SOCIAL ISSUES IN M&S OPERATIONS.

5,800

WORK PLACEMENTS FOR YOUNG
UNEMPLOYED PEOPLE

Over two years we've offered support to more than 5,800 young unemployed people, with 60% of those who completed their placement finding employment. This programme is continuing in 2016/17. In addition, 106 M&S suppliers have worked with us to provide an additional 1,393 work placements.

Over 24 months 24 towns and cities

Will benefit from Spark Something Good Community Projects that each aim to support 24 charities with the help of M&S employees and customers. So far, over 1,700 employees and customers have taken part at events in London, Manchester, Dublin, Swansea and Edinburgh.



PLAN A SUPPLY CHAIN

IMPROVING ENVIRONMENTAL AND
SOCIAL PERFORMANCE IN SUPPLY CHAINS.

48%

OF M&S FOOD COMES FROM SUPPLIERS THAT MEET
THE M&S SILVER SUSTAINABLE FACTORY STANDARD

48% of all M&S food products are now provided by Silver level suppliers (last year: 32%). To achieve this standard, a site must be at the Silver level or above across all three areas of human resources, environmental performance and resource efficiency.



Supply chain transparency

We've published an interactive map online, showing nearly 700 suppliers worldwide that make M&S clothing, accessories and footwear.

⊕ See: interactivemap.marksandspencer.com

GOVERNANCE

REMUNERATION SUMMARY



We are committed to **fair and motivating remuneration**; and to creating value for our shareholders.

VINDI BANGA CHAIRMAN OF THE REMUNERATION COMMITTEE

The Remuneration Committee recommends the senior remuneration strategy and framework to the Board with the aim of ensuring that our senior leaders are fairly rewarded for their contribution to M&S's success. The Committee takes into account a number of factors when considering directors' pay, including pay arrangements for the rest of the organisation.

Next year we will be seeking your support and approval for a new Remuneration Policy at the 2017 AGM.

We set out here summary details of the directors' pay arrangements for 2015/16. Further details are shown in our Annual Report which can be found here: marksandspencer.com/annualreport2016

Payments made during the year were as shown in the graph below.

Marc Bolland, CEO, retired from the Board on 2 April 2016. For John Dixon, Andrew Fisher and Richard Solomons, the figures below show all payments made to them for their respective period on the Board.

EXECUTIVE DIRECTORS' SINGLE FIGURE REMUNERATION 2015/16

				Total £000
Marc Bolland	£1,289	£622	£128	£2,039
Patrick Bousquet-Chavanne	£714	£366	£50	£1,130
Steve Rowe	£720	£230	£69	£1,019
Laura Wade-Cery	£542	£207	£72	£821
Helen Weir	£946	£620		£1,566

NON-EXECUTIVE DIRECTORS' SINGLE FIGURE REMUNERATION 2015/16

			Total £000
Robert Swannell	£470		£470
Vindi Banga	£100		£100
Alison Brittain	£70		£70
Miranda Curtis	£70		£70
Andrew Fisher	£23		£23
Martha Lane Fox	£70		£70
Andy Halford	£85		£85
Richard Solomons	£68		£68

ANNUAL BONUS SCHEME 2015/16

	Corporate element (max 60%)	Individual element (max 40%)
Marc Bolland	15.9%	16.0%
Patrick Bousquet-Chavanne	5.9%	27.6%
Steve Rowe	10.7%	10.0%
Laura Wade-Gery	5.9%	33.6%
Helen Weir	24.1%	28.4%

● Maximum bonus possible

● Actual bonus earned

As reported last year, salary increases, where awarded, were between 2% and 6% in recognition of the change in pay review date, and the individual performance of each executive director.

2015/16 annual bonus – taking into account achievement against financial and strategic objectives, success towards Plan A targets and leadership in embedding M&S's cultural values, the Committee approved bonus payments of between 21% and 53% of maximum to the executive team. Taking into account overall Company performance and balance of the team, the Committee determined that bonus for the CEO be subject to a discretionary downward adjustment. The chart above illustrates the proportion of payment under the corporate and individual performance targets.

PSP vested – the awards granted in 2013 were measured for the three-year period to 2 April 2016 against challenging EPS, ROCE and revenue targets. As a result of this performance, directors will receive only 4.8% of the original award when it vests in June 2016.

PAY FOR 2016/17

Salary review – In recognition of new pay arrangements proposed across the rest of the UK business, the executive directors have declined the 2% salary increase for June 2016 which was approved by the Committee. In addition, the directors have also stated that should the Committee offer an increase in June 2017, this would also be declined.

Incentive arrangements for 2016/17 will be broadly in line with 2015/16 and will be aligned with the new chapter being developed for M&S, supporting Steve Rowe's strategic direction for the business. Directors will be able to participate in the Annual Bonus Scheme and Performance Share Plan. Bonus targets will be focussed on building solid foundations of profit growth (70% of awards) and against the relevant financial, customer-focussed and business change areas for each individual's key areas of responsibility. In light of the work which is currently being undertaken to review and redefine our long-term goals, the Committee has decided to grant awards under the Performance Share Plan in November 2016, shortly after the announcement of the Interim results. This will ensure that the performance targets are not only aligned to this strategic review but are also motivational for participants. Any targets will be set within the approved Policy and will be designed to deliver increased shareholder value.

