



M&S
EST. 1884

—
PERFORMANCE
OVERVIEW
AND NOTICE
OF MEETING
2017
—

Performance Overview
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Notice of Meeting
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PERFORMANCE OVERVIEW

CHAIRMAN'S INTRODUCTION



This year Steve has set out clear and decisive plans, and I will soon be stepping down knowing that **M&S is well equipped for the digital age and totally focused on its customers.**

ROBERT SWANNELL CHAIRMAN

This is my last AGM as Chairman after six years at M&S. It has been an extraordinary honour to serve this company.

Since Steve Rowe became Chief Executive, he has set out clear plans to accelerate the pace of change across M&S. By simplifying the way we do things and by focusing on the customer, we have laid solid foundations for growth.

We have made some hard decisions this year, some of which have led to significant adjustments to our profits. However, these changes needed to be made for the long-term health of the business. Decisive action and strong execution have never been more important to compete in a fast-changing retail environment.

I believe our food is among the best in the world, and we delivered a good performance in a tough market. We repositioned our Clothing & Home business for sustainable growth. Our International business had a challenging year, however we announced a strategy to focus on our strong franchise partnerships and our established joint ventures. We also announced plans to reshape our UK store portfolio which will ensure our stores will be more relevant to the changing needs and

habits of our customers.

With Steve's strategy in place, now is the right time for a new Chairman to take over. Archie Norman will become chairman in September when I retire. Archie brings a breadth of relevant experience to M&S and I wish him great success.

I will leave M&S a stronger company. We are now set up to compete, with a modern distribution and logistics backbone and excellent digital, design and sourcing capabilities.

There is no business I would have been prouder to chair than M&S. My colleagues at M&S are the most dedicated I have ever worked with. I will miss being part of it, its values and the place it holds in customers' hearts. I thank our customers, our employees and our shareholders for their support.

ROBERT SWANNELL CHAIRMAN

2016/17 PERFORMANCE

GROUP REVENUE

£10.6bn +2.2%

ADJUSTED EARNINGS PER SHARE

30.4p +12.6%

GROUP PROFIT BEFORE TAX AND ADJUSTED ITEMS

£613.8m +0.3%

TOTAL DIVIDEND FOR 2016/17

18.7p Level

PERFORMANCE OVERVIEW

CHIEF EXECUTIVE'S UPDATE



By listening to our customers and simplifying how we do things, I believe we have the right strategy in place to make **M&S a relevant, profitable and truly sustainable retailer.**

STEVE ROWE CHIEF EXECUTIVE

A year ago, I posed a series of questions to help unlock the future of M&S, giving us a platform from which to recover and then grow.

2016/17 has been a year of change as we started to answer these questions. The steps we are taking are making a difference and we are making progress. However, as we said when we set out our plan, it has resulted in some short-term pain. Some of the action needed has been costly and profits are down. We expected this and we still believe we are doing the right thing for the future of our business.

OUR CUSTOMERS

We asked how we could put customers at the heart of everything we do. We are now a more data-driven organisation. Decisions are based on what we know about our customers, not what we think we know. We conduct more customer listening groups than ever before and we have made Plan A more customer-focused. In our stores we have invested in customer service by recruiting additional colleagues and rolling out our Making Every Moment Special service initiative. Our new Spend it Well marketing campaign focuses squarely on our customers' lifestyles.

CLOTHING & HOME

We asked how we could recover and grow our Clothing & Home business. The answer lay in a series of customer-focused changes to the way we do things. We reduced our promotional activity and the frequency of new line launches from 14 to nine a year. We cut the number of garment options by 10% and reduced prices on 2,400 lines.

At the same time, we improved our fits, fabrics and finishes, and refocused on delivering contemporary, wearable style. We are still in the recovery phase of our plan and getting it right is crucial to our success.

FOOD

Our Food business is on a clear path to sustainable growth. We know that selling quality food from convenient locations is a winning formula. We will continue to grow our Food business by opening 250 further Food stores by 2020. Customers love our high levels of innovation – we renew around a quarter of our range every year – and they love the high quality of our products.

STORE ESTATE, INTERNATIONAL AND COSTS

I asked whether our UK and International store estate is the right shape for the future. It is not. Customers' behaviour is evolving, and the pace of change is accelerating. Our store portfolio needs to reflect how people live today. Over the next five years we will change the use of 25% of our space, deploying more of it to Food. We will grow Clothing & Home through fewer, better stores. In International, we are focusing on our joint venture and franchise partnerships, and exiting our loss-making owned business across ten markets. I believe in an International business for M&S, and we remain a significant global player.

Cost control remains a priority. While profits were significantly down, I continue to believe in good cash management, a robust balance sheet and a progressive dividend policy.

CHIEF EXECUTIVE'S STRATEGIC UPDATE CONTINUED

LOOKING AHEAD

Our Chairman, Robert Swannell, will step down in September. He has overseen significant change and Robert has been instrumental in driving shareholder engagement, good governance and succession planning. He has also been a tremendous support to me personally over the last year. On behalf of the whole business I would like to welcome Robert's successor, Archie Norman.

My priorities for the year ahead are to continue to recover and grow Clothing & Home and to grow our Food business. Internationally we will explore new territories with our franchise partners.

It continues to be a privilege to run this fantastic company. To be a successful retailer we must constantly adapt both to stay in tune with our customers' needs and in the way we sell our products. Shopping habits won't stop changing, so neither must we. As Chief Executive, I want to make M&S agile and flexible enough to change

with our customers. I want to see the end of big transformation programmes followed by years of standing still, followed by yet more transformation. Remaining relevant should be a continuous process.

By simplifying how we do things and really listening to our customers, we've already become more agile this year. By rationalising our Clothing ranges and reshaping our store portfolio, we've started to put this agility into practice.

