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**This document is important and requires your immediate attention**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other independent professional adviser.

If you have sold or otherwise transferred all of your shares in Morgan Sindall Group plc, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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# Morgan Sindall Group plc

(incorporated and registered in England and Wales under number 00521970)

## Notice of Annual General Meeting

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Notice of the Annual General Meeting of Morgan Sindall Group plc to be held at the offices of Jefferies International, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ on 9 May 2013 at 12.00 noon is set out at the end of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by 12.00 noon on 7 May 2013.



## Morgan Sindall Group plc

('the Company')

(incorporated and registered in England and Wales under number 00521970)

### Registered Office:

Kent House  
14–17 Market Place  
London  
W1W 8AJ

11 March 2013

To the holders of ordinary shares in the Company

Dear Shareholder,

### Notice of Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting ('AGM') which we are holding at the offices of Jefferies International, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ on 9 May 2013 at 12.00 noon. The formal notice of AGM is set out at the end of this letter on pages 3 to 5 of this document together with explanatory notes relating to the resolutions to be proposed at the AGM.

### Election of directors

Our Articles of Association require each director to submit himself/herself for election by shareholders at the first annual general meeting after his or her appointment and for re-election at every third annual general meeting thereafter. However, as recommended by the UK Corporate Governance Code, all of the continuing directors (other than Steve Crummett and Liz Peace) will stand for re-election at the AGM irrespective of their date of appointment and length of service on the Board. Steve Crummett and Liz Peace will stand for election by shareholders as this is the first annual general meeting after their appointments.

The directors' biographies are set out on pages 46 and 47 of the Company's annual report and accounts 2012.

### Attendance and voting

I very much hope that you will be able to join us at the AGM. Whether or not you are proposing to attend and vote, I would encourage you to fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible or to vote online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). The registrars must receive your proxy by 12.00 noon on 7 May 2013.

### Recommendation

The Board of directors consider that all the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole and recommend that you vote in favour of them.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Adrian Martin'.

**Adrian Martin**

Chairman

## Morgan Sindall Group plc

### Notice of Annual General Meeting

This year's annual general meeting will be held at the offices of Jefferies International, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ on 9 May 2013 at 12.00 noon. You will be asked to consider and pass the resolutions below. Resolutions 15 to 17 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

#### Report and Accounts

1. That the financial statements and the reports of the directors and the auditor for the year ended 31 December 2012 be received.

#### Dividend

2. That a final dividend of 15p per ordinary share be declared for the year ended 31 December 2012.

#### Directors

3. That Steve Crummett be elected in accordance with the Articles of Association.
4. That Liz Peace be elected in accordance with the Articles of Association.

That the following directors be re-elected in accordance with the UK Corporate Governance Code:

5. Patrick De Smedt
6. Geraldine Gallacher
7. Simon Gulliford
8. Adrian Martin
9. John Morgan
10. Paul Whitmore

#### Remuneration Report

11. That the directors' remuneration report for the year ended 31 December 2012 be approved.

#### Auditor

12. That Deloitte LLP be re-appointed as auditor of the Company from the conclusion of this meeting until the next general meeting at which accounts are laid before the Company.
13. That the directors be authorised to fix the auditor's remuneration.

#### Directors' authority to allot

14. That the directors be generally and unconditionally authorised 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 £720,477.35 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such amount); and
  - (b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006 ('the Act')) up to a nominal amount of £1,440,954.70 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of 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 treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 9 August 2014) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

### **Disapplication of pre-emption rights**

#### **Proposed as a special resolution**

15. That if resolution 14 is passed, the directors be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution, and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:

- (a) to the allotment of equity securities and sale of treasury shares 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 14, 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 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 14 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 or sale of treasury shares up to a nominal amount of £108,071.60,

such power to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 9 August 2014) but, in each case, during this period the Company may 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.

### **Authority to purchase own shares**

#### **Proposed as a special resolution**

16. That, pursuant to section 701 of the Act, the Company be and is hereby generally authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of up to 4,322,864 of its own ordinary shares, representing an aggregate nominal value of £216,143.20 on the basis that:

- (a) the minimum price, exclusive of expenses, which may be paid for each ordinary share shall be the nominal value of that share;
- (b) the maximum price which may be paid for each ordinary share shall be the higher of (i) an amount equal to 105% of the average of the closing middle market quotations for an ordinary share, as derived from the London Stock Exchange's Daily Official List, 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 London Stock Exchange at the time the purchase is carried out, in each case, exclusive of expenses; and
- (c) this authority will expire at close of business on 9 August 2014 or, if earlier, at the conclusion of the next annual general meeting of the Company (except in relation to the purchase of ordinary shares the contract for which is concluded before such date and which is to be executed wholly or partly after such date).