Steve Rowe was appointed as CEO with effect from 2 April 2016. From this date, Steve's salary increased to £810,000 with all other terms of his existing service agreement remaining unchanged. In line with the provisions in the Policy, the Committee intends that Steve's salary will be reviewed annually reflecting performance and operational delivery.

GOVERNANCE

OUR BOARD

CHAIRMAN

Robert Swannell
Chairman



Appointed: Chairman January 2011, Non-Executive Director October 2010

Chartered Accountant and Barrister with extensive government and regulatory experience and a wealth of knowledge of many different business areas, banking and the City, acquired over a 33-year career in investment banking.

Significant experience as a director and chairman across various sectors.

Leadership in governance promotes robust debate and drives a culture of openness in the boardroom.

Chairman of UK Government Investments, director of the Investor Forum, Trustee of Kew Foundation and Teach First, advisory board member of Sutton Trust and Spencer Stuart.

EXECUTIVE DIRECTORS

Steve Rowe
Chief Executive



Appointed: 2 April 2016 (Executive Director, Food July 2012, Executive Director, GM in July 2015)

Joined M&S over 25 years ago and progressed through roles in store management before moving to Head Office in 1993.

Worked in senior roles across the business, including Director of Home, Director of Retail, and Director of Retail and E-commerce.

Led Food as it continued its record of strong growth. As Executive Director, GM, mandated to improve overall performance and build M&S's design and sourcing capabilities.

Helen Weir
Chief Finance Officer



Appointed: April 2015

Qualified accountant, with over 25 years of experience in the finance and retail sectors.

Substantial strategic financial, retail and consumer experience.

Strong listed company experience as Group Finance Director, Executive Director, and Non-Executive Director on the Boards of a number of major companies.

Fellow of the Chartered Institute of Management Accountants and awarded a CBE for services to Finance in 2008.

Non-Executive Director of SAB Miller, Trustee of Marie Curie, Non-Executive Director of the Rugby Football Union.

GROUP SECRETARY

Amanda Mellor
Group Secretary
and Head of
Corporate Governance



Appointed: July 2009

Non-Executive Director of Kier Group plc

Patrick Bousquet-Chavanne
Executive Director,
Customer, Marketing
& M&S.com



Appointed: July 2013

Over 25 years of extensive experience in the consumer goods industry.

Experienced in developing and marketing brands globally and possesses broad knowledge of enhancing business performance and customer experience in a multi-channel environment.

Leading the transformation of M&S's in-store environment and the publishing strategy for M&S.com.

Non-Executive Director of Brown-Forman Inc, Non-Executive Director of Collectively.org.

Laura Wade-Gery
Executive Director,
Multi-channel



Appointed: July 2011

Considerable retail, e-commerce and customer experience, gained from over 15 years in senior roles in the retail sector.

Instrumental in the modernisation of our e-commerce and multichannel capabilities.

Currently on maternity leave and due to return in September 2016.

Non-Executive Director of British Land, Trustee of Royal Opera House Covent Garden Limited, Trustee of Aldeburgh Music.

KEY TO COMMITTEES

N Nomination

R Remuneration

A Audit

cc Committee Chair

NON-EXECUTIVE DIRECTORS

Vindi Banga

Senior Independent
Director



Appointed: Senior Independent Director March 2015, Non-Executive Director September 2011

Extensive consumer brand knowledge and global business experience, acquired over 33 years in the consumer goods industry.

In-depth knowledge of UK and International trade and industry provides valuable insight into global business and enterprise.

Strong experience as a board member of other listed companies and is the recipient of the Padma Bhushan, one of India's highest civilian honours.

Partner at Clayton Dubilier & Rice, Director of Kedaara Capital Investment Managers Ltd, Kedaara Capital Ltd and Kedaara Holdings Ltd, Non-Executive Director of Thomson Reuters and GSK, Chairman of the Mauser Group and the CBI's Economic Growth Board, member of the Governing Board of the Indian School of Business.

Miranda Curtis

Non-Executive
Director



Appointed: February 2012

Substantial experience of the international consumer and technology sectors, and extensive knowledge of global industry

During her 20-year career with Liberty, Miranda led the company's investments in digital distribution and content operations across Continental Europe and Asia-Pacific, most notably in Japan.

Chairman of Waterstones, Non-Executive Director of Liberty Global plc, board member of both the Institute for Government and the Royal Shakespeare Company, Vice-Chairman of Garsington Opera and chairs African girls' education charity, Camfed.

Andrew Fisher

Non-Executive
Director



Appointed: December 2015

Substantial experience of the international consumer and technology sectors

Led the successful growth of a number of technology-focused enterprises over the past 18 years.

Previously European Managing Director of Infospace Inc and founder and Managing Director of TDL.com.

Member of the Advisory Board to the Secretary of State for the Review of the BBC Charter.

Executive Chairman of Shazam Entertainment Limited, Non-Executive Director of MoneySupermarket.com Group plc.

