

# MARKS & SPENCER

214436  
**MARKS AND SPENCER p.l.c.**  
**MARKS AND SPENCER FINANCE p.l.c.**  
**MARKS AND SPENCER FINANCIAL SERVICES p.l.c.**  
**ST. MICHAEL FINANCE p.l.c.**

*(Each incorporated with limited liability in England and Wales)*

**£3,000,000,000**

## **Euro Medium Term Note Programme**

**Due from One month to 30 years from the date of original issue**

**Guaranteed (in respect of Notes issued by Marks and Spencer Finance p.l.c.,  
Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c.) by**

**MARKS AND SPENCER p.l.c.**

Under the Euro Medium Term Note Programme described in this Offering Circular (the "Programme"), Marks and Spencer p.l.c., Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c. (the "Issuers" and each an "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes guaranteed (in the case of Notes issued by Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c.) by Marks and Spencer p.l.c. (in such capacity, the "Guarantor") (the "Notes"). Any reference in this Offering Circular to the "Guarantor" is a reference to Marks and Spencer p.l.c. in its capacity as guarantor under the Programme, as distinct from its capacity as issuer under the Programme. The aggregate nominal amount of Notes outstanding will not at any time exceed £3,000,000,000 (or the equivalent in other currencies at the time of agreement to issue) subject as further set out herein.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority") for Notes issued within 12 months of the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. Admission to the Official List together with admission to trading on the London Stock Exchange's market for listed securities will constitute official listing on a stock exchange. However, unlisted Notes or Notes listed on other stock exchanges may be issued pursuant to the Programme. The relevant Pricing Supplement (as defined on page 5) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities (or any other stock exchange).

Copies of this document, which comprises listing particulars approved by the UK Listing Authority in relation to Notes to be issued during the period of 12 months from the date of this Offering Circular, have been delivered for registration to the Registrar of Companies in England and Wales as required by Section 83 of the Financial Services and Markets Act 2000.

Each Series (as defined on page 5) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "temporary Global Note") or a permanent global note in bearer form (each a "permanent Global Note"). Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Global Notes and Certificates may be deposited on the issue date with a common depositary on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

### **Dealers**

**Barclays Capital**  
**Citigroup**  
**HSBC**  
**The Royal Bank of Scotland**

**BNP PARIBAS**  
**Deutsche Bank**  
**Morgan Stanley**  
**UBS Investment Bank**

**Arranger for the Programme**

**Citigroup**



The date of this Offering Circular is 23rd September, 2003

This Offering Circular (which may be amended or supplemented from time to time) comprises listing particulars approved in compliance with the listing rules made under Section 74 of the Financial Services and Markets Act 2000 by the UK Listing Authority for the purpose of giving information with regard to the Issuers, the Guarantor and its subsidiaries and affiliates taken as a whole (the "Group") and the Notes. Each of the Issuers accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of each of the Issuers (each having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any reference in this document to listing particulars means this document excluding all information incorporated by reference. The Issuers and the Guarantor have confirmed that any information incorporated by reference, including any such information to which readers of this document are expressly referred, has not been, and does not need to be, included in the listing particulars to satisfy the requirements of the Financial Services and Markets Act 2000 or the listing rules made under Section 74 of the Financial Services and Markets Act 2000 by the UK Listing Authority. The Issuers believe that none of the information incorporated herein by reference conflicts in any material respect with the information included in the listing particulars.

No person is or has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers or the Arranger (as defined in "Summary of the Programme"). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuers and the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied herein or in connection with the Programme or the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. **The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "Subscription and Sale".**

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Arranger or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with any Tranche (as defined in "Summary of the Programme"), one of the Dealers may act as a stabilising agent (the "Stabilising Agent"). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement. References in the next paragraph to "the issue of any Tranche" are to each Tranche in relation to which a Stabilising Agent is appointed.

In connection with the issue of any Tranche, the Stabilising Agent or any person acting for him may overallocate or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "£" are to sterling. References to "euro" and "€" are to the currency introduced on 1st January, 1999 pursuant to the treaty establishing the European Community as amended.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited annual accounts, and any interim accounts (whether audited or unaudited) published subsequently to such annual accounts, of the Issuers and the Guarantor from time to time, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents; provided, however, that no such document or modifying or superseding statement shall form part of the listing particulars issued in compliance with the listing rules made under Section 74 of the Financial Services and Markets Act 2000.