Nothing makes me prouder of the work our teams do than hearing from our customers and what they love about M&S. Those customers are the reason we're here. They will remain at the heart of everything we do.



STEVE ROWE CHIEF EXECUTIVE

OUR STRATEGY

CUSTOMERS AND BRAND
PUTTING THE CUSTOMER AT THE HEART
OF EVERYTHING WE DO

RECOVER AND GROW
CLOTHING & HOME



STYLE

AUTHORITY

QUALITY

Focus on product

Style, wardrobe essentials and fit

Drive execution

Price, availability and service

CONTINUE TO GROW
FOOD



NEWNESS

CONVENIENCE

QUALITY

Focus on product

Innovation, health and capability

Drive execution

Price, availability and convenience

UK STORE ESTATE

- Grow Food space
- c.60 fewer, more inspirational Clothing & Home stores
- Rebalance c.50 stores to growth areas

INTERNATIONAL

- Focus on partnership model and online
- Drive execution – price, availability and service

ORGANISATION & COSTS

- Create a lean, effective Head Office
- Continue to develop cost culture

OUR PERFORMANCE

KEY PERFORMANCE INDICATORS

GROUP FINANCIAL OBJECTIVES

OBJECTIVE

KPI & 2016/17 PERFORMANCE (52 weeks to 1 April 2017)

Grow Group revenue	GROUP REVENUE	£bn
	£10.6bn <small>+2.2%</small>	
	✓	
	13/14	10.3
	14/15	10.3
Increase earnings and returns	GROUP ADJUSTED PROFIT BEFORE TAX AND ADJUSTED ITEMS	£m
	£613.8m <small>-10.3%</small>	
	✓	
	13/14	622.9
	14/15	661.2
	15/16	684.1
	16/17	613.8
	RETURN ON CAPITAL EMPLOYED (ROCE)	%
	13.7%	
	✓	
	13/14	14.8
	14/15	14.7
	15/16	15.0
	16/17	13.7
	ADJUSTED EARNINGS PER SHARE	p
	30.4p <small>-12.6%</small>	
	✓	
	13/14	32.2
	14/15	33.1
	15/16	34.8
	16/17	30.4
Strong cash generation	DIVIDEND PER SHARE	p
	18.7p <small>Level</small>	
	✓	
	13/14	17.0
	14/15	18.0
	15/16	18.7
	16/17	18.7
	FREE CASH FLOW (PRE SHAREHOLDER RETURNS)	
	£585.4m <small>+8.5%</small>	
	✓	
	13/14	427.9
	14/15	524.2
	15/16	539.3
	16/17	585.4

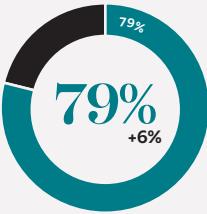
CHIEF EXECUTIVE'S STRATEGIC UPDATE CONTINUED

FIND OUT MORE

Read about our KPIs in our online Annual Report

Linked to remuneration

NON-FINANCIAL OBJECTIVES

OBJECTIVE	KPI & 2016/17 PERFORMANCE		
Engage, serve and retain our customers	FOOD	TOTAL CUSTOMERS 20.5m +0.4m	AVERAGE NUMBER OF SHOPS PER YEAR 22.5 Level
	CLOTHING & HOME	TOTAL CUSTOMERS 24.6m -0.1m	AVERAGE NUMBER OF SHOPS PER YEAR 7.2 -5.3%
Foster a skilled, motivated and engaged team	EMPLOYEE ENGAGEMENT	81% +3%	
Source products with integrity	PRODUCTS WITH A PLAN A QUALITY	 79% +6%	M&S products 2015/16 73% 2020 target 100%
Efficient and responsible operations	GROSS GREENHOUSE GAS EMISSIONS	526,000tCO₂e -7%	
	GROSS GREENHOUSE GAS EMISSIONS PER 1,000 SQ FT	26tCO₂e/1,000sq ft -10%	

STRATEGIC OBJECTIVES

OBJECTIVE	KPI	FOOD UK REVENUE	M&S.COM TOTAL ONLINE REVENUE
Drive growth	SALES REVENUE	£5.6bn <small>+4.2%</small>	£836.3m <small>+5.6%</small>
Reach customers	SALES GROWTH/ SPACE GROWTH/ ONLINE VISITS	-0.8%	8.3m <small>+11%</small>
Improve profitability	GROSS MARGIN/ OPERATING PROFIT	32.5% <small>-25bps</small>	£64.4m <small>+15.4%</small>

LOOKING AHEAD

In Clothing & Home we expect a space decline of 1-2%, weighted towards the end of the year. We anticipate gross margin to be +25 to -25 basis points as we seek to mitigate currency headwinds with better buying and a further reduction in discounting.

In Food, we expect space growth of c.7%, weighted towards the end of

the year as we open c.90 new Simply Food stores. We anticipate input cost inflation will slightly outweigh operational efficiencies with a resulting decrease in gross margin of between 0 and -50 basis points largely weighted towards the first half.

We expect UK cost growth of c.2.5 to 3.5% as a result of new space,

cost inflation and the annualisation of investment in customer service, partly offset by Head Office restructuring efficiencies. Cost growth will be weighted towards the first half of the year.

Capital expenditure is expected to be c.£400m as we increase the rate of Simply Food store openings.

1. Based on restated FY16 figure of 7.4m due to improvements in data capture and analytics.

10 YEARS OF PLAN A

A DECADE OF DELIVERING

The positive differences we have made over the past decade are all down to our Plan A network of colleagues, partners, customers and suppliers.

ECONOMIC

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

PLAN A QUALITY

As of April 2017, based on the volume of items sold worldwide, 79% of all M&S products now have at least one special Plan A quality.