Andy Halford

Non-Executive
Director



Appointed: January 2013

Chartered accountant with a strong finance background and significant recent and relevant financial experience gained from CFO positions in global listed companies.

Extensive knowledge of the UK and international consumer market provides the Board with valuable strategic insight.

Member of the Business Forum on Tax and Competitiveness and a Fellow of the Institute of Chartered Accountants in England and Wales.

Chief Financial Officer of Standard Chartered plc.

Alison Brittain

Non-Executive
Director



Appointed: January 2014

Extensive financial and commercial experience, combined with considerable knowledge of running large scale consumer businesses.

Held a number of senior positions in the financial sector, including Group Director of Lloyds Banking Group's Retail Division, particularly in retail, and has valuable regulatory insight.

MBA from Cambridge University's Judge Institute.

Chief Executive of Whitbread plc and member of the Prime Minister's Business Advisory Group.

Richard Solomons

Non-Executive
Director



Appointed: April 2015

Strong commercial, financial, consumer, branding and global experience.

Extensive international retail, and global consumer experience provides valuable insight.

Integral in shaping and implementing IHC's asset-light strategy, helping the business grow significantly since it was formed in 2003, as well as supporting the return of \$10.4bn to shareholders.

Chief Executive of IHC, Governor of the Aviation Travel Industry Group of the World Economic Forum, Member of the Industry Real Estate Financing Advisory Council.

GOVERNANCE

BOARD EVALUATION

BOARD EFFECTIVENESS REVIEW

Given the change in leadership the Board was keen for its evaluation to highlight learnings from the past and build on these for the future. The evaluation was internally facilitated by the Group Secretary and undertaken from February to April 2016.

The evaluation was based around a number of key areas including Board composition, leadership and culture, strategic and risk debate, governance and committee performance.



BOARD REVIEW INSIGHTS 2015/16

- Overall the Board is considered strong, bringing a good balance and mix of expertise and experience and offering real diversity of view and perspective.
- Progress was felt to have been made against the 2015/16 Action Plan, particularly in relation to the quality of management information.
- The subsequent discussions on the risk process and risk appetite post investment reviews and action follow up were positively highlighted.
- However, despite the progress on last year's evaluation, views on Board effectiveness continue to be tempered by the overall business performance.
- As a result, items from last year's Action Plan will continue to form the base for the 2016/17 Plan and will include oversight of business change and performance, KPIs and link to strategic context, key risks and greater knowledge of and interaction with senior management and wider employee community.
- Board Committees were all considered to work well and were noted for their level of debate, grasp of key issues and overall subject and regulatory knowledge.

NOTICE OF ANNUAL GENERAL MEETING 2016

WEMBLEY STADIUM, WEMBLEY
LONDON HA9 0WS
TUESDAY 12 JULY 2016 AT 11AM

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial adviser.



NOTICE OF MEETING 2016

DEAR SHAREHOLDER

I am pleased to invite shareholders
to the 14th Annual General Meeting of
Marks and Spencer Group plc.

AMANDA MELLOR GROUP SECRETARY



INTRODUCTION

ANNUAL GENERAL MEETING ('AGM')

The AGM is an important day in our calendar and is the Board's opportunity to present the Company's performance and strategy to shareholders and to listen and respond to your questions.

This year the AGM will be held at Wembley Stadium, Wembley, London HA9 0WS. This venue offers superb facilities and is accessible by Bus, Rail and Tube.

More details about the day, how to get there, including a map, can be found from page 24 of this Notice.

The formal Notice of Meeting is attached to this letter. The meeting will start at 11am, with light refreshments available before the meeting and following its conclusion. After the meeting, a lunch bag will be provided for you to enjoy either at the venue or during your onward journey.

If you cannot attend the meeting, we would still like to understand the themes and issues of concern to you, as shareholders. You may send your comments by e-mail to chairman@marks-and-spencer.com, with the heading AGM 2016 or, if you prefer, on the Shareholder Topics card enclosed with this booklet.

YOUR VOTE COUNTS

Your vote is important to us – you can:

- Register your proxy vote electronically by logging on to our Registrars' website, sharevote.co.uk, or by using the service offered by Euroclear UK & Ireland Limited for members of CREST.
- Complete and return the enclosed proxy form.
- Attend and vote at the AGM.

VOTING

The accompanying proxy form invites you to vote in one of three ways for each of the resolutions: 'for', 'against' or 'vote withheld'.

At the meeting itself, the votes will be taken by poll rather than on a show of hands. The final result is more democratic as the proxy results are added to the votes of shareholders present, who vote all their shares (rather than one vote per person) using the 'Votenow' system. The results will be published on our website, marksandspencer.com/thecompany, together with a résumé of the meeting, and will be released to the London Stock Exchange.

In 2015, all resolutions were passed at the meeting with votes ranging from 89.00% to 99.99% in favour.

WEBSITE

Our corporate website, marksandspencer.com/thecompany, is the principal means we use to communicate with our shareholders. There is a wealth of information online including:

- A copy of our full Annual Report, which includes our Strategic Report.
- All the latest M&S news, press releases and investor presentations.
- A detailed account of our approach to corporate governance at M&S.