## **SUPPLEMENTARY LISTING PARTICULARS**

If at any time the Issuers shall be required to prepare supplementary listing particulars pursuant to Section 81 of the Financial Services and Markets Act 2000, the Issuers will prepare and make available an appropriate amendment or supplement to this Offering Circular which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities, shall constitute supplementary listing particulars as required by the UK Listing Authority and Section 81 of the Financial Services and Markets Act 2000.

Each Issuer and the Guarantor has given an undertaking to the Dealers that, unless the relevant Issuers shall have notified the Permanent Dealers that no Notes are to be issued under the Programme for the time being, if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Offering Circular whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and the Guarantor and the rights attaching to the Notes, the Issuers shall prepare an amendment or supplement to this Offering Circular or publish a replacement offering circular for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## TABLE OF CONTENTS

	Page
Summary of the Programme .....	5
Terms and Conditions of the Notes .....	9
Summary of Provisions Relating to the Notes while in Global Form .....	29
Use of Proceeds .....	32
Marks and Spencer p.l.c. ....	33
Marks and Spencer Finance p.l.c. ....	36
St. Michael Finance p.l.c. ....	37
Marks and Spencer Financial Services p.l.c. ....	38
United Kingdom Taxation .....	40
Subscription and Sale .....	42
Form of Pricing Supplement .....	45
General Information .....	53

## SUMMARY OF THE PROGRAMME

*The following summary is qualified in its entirety by the remainder of this Offering Circular, and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement.*

<b>Issuers:</b>	Marks and Spencer p.l.c. Marks and Spencer Finance p.l.c. Marks and Spencer Financial Services p.l.c. St. Michael Finance p.l.c.
<b>Guarantor:</b>	In respect of Notes issued by Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c., Marks and Spencer p.l.c. Notes issued by Marks and Spencer p.l.c. will not be guaranteed.
<b>Description:</b>	Euro Medium Term Note Programme
<b>Size:</b>	Up to £3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuers have the option at any time to increase the amount of the Programme, in accordance with the terms of the Distribution Agreement.
<b>Arranger:</b>	Citigroup Global Markets Limited
<b>Dealers:</b>	Barclays Bank PLC BNP PARIBAS Citigroup Global Markets Limited Deutsche Bank AG London HSBC Bank plc Morgan Stanley & Co. International Limited The Royal Bank of Scotland plc UBS Limited  The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as dealers in respect of one or more Tranches.
<b>Trustee:</b>	The Law Debenture Trust Corporation p.l.c.
<b>Issuing and Paying Agent:</b>	Deutsche Bank AG London
<b>Registrar and Transfer Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series issued by the same Issuer. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a "Pricing Supplement").

<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Form of Notes:</b>	The Notes may be issued in bearer form ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form ("Registered Notes"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Summary of the Programme – Selling Restrictions"), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series (subject to the provisions of the Agency Agreement). Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "Global Certificates".
<b>Clearing Systems:</b>	Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer
<b>Initial Delivery of Notes:</b>	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
<b>Currencies:</b>	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, the Guarantor in the case of Notes issued by Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c. and the relevant Dealers.</p> <p>Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8th November, 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Corporation on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue the lead manager (the "Swiss Dealer"), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland or a securities dealer only licensed by</p>

the Swiss Federal Banking Commission as per the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995). The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

<b>Maturities:</b>	Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 30 years.
<b>Denomination:</b>	Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, save that, unless otherwise permitted by the then current laws and regulations, Notes which have a maturity of less than one year will have a minimum denomination of £100,000 (or its equivalent in other currencies). Marks and Spencer Financial Services p.l.c. is currently permitted to issue Notes of any denomination, without restriction.
<b>Fixed Interest Rate Notes:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
<b>Floating Rate Notes:</b>	<p>Floating rate Notes will bear interest determined for each Series as follows:</p> <ul style="list-style-type: none"><li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or</li><li>(ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.</li></ul> <p>Interest periods will be specified in the relevant Pricing Supplement.</p>
<b>Zero Coupon Notes:</b>	Zero coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.
<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.
<b>Index Linked Notes:</b>	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
<b>Interest Periods and Rates of Interest:</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
<b>Redemption:</b>	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by the then current laws and regulations, Notes which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
<b>Redemption by Instalments:</b>	The Pricing Supplement issued in respect of each issue of Notes <i>that are redeemable in two or more instalments</i> will set out the dates on which, and the amounts in which, such Notes may be redeemed.