4/5

NOW HAVE AT LEAST ONE PLAN A QUALITY

SPARKS CARD

More than 5.6 million customers have an M&S Sparks Card – and 93% of those have nominated a charity to support, helping to raise of a total of £2.4m for good causes since its launch in 2015.

93%

OF M&S CUSTOMERS WITH A SPARKS CARD HAVE CHOSEN A CHARITY



ENVIRONMENTAL

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

RECYCLING AND PACKAGING

We've reduced the amount of waste we produce by 28% over the past ten years and have recycled all waste since 2012 using a range of material and energy recovery techniques. We introduced a five pence carrier bag charge in 2008, helping to save over 4 billion bags. We've reduced our carrier bag usage by 80% since we launched Plan A.



CARBON NEUTRAL OPERATIONS

In 2012, our UK and ROI stores, offices, warehouses and delivery fleets became carbon neutral and our worldwide operations followed suit in 2014. In 2015, we commissioned the UK's largest roof-mounted solar array at our Castle Donington warehouse and during 2016 we installed solar panels on eight M&S stores, funded by our innovative M&S Energy Society Fund.



DONATED AND RAISED FOR
COMMUNITY PROGRAMMESNUMBER OF CARRIER BAGS SAVED
SINCE 2008REDUCTION IN UK AND ROI WASTE
SINCE 2008/09**£200m****4bn****28%****SOCIAL**REDUCING THE IMPACT OF M&S
OPERATIONS ON THE ENVIRONMENT.**MARKS & START AND MAKE YOUR MARK**

Over the last ten years, we've helped more than 17,000 people from disadvantaged parts of the community through our Marks & Start and Make Your Mark work experience programmes – with over half of them going on to find work.

50%HELPING PEOPLE FROM THE
DISADVANTAGED COMMUNITY
BACK TO WORK**HUMAN RIGHTS**

In 2016, we signed-up to the United Nations Global Compact and published our first ever Report on Human Rights. And in 2017, we were ranked as the top retailer and second-best company overall, in the inaugural Corporate Human Rights Benchmark. In addition to our Plan A Report we've published a separate Human Rights update at marksandspencer.com/planahumanrights

SUPPLY CHAINREDUCING THE IMPACT OF M&S
OPERATIONS ON THE ENVIRONMENT.**SOURCING RAW MATERIALS**

Today, 49% of our cotton, 99% of our wood materials and 27% of our leather, come from more sustainable sources. All our palm oil is RSPO certified and all of our fish comes from the most sustainable sources available.

49%OF OUR COTTON IS FROM MORE
SUSTAINABLE SOURCES**HELPING PEOPLE IN OUR SUPPLY CHAINS**

In 2015, we launched our **Global Community Programme**, to help people in key regions of the world where we source M&S products. We've helped more than 130,000 people through the programme so far and in addition, provided training about employee responsibilities and rights, health care, numeracy and literacy to more than 890,000 people.

890,000PEOPLE IN OUR SUPPLY CHAINS WHO
HAVE BENEFITED FROM TRAINING

GOVERNANCE

REMUNERATION SUMMARY



Our remuneration framework is **aligned with the strategic direction** of M&S and the interests of our shareholders, with a clear focus on customer, simplicity and teamwork.

VINDI BANGA CHAIRMAN OF THE REMUNERATION COMMITTEE

The Remuneration Committee recommends the senior remuneration strategy and framework to the Board to ensure that senior leaders are fairly rewarded for their contribution to M&S's success. The Committee takes into account several factors when considering directors' pay, including pay arrangements elsewhere in the business.

We set out here summary details of the directors' pay arrangements for 2016/17. Further details are shown in our Annual Report which can be found here: marksandspencer.com/annualreport2017

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

Salary review – directors chose not to accept the 2% salary increase the Remuneration Committee had approved. This was in recognition of changes to pay arrangements being made elsewhere in the business.

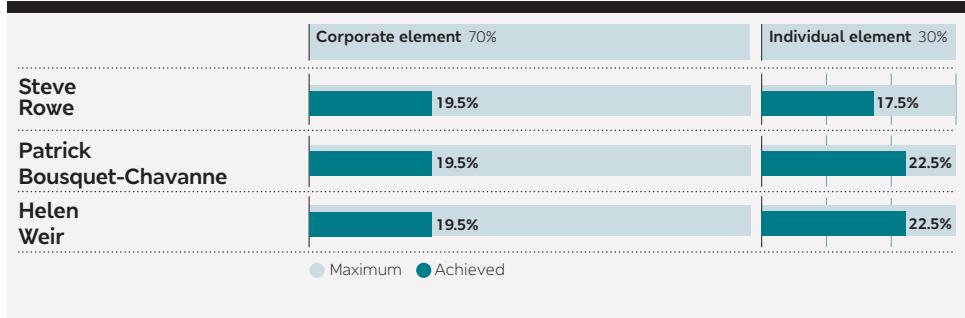
2016/17 Annual Bonus Scheme – the Committee approved bonus payments of 37% – 42% of maximum to directors. These payments reflect M&S's overall performance,

SINGLE FIGURE REMUNERATION 2016/17

EXECUTIVE DIRECTORS			Total £000
Steve Rowe	£1,043	£599	£1,642
Patrick Bousquet-Chavanne	£705	£459	£1,164
Helen Weir	£757	£496	£1,253
NON-EXECUTIVE DIRECTORS			Total £000
Robert Swannell	£471		£471
Vindi Banga	£100		£100
Alison Brittain	£70		£70
Miranda Curtis	£70		£70
Andrew Fisher	£70		£70
Andy Halford	£85		£85
Richard Solomons	£70		£70

● Fixed pay/fees ● Total bonus ● Total PSP vested

ANNUAL BONUS SCHEME 2016/17



achievement against individual targets and the large proportion of collective measures for the year, which supported the focus on teamwork and simplicity.