EXPLANATORY NOTES

An explanation of each of the resolutions is set out on the following pages.

RESOLUTIONS

TO RECEIVE THE REPORTS AND ACCOUNTS

The Board asks that shareholders receive the reports of the directors and the financial statements for the 53 weeks ended 2 April 2016, together with the report of the auditors.

RESOLUTION

1

APPROVAL OF THE DIRECTORS' REMUNERATION REPORT

The Directors' Remuneration Report (the 'Remuneration Report') is provided on pages 50 to 71 of the Annual Report. It sets out the pay and benefits received by each of the directors for the year ended 2 April 2016. In line with legislation this vote will be advisory and in respect of the overall remuneration package.

RESOLUTION

2

FINAL DIVIDEND

The Board proposes a final dividend of 11.9p per share for the year ended 2 April 2016. If approved, the recommended final dividend will be paid on 15 July 2016 to all shareholders who are on the register of members on 3 June 2016.

RESOLUTION

3

ELECTION OF DIRECTORS

The directors believe that the Board continues to maintain an appropriate balance of knowledge and skills and that all the non-executive directors are independent in character and judgement. This follows a process of formal evaluation which confirms that each director makes an effective and valuable contribution to the Board and demonstrates commitment to the role (including making sufficient time available for Board and committee meetings and other duties as required).

RESOLUTIONS

4-14

In accordance with the UK Corporate Governance Code (the 'Code') and in line with previous years, all directors will again stand for election or re-election, as relevant, at the AGM this year. Summary biographical details of our directors can be found on pages 12 and 13 of the Performance Overview portion of this document. Full biographies are available on pages 32 and 33 of the Annual Report and also on our website, marksandspencer.com/thecompany.

RESOLUTIONS

15-16

APPOINTMENT AND REMUNERATION OF AUDITORS

On the recommendation of the Audit Committee, the Board proposes that Deloitte LLP be re-appointed as auditors of the Company. Resolution 16 proposes that the Audit Committee be authorised to determine the level of the auditors' remuneration.

RESOLUTION

17

RENEWAL OF THE POWERS OF THE BOARD TO ALLOT SHARES

Paragraph (A) of this resolution would give the directors the authority to allot ordinary shares of the Company up to an aggregate nominal amount equal to £135,313,863 (representing 541,255,452 ordinary shares of 25p each). This amount represents approximately one-third of the Company's issued share capital as at 24 May 2016, the latest practicable date before the publication of this Notice.

In line with guidance issued by the Investment Association ('IA'), paragraph (B) of resolution 17 would give the directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £270,627,726 (representing 1,082,510,904 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 24 May 2016, the latest practicable date before the publication of this Notice.

RESOLUTIONS CONTINUED

The authorities sought under paragraphs (A) and (B) of this resolution will expire on the date of the AGM in 2017 or on 1 October 2017, whichever is sooner. The directors have no present intention to exercise either of the authorities sought under this resolution, except, under paragraph (A), to satisfy options under the Company's share option schemes, but the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources. Where the Board does use the additional authority described in (B), the directors intend to follow IA recommendations that all of the directors will stand for re-election at the next AGM. As at the date of this Notice, no shares are held by the Company in treasury.

**DISAPPLICTION OF PRE-EMPTION
RIGHTS IN CERTAIN CIRCUMSTANCES**

The directors are also seeking authority to allot ordinary shares for cash without first offering them to existing shareholders in proportion to their existing holdings. This authority would be limited to allotments in connection with pre-emptive offers, up to an aggregate nominal amount of £20,297,079 (representing 81,188,318 ordinary shares). This aggregate nominal amount represents approximately 5% of the Company's issued ordinary share capital as at 24 May 2016, being the latest practicable date before the publication of this Notice.

The directors have no current intention to allot shares except in connection with employee share schemes. The Company has issued 40,723,763 ordinary shares representing 2.51% of issued share capital over the past three years, on a non pre-emptive basis, which is in line with the provisions of the Pre-Emption Group's Statement of Principles.

If approved, the authority sought under this resolution will expire on the date of the AGM in 2017 or on 1 October 2017, whichever is sooner.

**AUTHORISATION FOR THE COMPANY
TO PURCHASE ITS OWN SHARES**

Authority is sought for the Company to purchase up to 10% of its issued ordinary shares, renewing the authority granted by the shareholders at previous AGMs.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. It remains the Company's intention to cancel any shares it buys back rather than hold them in treasury. The Company currently has no ordinary

RESOLUTION

18

shares in treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share is 25p. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to 105% of the average market value for an ordinary share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

On 20 May 2015 the Company announced that it would utilise the authority granted by shareholders at the 2015 AGM to return £150m to shareholders through a share buyback programme. The buyback commenced on 8 July 2015 and was completed on 24 February 2016. In total, 31,647,148 ordinary shares were bought back for a total aggregate consideration of £149.9 million. All shares purchased through this programme were subsequently cancelled by the Company.

The Company has options outstanding over 29.1 million ordinary shares, representing 1.80% of the Company's issued ordinary share capital as at 24 May 2016, the latest practicable date before the publication of this Notice. If the existing authority given at the 2015 AGM and the authority now being sought by Resolution 19 were to be fully used, these options would represent 1.99% of the Company's ordinary share capital in issue at that date.