<b>Other Notes:</b>	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the relevant Issuer, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.
<b>Optional Redemption:</b>	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
<b>Status of Notes:</b>	The Notes and (in the case of Notes issued by Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c.) the guarantee in respect of them will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor (as the case may be), respectively all as described in "Terms and Conditions of the Notes – Status".
<b>Negative Pledge:</b>	See "Terms and Conditions of the Notes – Negative Pledge".
<b>Cross Default:</b>	See "Terms and Conditions of the Notes – Events of Default".
<b>Early Redemption:</b>	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".
<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom save as may be required by law, in which case such payments will be grossed up subject to customary exceptions (including the IPMA Standard EU Exception), all as described in "Terms and Conditions of the Notes – Taxation".
<b>Governing Law:</b>	English.
<b>Listing:</b>	The Official List of the UK Listing Authority and admission to trading on the London Stock Exchange's market for listed securities or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.
<b>Selling Restrictions:</b>	<p>United States, United Kingdom, The Netherlands and Japan. See "Subscription and Sale".</p> <p>The Guarantor is Category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.</p> <p>The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "D Rules") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.</p>



## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented, varied or replaced in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented, varied or replaced (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes and will be incorporated by reference into each Global Note. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. References in the Conditions in relation to a series of Notes to the Issuer are to the issuer named in the relevant Pricing Supplement as the issuer of the relevant Notes and not to any other issuer which may issue Notes under the Programme.*

The Notes are constituted by an Amended and Restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "Issue Date"), the "Trust Deed") dated 23rd September, 2003 between the Issuer, the other issuers named in it, the Guarantor<sup>(1)</sup> and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated 23rd September, 2003 has been entered into in relation to the Notes between the Issuer, the other issuers named in it, [the Guarantor,]<sup>(1)</sup> the Trustee, Deutsche Bank AG London as issuing and paying agent and the other agents named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Issuing and Paying Agent", the "Paying Agents" (which expression shall include the Issuing and Paying Agent), the "Registrar", the "Transfer Agents" (which expression shall include the Registrar) and the "Calculation Agent(s)". Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the registered office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the Paying Agents and the Transfer Agents save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent or Transfer Agent or the Trustee, as the case may be, as to its identity.

The Noteholders, the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Pricing Supplement and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

### 1. Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("Registered Notes") or in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") in each case in the Specified Denomination(s) shown hereon.

*All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "Register"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for any loss or damage caused by so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "Holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## **2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes**

### *(a) Exchange of Exchangeable Bearer Notes:*

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it (if any), at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### *(b) Transfer of Registered Notes:*

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

### *(c) Exercise of Options or Partial Redemption in Respect of Registered Notes:*

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates:*

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge:*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Periods:*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption in whole or in part or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

**3. [Guarantee and]<sup>(1)</sup> Status of Notes**

[(a) *Guarantee:* The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, Receipts and Coupons. Its obligations in that respect (the "Guarantee") are contained in the Trust Deed.

(b) *Status of Notes and Guarantee:*]<sup>(1)</sup> The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them [and of the Guarantor under the Guarantee]<sup>(1)</sup> shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated obligations in respect of borrowed money of the Issuer [and the Guarantor respectively],<sup>(1)</sup> present and future.