PSP vested – the awards granted in 2014 will lapse in full in June 2017 as three-year performance to 1 April 2017 was below the threshold set for the respective EPS, ROCE and Revenue measures to vest.

2016/17 PSP award – as reported last year, the PSP award was granted in December 2016, shortly after the announcement of the Interim results to ensure alignment with the new strategic and financial plan for M&S. Targets set against the EPS, ROCE and cash flow targets were rebased in line with the new financial plan.

PAY FOR 2017/18

Salary review – the directors have, for the second year, declined the 2% salary increase for July 2017 which was approved by the Committee.

Incentive arrangements for 2017/18 will be broadly similar to those for 2016/17. Bonus targets continue to focus on building solid profitable foundations of growth (70% of awards) and against relevant customer, financial and strategic measures to support the recovery and growth of the business.

PSP awards will again be measured against EPS and ROCE, but cash flow will be replaced by relative TSR. Each measure will have equal weighting, supporting the equal focus on value creation for shareholders in addition to profitable and efficient business performance. TSR will be measured against a select group of 15 retail

companies; EPS and ROCE targets for this award have been stretched from those made in 2016/17, in line with our plan to return the business to growth.

REMUNERATION POLICY

This year, we are seeking your approval for a new Remuneration Policy at the ACM. The Committee has reviewed the existing policy and decided that only minimal changes are needed to ensure continued alignment between the remuneration framework, business strategy and the interests of our shareholders. Key changes are highlighted below:

- **Executive director salary/non-executive director fee** will be compared against appropriately-sized listed companies as well as major retailers, not just limited to those ranked FTSE 25 – 75. This reflects M&S's FTSE ranking.
- **Cash payments made instead of pension** will be reduced to 20% of salary for all future directors (was 30% for the CEO and 25% for other directors). Payments to current directors will continue to be limited to 25% for all directors. This better reflects pension arrangements in the wider workforce.
- **PSP awards** must now be held for two years after the award vests. Performance may be partially measured against non-financial/strategic measures, but at least 50% of awards must be measured against financial metrics. This further supports shareholder alignment and ensures strategic alignment of the PSP in future years.

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. Will retire from the Board on 1 September 2017.
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 Teach First, Advisory Board Member of Sutton Trust and Spencer Stuart.

EXECUTIVE DIRECTORS

Steve Rowe
Chief Executive



Appointed: Chief Executive in April 2016
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 Ecommerce.
Joined the Board as Executive Director, Food in 2012, moving to Executive Director, General Merchandise in July 2015.
Appointed to the role of CEO in April 2016 where he has laid the foundations for the repositioning of Clothing & Home and the continued growth of Food.

Helen Weir
Chief Finance Officer



Appointed: April 2015
Qualified accountant, with over 25 years' 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.
Trustee of Marie Curie, Non-Executive Director of the Rugby Football Union.

INCOMING CHAIRMAN

Archie Norman
Chairman
Designate



Proposed appointment date:

1 September 2017

Experienced chairman and board director having served as Chairman of ITV, Lazard, and Hobbycraft and Deputy Chairman of Coles Limited.
Breadth of experience with an extensive track record in retail and brands.
Instrumental in transforming a number of major British businesses including Kingfisher, Asda and Energi.
Adviser to the Board of Wesfarmers Limited, Director of Target Pty Limited, Chairman of Lazard and Hobbycraft, Deputy Chairman of Coles Limited, Lead Non-Executive Board Member of BEIS.

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.
Played key role in creating M&S's new Masterbrand marketing strategy across Food and Clothing & Home.
Non-Executive Director of Brown-Forman Inc.

GROUP SECRETARY

Amanda Mellor
Group Secretary
and Head of
Corporate Governance



Appointed:

July 2009

KEY TO COMMITTEES

(A) Audit

(R) Remuneration

(N) Nomination

(C) Committee Chair

Full biographical details of each director are available on marksandspencer.com/thecompany

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 Mausey Group and the CBI's Economic Growth Board, member of the Governing Board of the Indian School of Business.

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 Trustee of the Prince's Trust Council.

Miranda Curtis

Non-Executive Director

**Appointed:** February 2012

Substantial experience of the international consumer and technology sectors, and extensive knowledge of global industry. Will step down from the Board at the end of her second six-year term on 1 February 2018.

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.

Lead Non-Executive Director of The Foreign and Commonwealth Office, Non-Executive Director of Liberty Global plc, Trustee of the Institute for Government, Deputy Chair of the Royal Shakespeare Company, Deputy Chair of Garsington Opera, Chair of African girls' education charity CAMFED.

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.

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 \$12.8bn to shareholders.

Chief Executive of IHC (retiring 1 July 2017), Governor of the Aviation Travel Industry Group of the World Economic Forum, Member of the Industry Real Estate Financing Advisory Council.

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 19 years.

Previously European Managing Director of Infospace Inc (now Blucora) and founder and Managing Director of TDLL.com.

Former 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.

Awarded OBE for services to the Digital Economy in 2016.

GOVERNANCE

BOARD EFFECTIVENESS

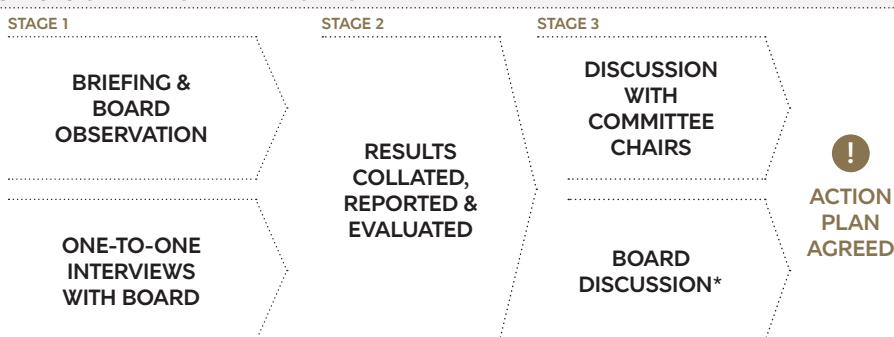
BOARD EVALUATION

This year the annual assessment of the Board's effectiveness was externally facilitated, by Ffion Hague of Independent Board Evaluation. It comprised three distinct stages, outlined in the table below.