RESOLUTION

20

NOTICE OF GENERAL MEETINGS

In terms of the Companies Act 2006 (the '2006 Act'), the notice period for general meetings (other than an AGM) is 21 clear days' notice unless the Company:

- Has gained shareholder approval for the holding of general meetings on 14 clear days' notice by passing a special resolution at the most recent AGM.
- Offers the facility for all shareholders to vote by electronic means.

The Company would like to preserve its ability to call general meetings (other than an AGM) on less than 21 clear days' notice. The shorter notice period would not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. Resolution 20 seeks such approval. Should this resolution be approved it will be valid until the end of the next AGM. This is the same authority that was sought and granted at last year's AGM.

RESOLUTION

19

RESOLUTIONS CONTINUED

**AUTHORITY TO MAKE
POLITICAL DONATIONS**

The 2006 Act prohibits companies from making any political donations to EU political organisations, independent candidates or incurring EU political expenditure unless authorised by shareholders in advance.

The Company does not make and does not intend to make donations to EU political organisations or independent election candidates, nor does it incur any EU political expenditure.

However, the definitions of political donations, political organisations and political expenditure used in the 2006 Act are very wide. As a result this can cover activities such as sponsorship, subscriptions, payment of expenses, paid leave for employees fulfilling certain public duties, and support for bodies representing the business community in policy review or reform. Shareholder approval is being sought on a precautionary basis only, to allow the Company and any company, which at any time during the period for which this resolution has effect, is a subsidiary of the Company, to continue to support the community and put forward its views to wider business and government interests, without running the risk of inadvertently breaching the legislation.

The Board is therefore seeking authority to make political donations to EU political organisations and independent election candidates not exceeding £50,000 in total and to incur EU political expenditure not exceeding £50,000 in total. In line with best practice guidelines published by the IA, this resolution is put to shareholders annually rather than every four years as required by the 2006 Act. For the purposes of this resolution, the terms 'political donations', 'political organisations', 'independent election candidate' and 'political expenditure' shall have the meanings given to them in sections 363 to 365 of the 2006 Act.

RESOLUTION

21

RECOMMENDATION

Your directors believe that the proposals described in this booklet are in the best interests of the Company and its shareholders as a whole and recommend you to give them your support by voting in favour of all the resolutions, as they intend to in respect of their own beneficial shareholdings.

Yours faithfully



Amanda Mellor
Group Secretary
9 June 2016

MARKS AND SPENCER GROUP PLC

NOTICE OF MEETING

12 JULY 2016

Notice is hereby given that the Annual General Meeting of Marks and Spencer Group plc will be held at Wembley Stadium, Wembley, London, HA9 0WS on Tuesday 12 July 2016 at 11am (the 'AGM') for the purposes set out below:

Resolutions 1 to 17 and 21 will be proposed as ordinary resolutions and resolutions 18 to 20 will be proposed as special resolutions.

1. To receive the reports of the directors and the financial statements for the 53 weeks ended 2 April 2016, together with the report of the auditors.

2. To approve the Directors' Remuneration Report.

3. To declare a final dividend of 11.9p per ordinary share.

To elect the following director appointed by the Board since the last Annual General Meeting:

4. Andrew Fisher

To elect the following directors who are seeking annual re-election in accordance with the UK Corporate Governance Code:

5. Vindi Banga

6. Alison Brittain

7. Patrick Bousquet-Chavanne

8. Miranda Curtis

9. Andy Halford

10. Steve Rowe

11. Richard Solomons

12. Robert Swannell

13. Laura Wade-Gery

14. Helen Weir

15. To resolve that Deloitte LLP be, and are hereby, re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

16. To resolve that the Audit Committee determine the remuneration of the auditors on behalf of the Board.

DIRECTORS' AUTHORITY TO ALLOT SHARES

17. To resolve that the directors be and are hereby authorised generally and unconditionally to exercise all the powers of the Company to allot relevant securities (as defined in section 551 of the Companies Act 2006):

(A) Up to a nominal amount of £135,313,863;

(B) Comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £270,627,726 (such amount to be reduced by any allotments made under paragraph (A) above) in connection with an offer by way of a rights issue:

(i) To ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) To holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or any matter.

The authorities conferred on the directors to allot securities under paragraphs (A) and (B) will expire on the date of the AGM of the Company to be held in 2017 or on 1 October 2017 whichever is sooner, unless previously revoked or varied by the Company, and such authority shall extend to the making before such expiry of an offer or an agreement that would or might require relevant securities to be allotted after such expiry, and the directors may allot relevant securities in pursuance of that offer or agreement as if the authority conferred hereby had not expired.

DISAPPLICATION OF PRE-EMPTION RIGHTS

18. To resolve as a special resolution that, subject to the passing of resolution 17, the directors be empowered to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution (set out in this Notice of Meeting) and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, provided that such authority be limited:

NOTICE OF MEETING CONTINUED

(A) To the allotment of equity securities for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 17, by way of a rights issue only):

(i) To ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) To holders of other equity securities as required by the rights of those securities or, as the directors otherwise consider necessary, and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with any treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or laws of, any territory or any matter.