**4. Negative Pledge**

(a) *Restriction:* So long as any of the Notes, Receipts or Coupons remains outstanding (as defined in the Trust Deed):

- (i) the Issuer will procure that no indebtedness of the Issuer for borrowed money (as defined below) existing on or after the Issue Date and no guarantee or indemnity by the Issuer of any indebtedness for borrowed money of any person will be secured by any mortgage, lien, pledge or other charge upon, or with respect to, any of the present or future assets or revenues of the Issuer or any other person, unless the Issuer shall, simultaneously with, or prior to, the creation of any such charge, take any and all action necessary to procure that all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured equally and rateably by such charge to the satisfaction of the Trustee or such other security is provided as the Trustee shall in its absolute discretion deem not materially less beneficial

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders]; and

- (ii) the Guarantor will not, and will procure that no Subsidiary (as defined in the Trust Deed) of the Guarantor, other than the Issuer, will create or permit to subsist any mortgage, lien, pledge or other charge upon, or with respect to, any of its present or future assets or revenues to secure any Relevant Indebtedness existing on or after the Issue Date of any person, unless the Guarantor shall, simultaneously with, or prior to, the creation of any such charge take any and all action necessary to procure that all amounts payable by it under the Trust Deed are secured equally and rateably by such charge to the satisfaction of the Trustee or such other security is provided as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution of the Noteholders]<sup>(1)</sup>.

[the Issuer will not, and will procure that none of its Subsidiaries (as defined in the Trust Deed) will create or permit to subsist any mortgage, lien, pledge or other charge upon, or with respect to, any of its present or future assets or revenues to secure any Relevant Indebtedness existing on or after the Issue Date of any person, unless the Issuer shall, simultaneously with, or prior to, the creation of any such charge take any and all action necessary to procure that all amounts payable by it under the Trust Deed are secured equally and rateably by such charge to the satisfaction of the Trustee or such other security is provided as the Trustee shall in its absolute discretion deem not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution of the Noteholders]<sup>(2)</sup>.

(b) *Definitions:* For the purposes of this Condition:

- (i) "borrowed money" means (a) money borrowed and premiums and accrued interest in respect thereof, (b) liabilities under or in respect of any acceptance or acceptance credit and (c) the principal and premium (if any) and accrued interest in respect of any notes, bonds, debentures, loan stock or other debt securities whether issued in whole or in part for cash or other consideration;
- (ii) "Relevant Indebtedness" means any loan or other indebtedness which is in the form of or represented by any bonds, notes or other securities initially offered by or on behalf of the Issuer primarily to persons resident outside any country in the currency of which they are denominated or payable (whether compulsorily or at the option of the holder) and for the time being quoted, listed or dealt in on any stock exchange, or any guarantee of, or indemnity in respect of any such loan or other indebtedness. Where any bonds, notes or other securities are agreed to be issued to any person (wherever resident) with a view to being offered primarily to persons resident outside any country in the currency of which they are denominated or payable, they shall be deemed to have been so offered by or on behalf of the Issuer thereof.

## **5. Interest and other Calculations**

(a) *Interest and Accrual on Fixed Rate Notes:*

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest specified hereon, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and, in the case of the Broken Amount, will be payable on the particular Interest Payment Date(s) specified hereon.

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

(2) This text will only appear on Notes issued by Marks and Spencer p.l.c.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes:*

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention Specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day and each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) *ISDA Determination for Floating Rates Notes*

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or

- (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(i) above applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(ii) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the euro-zone (the "Principal Financial Centre") selected by the Calculation Agent are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (i) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (ii) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) *Zero Coupon Notes:*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Early Maturity Date shall be the Redemption Amount specified hereon. As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(b)(i)).

(d) *Dual Currency Notes:*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating the Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) *Partly Paid Notes:*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) *Accrual of Interest:*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue

(as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) *Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:*

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(c) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified hereon, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) *Calculations:*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:*

As soon as practicable after the relevant time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amounts, Optional Redemption Amounts or any Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amounts, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or

calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Determination or Calculation by Trustee:*

If the Calculation Agent does not at any time for any reason determine or calculate the Interest Rate for an Interest Period or any Interest Amount, Instalment Amount or Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(k) *Definitions:*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, any day on which the TARGET system is operating (a “TARGET Business Day”) and/or
- (iii) in the case of a specified currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre or, if none is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual-ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month))
- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)
- (vi) if “Sterling/FRN” is specified hereon, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366 and,



(vii) if "Actual/Actual-ISMA" is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
  - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods in any year; and
  - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"Determination Date" means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

"Effective Date" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates

"euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be, and in the case of Index Linked Notes, includes the Coupon.