BOARD EVALUATION INSIGHTS 2016/17

- The directors' broad message was that Board dynamics and the flow of information to the Board has improved significantly.
- Board committees were highly regarded in terms of effectiveness.
- When the evaluation was undertaken, Steve Rowe had been CEO for a period of nine months. The business had been through significant change in that period and it was clear that the openness in communication was a very positive development.
- The Board rated its performance as satisfactory on issues of Board focus, risk management, Board culture, the relationship with senior management, meeting schedules and the Board support function.

- The directors felt that the Board agenda covered the most important topics, but a review of the management information provided to the Board would improve the pace of the decision-making process.
- Areas for further progress included consistency of papers and management information, succession planning and people development. Consequently, these have been factored into the Board Action Plan for the year ahead.
- The culture of the Board is seen as positive and supportive, and was described as respectful, open, challenging and committed.
- The Board agreed that greater diversity of culture, gender and experience would enhance its composition.
- The Chairman is much appreciated by staff, who feel he truly embodies the Company's brand through his employee recognition work and his many store visits.

STAGES OF THE BOARD EVALUATION

Note: The above activities were undertaken by Ffion Hague of Independent Board Evaluation.

*Ffion Hague also attended the Board discussion.

IMPORTANT NOTICE

NOTICE OF ANNUAL GENERAL MEETING 2017

**WEMBLEY STADIUM, WEMBLEY
LONDON HA9 0WS**

Tuesday 11 July 2017 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. If you have sold or otherwise transferred all your shares in the Company, please forward this document and the accompanying form of proxy to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

NOTICE OF MEETING 2017

DEAR SHAREHOLDER

I am pleased to invite shareholders to the 15th Annual General Meeting of Marks and Spencer Group plc.

AMANDA MELLOR GROUP SECRETARY



INTRODUCTION

ANNUAL GENERAL MEETING ("AGM")

The ACM 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 ACM 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 and how to get there, including a map, can be found on pages 26-27 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 ACM 2017.

YOUR VOTE COUNTS

Your vote is important to us. You can:

- Register your proxy vote electronically by logging on to our Registrar's 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 2016, all resolutions were passed at the meeting with votes ranging from 90.53% 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 being proposed at the ACM 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 52 weeks ended 1 April 2017, together with the report of the auditors.

APPROVAL OF THE DIRECTORS' REMUNERATION REPORT

The Directors' Remuneration Report is provided on pages 66 to 78 of the Annual Report. It sets out the pay and benefits received by each of the directors for the year ended 1 April 2017. In line with legislation this vote will be advisory and in respect of the overall remuneration package.

APPROVAL OF THE DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy (the "Policy") is set out on pages 58 to 65 of the Annual Report. It sets out the Company's policy on remuneration and potential payments to directors going forward.

The Policy must be approved by shareholders (by means of a separate resolution) at least once every three years. The current Policy was approved by shareholders at the AGM in 2014 and is therefore due for renewal. The Policy for which we are seeking your approval this year is unchanged from that approved by shareholders in 2014.

Once the Policy is approved, the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director unless that payment is consistent with the Policy or has been approved by a resolution of the members of the Company.

FINAL DIVIDEND

The Board proposes a final dividend of 11.9p per share for the year ended 1 April 2017. If approved, the recommended final dividend will be paid on 14 July 2017 to all shareholders who were on the Register of Members at the close of business on 2 June 2017.

1 ELECTION OF DIRECTORS

5-14

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).

In accordance with the UK Corporate Governance 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 can be found on pages 10 and 11 of the Performance Overview portion of this document. Full biographies are available on pages 36 and 37 of the Annual Report and also on our website, marksandspencer.com/thecompany.

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APPOINTMENT OF A FUTURE DIRECTOR

15

On 5 May 2017, the Company announced that Archie Norman would join the Board as Non-Executive Chairman with effect from 1 September 2017 and that Robert Swannell would retire on that date. Archie is an experienced chairman and board director who brings a breadth of experience with an extensive track record in retail and brands. The Board is pleased to recommend him as a director of the Company and as Chairman. It is proposed that shareholders appoint Archie Norman as a director at this AGM, albeit that his appointment will take effect on a future date. Archie's biographical details are given on page 36 of the Annual Report, with further information about his skills, experience and suitability for the role of Chairman in the 'Succession & Induction' section on page 39.

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RESOLUTIONS CONTINUED

**APPOINTMENT AND
REMUNERATION OF AUDITORS**

On the recommendation of the Audit Committee, the Board proposes in resolution 16 that Deloitte LLP be re-appointed as auditors of the Company. Resolution 17 proposes that the Audit Committee be authorised to determine the level of the auditor's remuneration.

**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 £135,394,136 (representing 541,576,542 ordinary shares of 25p each). This amount represents approximately one-third of the Company's issued share capital as at 23 May 2017, the latest practicable date before the publication of this Notice.

In line with guidance issued by the Investment Association ("IA"), paragraph (B) of this resolution 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 £270,788,271 (representing 1,083,153,085 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 23 May 2017, the latest practicable date before the publication of this Notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire on the date of the AGM in 2018 or on 1 October 2018, 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; however, the Board wishes to ensure that the Company has maximum flexibility in managing the Group's capital resources.

As at the date of this Notice, no shares are held by the Company in treasury.