(B) In the case of the authority granted under paragraph (A) of resolution 17 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) above) of equity securities up to a nominal amount of £20,297,079, and shall expire at the conclusion of the AGM to be held in 2017 or on 1 October 2017, whichever is sooner (unless previously revoked or varied by the Company in general meeting), provided that the Company may before that date make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority ends and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not ended.

COMPANY'S AUTHORITY TO PURCHASE ITS OWN SHARES

19. To resolve as a special resolution that the Company is authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 25p each ('Ordinary Shares'), such power to be limited:

(A) To a maximum number of 164m Ordinary Shares.

(B) By the condition that the minimum price which may be paid for an Ordinary Share is 25p and the maximum price which may be paid for an Ordinary Share is the highest of:

(i) An amount equal to 5% above the average market value of an Ordinary Share for the five business days immediately preceding the day on which that Ordinary Share is contracted to be purchased; and

(ii) The higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out, in each case, exclusive of expenses, such power to apply until the end of the AGM to be held in 2017 or until 1 October 2017, whichever is sooner, but in each case so that the Company may enter into a contract to purchase Ordinary Shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase Ordinary Shares pursuant to any such contract as if the power had not ended.

CALLING OF GENERAL MEETINGS ON 14 DAYS' NOTICE

20. To resolve as a special resolution that a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

POLITICAL DONATIONS

21. To resolve that in accordance with section 366 of the Companies Act 2006 the Company and any company which, at any time during the period for which this resolution has effect, is a subsidiary of the Company, be and are hereby authorised (i) to make political donations to EU political organisations or independent election candidates not exceeding £50,000 in total; and (ii) incur EU political expenditure not exceeding £50,000 in total, in each case during the period commencing on the date of this resolution and ending on the date of the AGM of the Company to be held in 2017 or on 1 October 2017, whichever is sooner.

By order of the Board

Amanda Mellor, Group Secretary
9 June 2016, London

Registered office Waterside House, 35 North Wharf Road, London W2 1NW.

Registered in England and Wales No. 4256886.

NOTES

- 1.** Biographies of the directors seeking election are given in the Annual Report, including membership of the Principal Committees. The terms of their service contracts are such that all executive director appointments may be terminated by the Company giving 12 months' notice and by the individual giving six months' notice; non-executive directors have agreements for service which can be terminated on three months' notice by either party; Robert Swannell has an agreement for service which requires six months' notice by either party.
- 2.** Registered Shareholders: Members are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the AGM. Members may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional proxy forms (to appoint more than one proxy), please contact our shareholder helpline on 0345 609 0810 or, alternatively, you may photocopy the enclosed proxy form. Please indicate the number of shares in relation to which they are authorised to act as your proxy in the box below the proxy holder's name. Please also indicate if the instruction is one of multiple instructions being given. If a proxy is being appointed for less than your full entitlement, please enter the number of shares in relation to which said proxy is entitled to act in the box below the proxy holder's name. The proxy form accompanying this Notice assumes you wish to vote on all of your shares in the same way. To vote only part of your holding or to vote some shares one way and some another, please contact the shareholder helpline. All proxy forms must be signed and should be returned together.
- 3.** If you would like to submit your vote electronically, please visit sharevote.co.uk, where there are full instructions. You are advised to read the terms and conditions of use. If you return paper and electronic instructions, those received last by the registrar before 11am on Friday 8 July 2016 will take precedence. Electronic communication facilities are available to all shareholders and those that use them will not be disadvantaged.
- 4.** In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 5.** To be valid, any proxy form or other instrument appointing a proxy must be received by post (during normal business hours only) or by hand at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA no later than 11am on Friday 8 July 2016.
- 6.** The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in paragraph 13 below) will not prevent a shareholder attending the AGM and voting in person if he/she/they wishes to do so.
- 7.** Indirect Shareholders: Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 8.** The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 2 to 5 does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
- 9.** To be entitled to attend, speak, and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be entered on the Register of Members of the Company by 6.30pm on Friday 8 July 2016 (or, in the event of any adjournment, 6.30pm on the date which is two working days prior to the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.
- 10.** The following documents are available for inspection at an agreed time (please ring +44 (0) 20 8718 9888) during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded), at the Company's registered office, Waterside House, 35 North Wharf Road, London W2 1NW. They will also be available for inspection at Wembley Stadium, Wembley, London HA9 0WS from 10am on 12 July 2016 until the conclusion of the AGM:

 - (i)** Copies of the Executive Directors' service contracts.
 - (ii)** Copies of the Non-Executive Directors' letters of appointment.
 - (iii)** Copies of the directors' Deeds of Indemnity.
 - (iv)** A copy of the current Memorandum and Articles of Association of the Company.

NOTES CONTINUED

11. Shareholders are advised that unless otherwise specified, the telephone numbers, website and email addresses set out in this Notice or proxy forms are not to be used for the purpose of serving information or documents on the Company, including the service of documents or information relating to proceedings at the Company's AGM.