"Interest Commencement Date" means the Issue Date or such other date as may be specified hereon.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"Interest Rate" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"ISDA Definitions" means the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to Reuters Markets 3000 ("Reuters") and Moneyline Telerate ("Moneyline

Telerate")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Reference Banks" means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which if EURIBOR is the relevant Benchmark, shall be the euro-zone).

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the euro-zone) or, if none is so connected, London.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means with respect to Europe and the euro-zone as a relevant Financial Centre, Central European time.

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

*(1) Calculation Agent and Reference Banks:*

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall (with the prior approval of the Trustee) appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for an Interest Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

**6. Redemption, Purchase and Options**

**(a) *Redemption by Instalments and Final Redemption:***

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

**(b) *Early Redemption:***

**(i) Zero Coupon Notes:**

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of such Note if it were discounted back to its issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c)

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

**(ii) Other Notes:**

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it

---

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a Distribution Agreement dated 1st July, 1996, as amended and restated on 23rd September, 2003, (the "Distribution Agreement") between the Issuers, the Guarantor, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuers have reserved the right to sell Notes directly on their own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of that Issuer. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer, failing whom the Guarantor (in respect of Notes issued by Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c.), will pay each relevant Dealer a commission as agreed between them. The Issuers have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

Each Issuer and the Guarantor (in respect of Notes issued by Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c.) have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

### United States

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of all the Notes in such Tranche as determined, and certified to the relevant Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager (as defined in the Distribution Agreement), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### United Kingdom

(a) *In relation to Marks and Spencer p.l.c., Marks and Spencer Finance p.l.c. and St. Michael Finance p.l.c. (the "Non-authorised Issuers").*

Each Dealer has represented, warranted and agreed that:

1. in relation to Notes which have a maturity of one year or more and which are to be admitted to the Official List, it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part VI of the Financial Services and Markets Act 2000 (the "FSMA"), except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in

circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or the FSMA;

2. in relation to Notes which have a maturity of one year or more and which are not to be admitted to the Official List, it has not offered or sold and, prior to the expiry of a period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
3. in relation to any Notes which have a maturity of less than one year from the date of issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Non-authorised Issuers;
4. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Non-authorised Issuers or the Guarantor; and
5. it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

(b) *In relation to Marks and Spencer Financial Services p.l.c. (the "Authorised Issuer")*

Each Dealer has represented, warranted and agreed that:

1. in relation to Notes which have a maturity of one year or more and which are to be admitted to the Official List, it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part VI of FSMA, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 or FSMA;
2. in relation to Notes which have a maturity of one year or more and which are not to be admitted to the Official List, it has not offered or sold and, prior to the expiry of a period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
3. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of FSMA does not apply, in the case of the Guarantor and would not apply, in the case of the Authorised Issuer if it was not an authorised person; and
4. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

### **The Netherlands**

The Notes may not be offered, transferred, delivered or sold in or from the Netherlands as part of its distribution or as part of any re-offering, and neither this Offering Circular nor any other document in respect of the offering may be distributed or circulated in the Netherlands, other than to individuals or legal entities, who are considered as professional market parties pursuant to the Netherlands Banking Act (*Wet toezicht kredietwezen 1992*) and which trade or invest in securities in the conduct of their profession or trade pursuant to the Netherlands Securities Act (*Wet toezicht effectenverkeer 1995*)(which includes (among others) duly supervised banks, insurance companies, securities institutions, investment institutions and pension funds).

Each purchaser of the Notes represents and acknowledges that the Notes in global or definitive form will bear a legend substantially to the following effect:

Any person who holds (a beneficial interest in) this obligation, who is resident in the Netherlands, shall be deemed to have represented and agreed that it is a professional market party as defined in section 1 sub e of the Exemption Regulation pursuant to the Netherlands Banking Act.

### **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to or for the benefit of a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws, regulations and guidelines of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **General**

These selling restrictions may be modified (in relation to a specific Tranche) by the agreement of the relevant Issuer, the Guarantor (in relation to a Tranche issued by Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. or St. Michael Finance p.l.c.) and the relevant Dealer or (otherwise than in relation to a specific Tranche) by the agreement of each Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Other than in the United Kingdom, no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuers, the Guarantor, nor any other Dealer shall have responsibility therefor.

## FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated ●

**MARKS AND SPENCER p.l.c.**

**MARKS AND SPENCER FINANCE p.l.c.**

**MARKS AND SPENCER FINANCIAL SERVICES p.l.c.**

**ST. MICHAEL FINANCE p.l.c.**

**£3,000, 000, 000**

**Euro Medium Term Note Programme**

**Due from, one month to 30 years from the original date of issue**

**SERIES NO: ●**

**TRANCHE NO: ●**

**[ISSUER]**

**[Brief Description and Amount of Notes]**

[Guaranteed (in respect of Notes issued by Marks and Spencer Finance p.l.c.,  
Marks and Spencer Financial Services p.l.c.  
and St. Michael Finance p.l.c.) by  
**MARKS AND SPENCER p.l.c.**]

Issue Price: ● per cent.

[Publicity Name(s) of Dealer(s)]

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 23rd September, 2003. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Offering Circular dated 23rd September, 2003. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

### **Provisions appearing on the face of the [Notes/Certificates]**

1. (i) Issuer: ●  
(ii) Guarantor: ●
2. [(i)] Series Number: ●  
[(ii)] Tranche Number: ●  
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: ●
4. Aggregate Nominal Amount:  
[(i)] Series: ●

- [(ii)] Tranche: ●
5. [(i)] Issue Price: ● per cent. of the Aggregate Nominal Amount  
[plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
- [(ii)] Net proceeds: ● (*Required only for listed issues*)
6. Specified Denominations: ●<sup>(1)</sup>
7. [(i)] Issue Date: ●
- [(ii)] Interest Commencement Date: ●
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [● per cent. Fixed Rate]  
[[*specify reference rate*] +/- ● per cent Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Other (*specify*)]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency]  
[Partly Paid]  
[Instalment]  
[Other (*specify*)]
11. Change of Interest or Redemption/  
Payment Basis: [*Specify details of any provision for Payment Basis:  
convertibility of Notes into another interest or  
redemption/payment basis*]
12. Put/Call Options: [Put]  
[Call]  
[(further particulars specified below)]
13. (i) Status of the Notes: Senior
- [(ii)] Status of the Guarantee: Senior]
14. Listing: [Official List of the UK Listing Authority and  
trading on the London Stock Exchange/Other  
(*specify*)/None]
15. Method of distribution: [Syndicated/Non-syndicated]
- Provisions relating to interest (if any) payable**
16. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]  
(*if not applicable, delete the remaining sub-paragraphs  
of this paragraph*)
- (i) Rate[(s)] of interest: ● per cent. per annum [payable annually/  
semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): ● in each year [adjusted in accordance with  
[*specify Business Day Convention and any  
applicable Business Centre(s) for the definition of  
"Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: ● per ● in nominal amount



- (iv) Broken amount: *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount (s) and the Interest Payment Date(s) to which they relate]*
- (v) Day Count Fraction  
(Condition 5(k)): ●  
*(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. Dollars, unless otherwise agreed)*
- (vi) Determination Date(s)  
(Condition 5(k)): ● in each year. *[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]<sup>(2)</sup>*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: *[Not Applicable/give details]*
17. **Floating Rate Provisions:** *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Interest Period(s): ●
- (ii) Specified Interest Payment Dates: ●
- (iii) Business Day Convention: *[Floating Rate Business Day Convention/Following Business Day, Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]*
- (iv) Business Centre(s) (Condition 5(k)): ●
- (v) Manner in which the Rate(s) of Interest is/are to be determined: *[Screen Rate Determination/ISDA Determination/other (give details)]*
- (vi) Interest Period Date(s): *[Not Applicable/specify dates]*
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): ●
- (viii) Screen Rate Determination (Condition 5(b)(iii)(B)): ●
- Relevant Time: ●
- Interest Determination Date: ● *[● [TARGET] Business Days in [specify city for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]*
- Primary Source for Floating Rate: *[Specify relevant screen page or "Reference Banks"]*
- Reference Banks (if Primary Source is "Reference Banks"): *[Specify four]*
- Relevant Financial Centre: *[The financial centre most closely connected to the Benchmark – specify if not London]*
- Benchmark: *[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]*
- Representative Amount: *[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]*