16-17**DISAPPLICTION OF PRE-EMPTION
RIGHTS IN CERTAIN CIRCUMSTANCES****19**

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.

The power set out in resolution 19 would be limited to: (a) allotments or sales in connection with pre-emptive offers, or (b) otherwise up to an aggregate nominal amount of £20,309,120 (representing 81,236,481 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 23 May 2017, being the latest practicable date before the publication of this Notice.

In respect of the power granted under resolution 19(B), the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% of the issued ordinary share capital of the Company should not take place without prior consultation with shareholders.

The directors have no current intention to allot shares except in connection with employee share schemes. The Company has issued 24,127,020 ordinary shares representing 1.48% of issued share capital over the past three years on a non-pre-emptive basis.

If approved, the authority sought under this resolution will expire on the date of the AGM in 2018 or on 1 October 2018, whichever is sooner.

**AUTHORISATION FOR THE COMPANY
TO PURCHASE ITS OWN SHARES****20**

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.

The directors have no present intention of exercising the authority to purchase the Company's own shares; however, this authority would provide them with the flexibility to do so in the future.

RESOLUTIONS CONTINUED

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 holds no 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.

The Company has options outstanding over 43.1 million ordinary shares, representing 2.65% of the Company's issued ordinary share capital as at 23 May 2017, the latest practicable date before the publication of this Notice. If the existing authority given at the 2016 ACM and the authority now being sought by this resolution were to be fully used, these options would represent 2.95% of the Company's ordinary share capital in issue at that date.

NOTICE OF GENERAL MEETINGS

21

In accordance with 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:

- (i) 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; and
- (ii) 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 14 clear days' notice. This 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 21 seeks such approval and, 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.

AUTHORITY TO MAKE
POLITICAL DONATIONS

22

The 2006 Act prohibits companies from making any political donations to EU political organisations or 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 or intend to 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 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.

RESOLUTIONS CONTINUED

**RENEWAL OF THE ALL
EMPLOYEE SHARESAVE PLAN**

The Company's current Sharesave Plan comes to the end of its ten-year life this year. The directors consider that this plan has been a valuable tool in encouraging wider employee share ownership and over 24,000 employees currently participate. Accordingly, shareholder approval is being sought to introduce a replacement Sharesave Plan - the "Sharesave Plan 2017". The replacement plan is similar to the existing plan, although it has been updated to reflect legislative changes and current market practice. The main terms of the proposed Sharesave Plan 2017 are summarised in the Appendix to this Notice on pages 25-26.

**AMENDMENTS TO THE ARTICLES
OF ASSOCIATION**

The Board is proposing that the Company adopt new articles of association (the "New Articles"), the principal changes of which are set out below. It should be noted that, while (A), below, will allow for meetings to be held and conducted in such a way that persons who are not present together at the same place may attend, speak and vote at the meeting by electronic means, it is not the current intention of the Board to replace physical general meetings with electronic meetings. The New Articles will however provide the directors with the flexibility to hold an electronic general meeting should they need to make alternative arrangements at short notice due to a situation beyond their control, such as a security alert. Nothing in the New Articles will prevent the Company from holding physical general meetings. In summary, the New Articles:

- (A)** allow for general meetings to be held electronically as well as physically in accordance with the Companies (Shareholders' Rights) Regulations 2009 and the 2006 Act;
- (B)** provide that all directors will retire and may offer themselves for reappointment at each AGM, in accordance with the UK Corporate Governance Code and the Company's current practice;
- (C)** clarify the Company's obligations in respect of proxies and corporate representatives appointed on behalf of shareholders at general meetings;

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- (D)** prevent invalidly appointed proxies from attending, speaking at or voting on resolutions at general meetings;
- (E)** reflect more clearly the indemnities available to directors, in accordance with the relevant statutory provisions (to avoid any doubt as to whether the Company can indemnify former directors against liabilities incurred during their time in office);
- (F)** clarify that the Company may send strategic reports with supplementary materials (replacing the Summary Financial Statements which was previously permitted as we no longer produce this document) to shareholders instead of the full report and accounts;
- (G)** provide that no provision of the articles shall apply to the extent it would be inconsistent with the Company exercising any of its powers or functions or doing anything through CREST or a similar system; and
- (H)** clarify that, in accordance with the Company's current practice, overseas shareholders (or overseas persons entitled by transmission) are entitled to have notices, documents and other information sent to their overseas address.

The New Articles showing all the proposed changes to the Company's existing articles are available for inspection, as noted on page 23 of this document.

24**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
8 June 2017

MARKS AND SPENCER GROUP PLC

NOTICE OF MEETING
11 JULY 2017

Notice is hereby given that the Annual General Meeting of Marks and Spencer Group plc (the "Company") will be held at Wembley Stadium, Wembley, London, HA9 0WS on Tuesday 11 July 2017 at 11am (the "AGM") for the purposes set out below.

Resolutions 1 to 18 and 22 to 23 will be proposed as ordinary resolutions, and resolutions 19 to 21 and 24 will be proposed as special resolutions.

1. To receive the reports of the directors and the financial statements for the 52 weeks ended 1 April 2017, together with the report of the auditors.

2. To approve the Directors' Remuneration Report.

3. To approve the Directors' Remuneration Policy.

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

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

5. Vindi Banga

6. Patrick Bousquet-Chavanne

7. Alison Brittain

8. Miranda Curtis

9. Andrew Fisher

10. Andy Halford

11. Steve Rowe

12. Richard Solomons

13. Robert Swannell

14. Helen Weir

To appoint the following director with effect from 1 September 2017:

15. Archie Norman

16. 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.