### **Notice period for general meetings**

#### **Proposed as a special resolution**

17. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days' notice.

**Political donations**

18. That in accordance with section 366 of the Act, the Company and each company which is or becomes a subsidiary of the Company at any time during the period for which this resolution has effect be and is hereby authorised (a) to make political donations to political parties and/or independent election candidates to which section 366 of the Act applies; (b) to make political donations to political organisations other than political parties; and (c) to incur political expenditure; provided that: (i) the aggregate amount made or incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £25,000; and (ii) this authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and close of business on 9 August 2014.

By order of the Board

**Mary Nettleship**

Company Secretary

11 March 2013

Registered office:

Kent House  
14–17 Market Place  
London  
W1W 8AJ

Registered in England & Wales No. 00521970

## Notes

1. The following documents will be available for inspection during normal business hours on any business day at Kent House, 14-17 Market Place, London W1W 8AJ and at the office of Slaughter and May, One Bunhill Row, London EC1Y 8YY from 25 March 2013 until the time of the AGM and at Jefferies International, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ from 15 minutes before the AGM until it ends:
  - Copies of the executive directors' service contracts
  - Copies of letters of appointment of the non-executive directors.
2. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A proxy form, which may be used to make such appointment and give proxy instructions, accompanies this notice. A shareholder may appoint more than one proxy in relation to the annual general meeting 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. To appoint more than one proxy you may photocopy the form accompanying this notice. Please indicate the proxy holder's name and the number of shares in relation to which he or she is authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares to which each proxy appointment relates or specifying a number in excess of those held by you will result in the appointment being invalid. If you do not have a proxy form and believe that you should have one, please contact Computershare on 0870 707 1695. Lines are open from 8.30am to 5.30pm (UK time), Monday to Friday or by email at [webcorres@computershare.com](mailto:webcorres@computershare.com).
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road BS99 6ZY no later than 12.00 noon on 7 May 2013.
4. Shareholders may vote electronically, by no later than 12.00 noon on 7 May 2013, by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). You will be asked to enter the Shareholder Reference Number (SRN), identifying meeting Control Number and PIN shown on your proxy card and agree to certain terms and conditions. CREST shareholders may lodge their proxy via the CREST system (see notes 10 to 13).
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder attending the annual general meeting and voting in person if he/she wishes to do so.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Act 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 annual general meeting. 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.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.
8. To be entitled to attend and vote at the annual general meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00 pm on 7 May 2013 (or, in the event of any adjournment, on the date which is two days before the date of 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 and vote at the meeting.
9. As at 11 March 2013, the last practicable day prior to the date of this notice, the Company's issued share capital consisted of 43,228,640 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 43,228,640.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so 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(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. 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 [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). 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 the Company's agent, Computershare Investor Services PLC (ID 3RA50), by 12.00 noon on 7 May 2013. 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 the Company's agent 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.
12. 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 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.
13. 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.
14. 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.
15. A corporation must execute the form of proxy under its common seal or the hand of a duly authorised officer or attorney. The power of attorney or authority (if any) should be returned with the form of proxy.
16. 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).
17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which appointment was received last, none of them will be treated as valid in respect of that share.
18. Under section 527 of the Act, 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 annual general meeting; 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 Act. 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 Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

19. 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.
20. A copy of this notice, and other information required by section 311A of the Act, can be found at [www.morgansindall.com](http://www.morgansindall.com).
21. Any electronic address provided either in this notice or any related documents (including the form of proxy) may only be used for the limited purposes specified herein and not to communicate with the Company by electronic means or for any other more general purpose.



## Appendix 1

### **Explanatory notes to the Notice of Annual General Meeting**

The notes on the following pages give an explanation of certain of the proposed resolutions.

Resolutions 1 to 14 and 18 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 15 to 17 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **Declaration of final dividend (Resolution 2)**

The Board recommends a final dividend of 15p per ordinary share. Subject to approval by shareholders, the final dividend will be paid on 24 May 2013 to shareholders on the register on 3 May 2013.

### **Election and re-election of directors (Resolutions 3 to 10)**

The Company's Articles of Association require each director to submit himself/herself for election by shareholders at the first annual general meeting after his or her appointment and for re-election at every third annual general meeting thereafter. The Board has agreed however, in accordance with the UK Corporate Governance Code, to submit all of its continuing directors for re-election at the AGM irrespective of their date of appointment and length of service on the Board. Separate resolutions will be proposed for each of these re-elections. As described in the Corporate Governance Statement in the Company's report and accounts 2012, the Board believes that the performance of the non-executive directors continues to be effective and that they demonstrate commitment to their roles. The directors' biographies are set out on pages 46 and 47 of the Company's annual report and accounts 2012.