12. As at 24 May 2016 (the latest practicable date before the publication of this Notice) the Company's issued share capital consists of 1,623,766,356 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 24 May 2016 are 1,623,766,356.

13. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

14. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST proxy instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST manual (available via euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by 11am on Friday 8 July 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

15. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/her/their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

16. The Company may treat as invalid a CREST proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

17. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares.

18. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

19. Any member attending the meeting has a right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

20. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at marksandspencer.com/thecompany.

21. Please see the letter dated 9 June 2016 from the Group Secretary, on pages 16 to 19, for further explanatory notes.

AGM SCHEDULE

WEMBLEY STADIUM, WEMBLEY, LONDON HA9 0WS

TIMINGS

Date: **Tuesday 12 July 2016**

9.30am Doors open, registration begins. Question Desk opens in the Bobby Moore Room on level 1. Tea and coffee available.

10.15am Doors to the Great Hall open. Please make your way to the Great Hall on level 3 where hosts will direct you to your seats.

11.00am AGM begins.

1.00pm (approximately) AGM closes – the results of the poll will be released to the London Stock Exchange once collated.

ADMISSION

Admission will be through the Club Wembley Main Entrance on Level B2 (see map opposite). Please plan to arrive before 10.30am to allow enough time for registration and security clearance, bringing your attendance card with you. This is either attached to your proxy form or, for those registered for electronic communications, is attached to the email you will have received. This will help us to register you more swiftly.

Shareholders with special needs Wembley Stadium is easily accessible by wheelchair users and has lift access inside. The Great Hall is also covered with an assisted hearing system and handsets will be available from the Customer Services Desk in the Bobby Moore Room on level 1.

For further information on the special needs facilities at the venue, please call Wembley Stadium direct on: 020 8795 9748 or 020 8795 9660.

Security Security measures will be in place to ensure your safety. Please note that bag searches will be in operation and any items deemed inappropriate will be removed and stored until the end of the event. It is highly unlikely, but should it be required, body searches may also be in operation. Flash photography is not allowed at the AGM.

TRANSPORT

Wembley Stadium is well served by numerous public transport links. In line with our Plan A commitments, we recommend that shareholders use these to travel to the meeting if possible.

London Underground and Main Line Railway Stations

Wembley Stadium is served by three stations:

Wembley Park (600m walk) – Jubilee and Metropolitan lines. There is only one lift to street level at this station, so please allow sufficient time to make your way to the venue.

Wembley Stadium (750m walk) – on the Chiltern Main Line, linking London Marylebone and the Midlands, Oxfordshire and Buckinghamshire.

Wembley Central (2km walk) – Bakerloo line and London Overground. Bus routes 83, 92 and 182 run towards Wembley Stadium from stop CM.

For further information regarding your journey, please contact Transport for London travel information on 0343 222 1234.

CAR PARKING

For those who wish to travel to the AGM by car, there is parking available in the Green Car Park. The location of the car park is indicated on the map opposite. It is operated by CSP Ltd and car park spaces are pay on display. For further information regarding parking please visit gotocsp.com.

FURTHER INFORMATION

WEBCAST

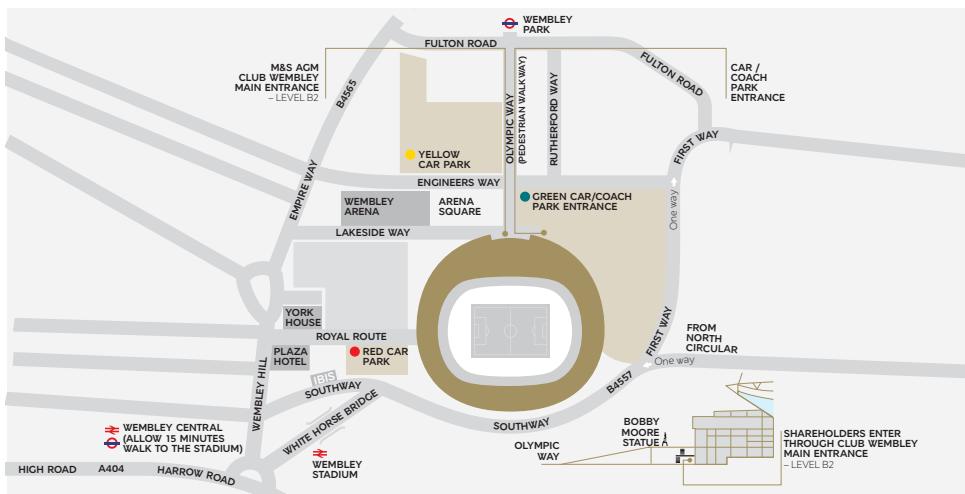
For shareholders unable to attend the AGM, the meeting will be webcast live from 11.00am via our website, marksandspencer.com/thecompany. This will be publicly available to all internet users and will also be available to view online after the event. To register to view the webcast, please visit the website and follow the relevant links.

Shareholders attending the AGM should be aware that the proceedings of the meeting will be filmed for the purposes of this webcast. M&S reserves the right to retain and use footage or stills for any purposes, including Annual Reports, marketing materials and other publications.