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

DIRECTORS' AUTHORITY TO ALLOT SHARES

18. To resolve that the directors be and are hereby authorised generally and unconditionally to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

(A) Up to a nominal amount of £135,394,136 (such amount to be reduced by any allotments or grants made under paragraph (B) below in excess of such sum); and

(B) Comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of £270,788,271 (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 under the laws of, any territory or any other matter.

NOTICE OF MEETING CONTINUED

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 2018 or on 1 October 2018, 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

19. To resolve as a special resolution that, subject to the passing of resolution 18, 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:

(A) To the allotment of equity securities and sale of treasury shares 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 18, 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 under the laws of, any territory or any other matter; and

(B) In the case of the authority granted under paragraph (A) of resolution 18 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to a nominal amount of £20,309,120, and shall expire at the conclusion of the AGM to be held in 2018 or on 1 October 2018, 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

20. 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 162m 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 105% of 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 2018 or until 1 October 2018, 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.

NOTICE OF MEETING CONTINUED

**CALLING OF GENERAL MEETINGS
ON 14 DAYS' NOTICE**

21. 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

22. 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 2018 or on 1 October 2018, whichever is sooner.

**RENEWAL OF THE ALL EMPLOYEE
SHARESAVE PLAN**

23. To resolve that the Marks and Spencer Group Sharesave Plan 2017 (the "Plan"), the principal terms of which are summarised in the Appendix to this Notice and the rules of which are produced to the meeting and signed by the Chairman for the purposes of identification, is approved and the directors are authorised to:

(A) Make such modifications to the Plan as they may consider appropriate to take account of the requirements of HM Revenue & Customs, the UK Listing Authority and best practice, and to adopt the Plan as so modified and to do all such acts and things as they may consider appropriate to implement the Plan; and

(B) Establish further plans for the benefit of employees outside the UK, based on the Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such plans are treated as counting against the limits on individual and overall participation contained in the Plan.

**AMENDMENTS TO THE ARTICLES
OF ASSOCIATION**

24. To resolve as a special resolution that, with effect from the end of the AGM, the articles of association produced to the meeting and signed by the Chairman for the purpose of identification, are adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

By order of the Board

Amanda Mellor, Group Secretary
8 June 2017, 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 on pages 36 and 37, including membership of the principal committees. Further information about Archie Norman's skills, experience and suitability for the role of Chairman can be found in the 'Succession & Induction' section of the Annual Report on page 39. The terms of the current directors' 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 each proxy is authorised to act in the box below the proxy holder's name. Please also indicate if the instruction is one of multiple instructions being given, and if a proxy is being appointed for less than your full entitlement, please enter the number of shares in relation to which each such proxy is entitled to act in the box below the relevant 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, and submit your vote by no later than 11am on Friday 7 July 2017. 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 7 July 2017 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 7 July 2017.

6. The return of a completed proxy form, other such instrument or any CREST proxy instruction (as described in paragraph 14 on page 23) 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 6 does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

NOTES CONTINUED

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 7 July 2017 (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 at the Company's registered office: Waterside House, 35 North Wharf Road, London W2 1NW. Please ring +44 (0) 20 8718 9888 during normal business hours on any weekday (excluding public holidays). These documents will also be available for inspection at Wembley Stadium, Wembley, London HA9 0WS from 10am on 11 July 2017 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 draft rules of the Marks and Spencer Group Sharesave Plan 2017.
- (v)** A copy of the Articles of Association of the Company, including the proposed alterations.

11. The following documents will be available for inspection at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during normal business hours on any weekday (excluding public holidays) from the date of this Notice up to and including the date of the AGM and at Wembley Stadium, Wembley, London, HA9 0WS from 10am on 11 July 2017 until the conclusion of the AGM.

- (i)** A copy of the draft rules of the Marks and Spencer Group Sharesave Plan 2017.
- (ii)** A copy of the Articles of Association of the Company, including the proposed alterations.

12. 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.

13. As at 23 May 2017 (the latest practicable date before the publication of this Notice) the Company's issued share capital consists of 1,624,729,627 ordinary shares carrying one vote each. Therefore, the total voting rights in the Company as at 23 May 2017 are 1,624,729,627.

14. 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.

15. 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 7 July 2017. 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.

NOTES CONTINUED

16. 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.

17. 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.

18. 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.

19. 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.

20. Any member attending the meeting has the 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.

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

22. Please see the letter dated 8 June 2017 from the Group Secretary on pages 14 to 18 for further explanatory notes.

APPENDIX

Summary of principal terms of the Marks and Spencer Group plc Sharesave Plan 2017 (the 'Plan')

OPERATION

The operation of the Plan will be supervised by the board of directors of the Company (the 'Board'). The Plan has been designed to meet the requirements of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 (ITEPA) so that ordinary shares of the Company can be provided to UK employees under the Plan in a tax-efficient manner.

ELIGIBILITY

Employees and full-time directors of the Company and any designated participating subsidiary who are UK resident tax payers are eligible to participate. The Board may require employees to have completed a qualifying period of employment before the grant of options. The Board may also allow other employees to participate.

GRANT OF OPTIONS

Options can only be granted to employees who enter into HMRC approved savings contracts, under which monthly savings are normally made over a period of three or five years. Options will be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set. The number of shares over which an option is granted will be such that the total option price payable for those shares will correspond to the proceeds on maturity of the related savings contract.

An option may not be granted more than ten years after shareholder approval of the Plan. Options are not transferable, except on death. Options are not pensionable.

INDIVIDUAL PARTICIPATION

Monthly savings by an employee under all savings contracts linked to options granted under any sharesave plan may not exceed the statutory maximum (currently £500). The Board may set a lower limit in relation to any particular grant.

OPTION PRICE

The price per share payable upon the exercise of an option will not be less than the higher of: (i) 80 per cent of the average middle-market quotation of a share on the London Stock Exchange on the three days preceding a date specified in an invitation to participate in the Plan (or such other day or days as HMRC may allow); and (ii) if the option relates only to new issue shares, the nominal value of a share.