### **Authority to allot shares (Resolution 14)**

An ordinary resolution will be proposed to renew the directors' authority to allot share capital in the Company in accordance with section 551 of the Act. Paragraph (a) of this resolution would give directors the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal amount equal to £720,477.35 (representing 14,409,547 shares). This amount represents approximately one third of the total issued share capital of the Company as at 11 March 2013, the latest practicable date prior to the date of this notice.

In line with guidance issued by the Association of British Insurers ('ABI'), paragraph (b) of this resolution would give the directors the authority to allot shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue, up to an aggregate nominal amount equal to £1,440,954.70 (representing 28,819,094 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 total issued share capital of the Company as at 11 March 2013, the latest practicable date prior to the date of this notice.

The authorities sought under this resolution will expire at the earlier of close of business on 9 August 2014 and the conclusion of the annual general meeting of the Company to be held in 2014. The directors currently have no intention of issuing further shares or granting rights over shares other than in connection with the Company's employee share option and share incentive schemes. However, if the directors do exercise the authority granted by the resolution, the directors intend to follow ABI recommendations concerning its use.

As at 11 March 2013, being the latest practicable date prior to the date of this notice, the Company held no shares in treasury.

**Disapplication of pre-emption rights (Resolution 15)**

This resolution will give the directors the authority to allot shares (or sell any shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

As in previous years, this authority would be limited to allotments or sales in connection with pre-emptive offers or otherwise up to an aggregate nominal amount of £108,071.60 (representing 2,161,432 shares). This aggregate nominal amount represents approximately 5% of the total issued share capital of the Company as at 11 March 2013, the latest practicable date prior to the date of this notice. In respect of this aggregate nominal amount, 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% should not take place without prior consultation with shareholders.

The authorities sought under this resolution will expire at the earlier of close of business on 9 August 2014 and the conclusion of the annual general meeting of the Company to be held in 2014.

**Share repurchase authority (Resolution 16)**

A special resolution will be proposed to authorise the Company to buy back its shares in the market, either for cancellation or to be held in treasury. Whilst the directors have no current intention of using this authority to make market purchases, this resolution provides the flexibility to allow them to do so in the future. However, the directors will exercise this authority only if they consider that to do so would be in the best interests of the Company, and of its shareholders, and expect such purchases to result in an increase in earnings per share.

Under the terms of the resolution, the Company will be generally authorised to make market purchases of up to 4,322,864 shares with an aggregate nominal value of £216,143.20, representing approximately 10% of the total issued share capital of the Company as at 11 March 2013, the latest practicable date prior to the date of this notice. The maximum price payable per share will be based on the market price of a share as set out in more detail in the resolution itself.

As at 11 March 2013, the number of outstanding options to subscribe for shares granted by the Company was 1,358,005 shares. This figure represents 3.14% of the total issued share capital of the Company at that date and would, assuming no further shares are issued, represent 3.49% of the total issued share capital if full authority to purchase shares (under the existing authority and that sought at the annual general meeting) was used.

The authority will expire at close of business on 9 August 2014 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2014.

As at 11 March 2013, being the last practicable date prior to the date of this notice, no shares had been purchased and held as treasury shares or cancelled under the existing authority.

**Notice of general meetings (Resolution 17)**

Changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009 have increased the notice period required for general meetings of the Company (other than annual general meetings) to 21 days, unless shareholders approve a shorter notice period (which cannot be less than 14 clear days).

Resolution 16 will allow the Company to call general meetings (other than annual general meetings) on 14 clear days' notice. The resolution will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The 14 clear days' notice period will 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 best interests of the Company and of its shareholders as a whole.

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**Political donations (Resolution 18)**

Under section 366 of the Act, the Company is required to seek shareholders' authority for any political donations and/or political expenditure made by the Company in the European Union.

Although the Company does not make and does not intend to make, donations to political parties within the normal meaning of that expression or to independent election candidates, the legislation is very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities.

Therefore, in accordance with current best practice, the directors have decided to propose an ordinary resolution to authorise the Company to make certain types of political donations and/or expenditure as more particularly described in the resolution up to an aggregate amount of £25,000.

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**Morgan Sindall Group plc**

Kent House

14–17 Market Place

London W1W 8AJ

020 7307 9200

[www.morgansindall.com](http://www.morgansindall.com)