If you have any queries about the AGM or the contents of this document, please call Marks & Spencer Group Secretariat on **+44 (0) 20 8718 9888**.



AGM LOCATION



2016/17 FINANCIAL CALENDAR AND KEY DATES

2 June 2016	Ex-dividend date – Final dividend and special dividend
3 June 2016	Record date to be eligible for the final dividend and special dividend
7 July 2016	Results – Quarter 1 Trading update [†]
12 July 2016	Annual General Meeting (11am)
15 July 2016	Final dividend payment date for the year to 2 April 2016
15 July 2016	Special dividend payment date
9 November 2016*	Results – Half Year [†]
17 November 2016*	Ex-dividend date – Interim dividend
18 November 2016*	Record date to be eligible for the interim dividend
January 2017*	Results – Quarter 3 Trading update [†]
13 January 2017*	Interim dividend payment date

† Those who have registered for electronic communication or news alerts at marksandspencer.com/thecompany will receive notification by email when this is available.

* Provisional dates.

SHAREHOLDER SECURITY

An increasing number of shareholders have been contacting us to report unsolicited and suspicious phone calls received from purported 'brokers' who offer to buy their shares at a price far in excess of their market value. It is unlikely that firms authorised by the Financial Conduct Authority (FCA) will contact you with offers like this. As such, we believe these calls are part of a scam, commonly referred to as a 'boiler room'. The callers obtain your details from publicly available sources of information, including the Company's share register, and can be extremely persistent and persuasive.

Shareholders are cautioned to be very wary of any unsolicited advice, offers to buy shares at a discount, sell your shares at a premium or requests to complete confidentiality agreements with the callers. **Remember, if it sounds too good to be true, it probably is!**

More detailed information and guidance is available on our corporate website. An overview of current common scams is available on the Action Fraud website actionfraud.police.uk.

SHAREHOLDER INFORMATION

USEFUL CONTACTS

Marks and Spencer Group plc**Registered Office**

Waterside House, 35 North Wharf Road, London W2 1NW
Telephone +44 (0)20 7935 4422
Registered in England and Wales (no. 4256886)

Registrar

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom
Telephone 0345 609 0810 and outside the UK +44 (0) 121 415 7071

Online: help.shareview.co.uk

MANAGING YOUR SHARES ONLINE

Shareholders can manage their holdings online by registering with Shareview, a secure online platform provided by Equiniti. Registration is a straightforward process and allows shareholders to:

- Sign up for electronic shareholder communication.
- Receive trading updates by email.
- View all of their shareholdings in one place.
- Update their records following a change of address.
- Have dividends paid into their bank account.
- Vote in advance of Company general meetings.

M&S encourages shareholders to sign up for electronic communication as the reduction in printing costs and paper usage makes a valuable contribution to our Plan A commitments. It is also beneficial to shareholders, who can be notified by email whenever we release trading updates to the London Stock Exchange, which are not mailed to shareholders.

To find out more information about the services offered by Shareview and to register, please visit shareview.co.uk.

DIVIDENDS

Paid in January and July each year. We encourage shareholders to have their dividends paid directly into their bank account to ensure efficient payment and that cleared funds are received on the payment date. Following the changes to the legislation governing the way in which dividend income is taxed, which came into effect from April 2016, shareholders who receive their dividend payments directly into their bank accounts will receive an 'Annual Dividend Confirmation' in January, covering both dividend payments made during the tax year. This replaces the consolidated tax voucher that provided in previous years. We are able to send separate confirmations if preferred.

Shareholders can change their preferred dividend payment method online at shareview.co.uk or by contacting Equiniti.

(from here, you will be able to securely email Equiniti with your enquiry).

Group Secretary and Head of Corporate Governance

Amanda Mellor

Additional documents

An interactive version of our Annual Report is available online at marksandspencer.com/annualreport2016.

Additionally, the Annual Report (which contains the Strategic Report) is available for download in pdf format at marksandspencer.com/thecompany.

Alternatively, call 0800 591 697.

Students

Please note, students are advised to source information from our website.

General queries

Customer queries: 0333 014 8555
Shareholder queries: 0345 609 0810
Alternatively, email us at chairman@marks-and-spencer.com.

DUPLICATE DOCUMENTS

Many shareholders have more than one account on the share register and receive duplicate documentation from us as a result. If you fall into this group, please contact Equiniti to combine your accounts.

SHAREGIFT

If you have a very small shareholding that is uneconomical to sell, you may want to consider donating it to ShareGift (Registered charity no. 1052686), a charity that specialises in the donation of small, unwanted shareholdings to good causes. You can find out more by visiting sharegift.org or by calling +44 (0)207 930 3737.

SHAREHOLDER QUERIES

The Company's share register is maintained by our Registrar, Equiniti. Shareholders with queries relating to their shareholding should contact Equiniti directly using one of the methods listed above. For more general queries, shareholders should consult the 'Investors' section of our corporate website.

NOTICE OF AVAILABILITY

This booklet provides an overview of the business. It is not intended to be a summary of the Annual Report and Financial Statements 2016 and should not be regarded as a substitute Annual Report. For a copy of the full Annual Report go to marksandspencer.com/annualreport2016