The option price will be determined by reference to dealing days which fall within six weeks of the Company's announcement of its results for any period or at any other time when the Board considers there are exceptional circumstances which justify offering options under the Plan.

EXERCISE OF OPTIONS

Options will normally be exercisable for six months from the third or fifth anniversary of the start of the related savings contracts. Earlier exercise is permitted, however, in the following circumstances:

- following cessation of employment by reason of death, injury, disability, redundancy, retirement or the business or company that the employee works for ceasing to be part of the Company's group;
- where employment ceases more than three years from grant because of retirement or severance; and
- in the event of a takeover, scheme of arrangement or winding-up of the Company, except in the case of an internal corporate re-organisation when the Board may decide to exchange existing options for equivalent new options over shares in a new holding company.

Except where described above, options will lapse on cessation of employment or directorship with the Company's group.

Shares will be allotted or transferred to participants within 30 days of exercise.

APPENDIX CONTINUED

PLAN LIMIT

The Plan may operate over new issue shares, treasury shares or shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than ten per cent of the issued ordinary share capital of the Company under the Plan and any other employee share plan adopted by the Company.

Treasury shares will count as new issue shares for the purposes of this limit unless institutional investor bodies decide that they need not count. Options which lapse are excluded from this limit.

VARIATION OF SHARE CAPITAL

If there is a variation in the Company's share capital then the Board may make such adjustment as it considers appropriate to the number of shares under option and the option price provided that such variation meets the requirements of the relevant tax legislation.

RIGHTS ATTACHING TO SHARES

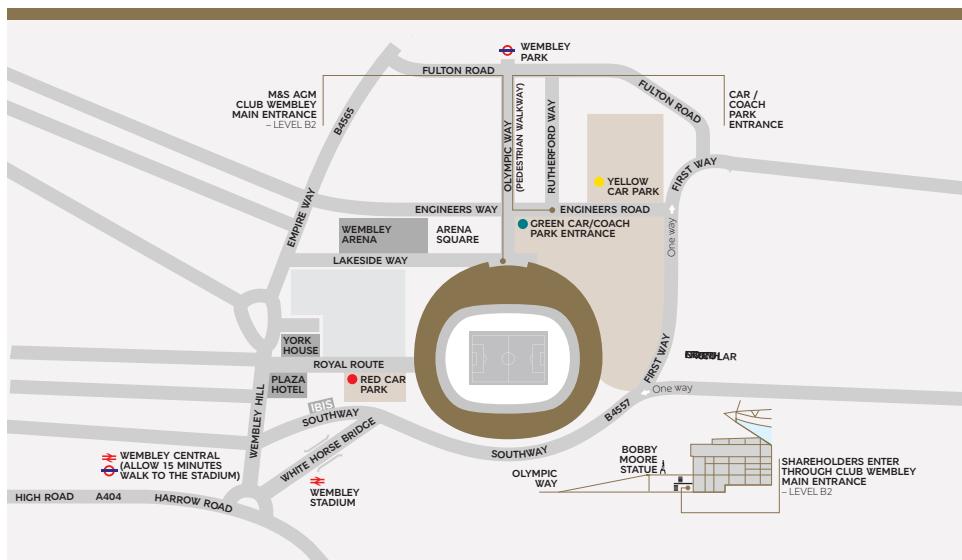
Any shares allotted when an option is exercised under the Plan will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

ALTERATIONS TO THE PLAN

The Board may amend the provisions of the Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares to be acquired and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's Group.

The Company may also establish modified plans to take account of local tax, exchange control and securities laws in any overseas jurisdictions.

AGM LOCATION

AGM SCHEDULE

WEMBLEY STADIUM, WEMBLEY, LONDON HA9 0WS

TIMINGS

Date: **Tuesday 11 July 2017**

9.30am Doors open, registration begins. Question Desk opens in the Wembley Suite and Atrium on level 2. 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 overleaf). 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 disabilities 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 Wembley Suite and Atrium on level 2.

For further information on the 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, or visit tfl.gov.uk.

CAR PARKING

For those who wish to travel to the AGM by car, there is parking available in the Yellow Car Park. The location of the car park is indicated on the map on page 26. Parking is operated by APCOA and car park spaces are pay and display. The postcode is HA9 0EC.

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**.



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)

General queries

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

Registrar/Shareholder queries

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

Students

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

Additional documents

An interactive version of our Annual Report is available online at marksandspencer.com/annualreport2017.

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.

Group Secretary and Head of Corporate Governance

Amanda Mellor

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

Subject to the relevant Board and shareholder approvals, dividends are paid in January and July each year.

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 provided in previous years.

Shareholders can change their preferred dividend payment method online at shareview.co.uk or by contacting Equiniti on 0345 609 0810.

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 2017 and should not be regarded as a substitute Annual Report. For a copy of the full Annual Report go to marksandspencer.com/annualreport2017.

2017/18 FINANCIAL CALENDAR AND KEY DATES

1 June 2017	Ex-dividend date – Final dividend
2 June 2017	Record date to be eligible for the final dividend
11 July 2017	Results – Quarter 1 Trading update [†]
11 July 2017	Annual General Meeting (11am)
14 July 2017	Final dividend payment date for the year to 1 April 2017
8 November 2017*	Results – Half Year [†]
16 November 2017*	Ex-dividend date – Interim dividend
17 November 2017*	Record date to be eligible for the interim dividend
January 2018*	Results – Quarter 3 Trading update [†]
12 January 2018*	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 the shareholder information pages of our corporate website. We also encourage shareholders to read the FCA's guidance on how to avoid scams at fca.org.uk/consumers/scams. An overview of current common scams can be found on the Action Fraud website actionfraud.police.uk.



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