Effective Date:	<i>[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]</i>
Specified Duration:	<i>[Specify period for quotation if not duration of Interest Accrual Period]</i>
(ix) ISDA Determination (Condition 5(b)(iii)(A)):	
Floating Rate Option:	●
Designated Maturity:	●
Reset Date:	●
ISDA Definitions: if different from those set out in the Conditions:	●
(x) Margin(s):	[+/-] ● per cent. per annum
(xi) Minimum Rate of Interest:	● per cent. per annum
(xii) Maximum Rate of Interest:	● per cent. per annum
(xiii) Day Count Fraction (Condition 5(k)):	●
(xiv) Rate Multiplier:	●
(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	
<b>18. Zero Coupon Note Provisions:</b>	<i>[Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Amortisation Yield (Condition 5(b)):	● per cent. per annum
(ii) Day Count Fraction (Condition 5(k)):	●
(iii) Any other formula/basis of determining amount payable:	●
<b>19. Index Linked Interest Note Provisions:</b>	<i>[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i) Index/Formula:	<i>[Give or annex details]</i>
(ii) Calculation Agent responsible for calculating the interest due:	●
(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	●
(iv) Interest Period(s):	
(v) Specified Interest Payment Dates:	●
(vi) Business Day Convention:	<i>[Floating Rate Business Day Convention/Following Business Day]</i>

	Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other ( <i>give details</i> )
(vii) Business Centre(s) (Condition 5(k)):	●
(viii) Minimum Rate of Interest:	● per cent. per annum
(ix) Maximum Rate of Interest:	● per cent. per annum
(x) Day Count Fraction (Condition 5(k)):	●
<b>20. Dual Currency Note Provisions:</b>	[Applicable/Not Applicable] ( <i>if not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:	●
(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	●
(iv) Person at whose option Specified Currency(ies) is/are payable:	●
(v) Day Count Fraction (Condition 5(k)):	●
<b>Provisions Relating to Redemption</b>	
<b>21. Call Option:</b>	[Applicable/Not Applicable] ( <i>if not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i) Optional Redemption Date(s):	●
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	● per Note of ● specified denomination
(iii) If redeemable in part:	
(a) Minimum nominal amount to be redeemed:	●
(b) Maximum nominal amount to be redeemed:	●
(iv) Option Exercise Date(s):	●
(v) Description of any other Issuer's option:	●
(vi) Notice period ( <i>if other than as set out in the Conditions</i> ):	●
<b>22. Put Option:</b>	[Applicable/Not Applicable] ( <i>if not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i) Optional Redemption Date(s):	●
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	● per Note of ● specified denomination

- (iii) Option Exercise Date(s): ●
- (iv) Description of any other Noteholders' option: ●
- (v) Notice period: ●
23. **Final Redemption Amount of each Note:** [● per Note of ● specified denomination/Other/See Appendix]
24. **Early Redemption Amount of each Note:**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions): ●
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(c)): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 7(f)): [Yes/No/Not Applicable]
- General Provisions Applicable to the Notes**
25. **Form of Notes:**
- (i) Temporary or permanent global Note/Certificate:
- Bearer Notes/Exchangeable Bearer Notes/Registered Notes**
- [Delete as appropriate]
- [temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on ● days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
- [temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on ● days' notice]
- [permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on ● days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
- (ii) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
26. Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates: [Not Applicable/Give details. *Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iv) and 19(vii) relate*]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature: [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences [Not Applicable/give details]

(if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

- |  |  |
|--|--|
| 29. Details relating to Instalment Notes:                            | [Not Applicable/ <i>give details</i> ]                                   |
| (i) Instalment Amount(s):  | ●  |
| (ii) Instalment Date(s):   | ●  |
| (iii) Minimum Instalment Amount:                                     | ●  |
| (iv) Maximum Instalment Amount:                                      | ●  |
| 30. Redenomination, renominatisation and reconventioning provisions: | [Not Applicable/The provisions annexed to this Pricing Supplement apply] |
| 31. Consolidation provisions:  | [Not Applicable/The provisions annexed to this Pricing Supplement apply] |
| 32. Other terms or special conditions: <sup>(3)</sup>                | [Not Applicable/ <i>give details</i> ]                                   |

#### **Distribution**

- |   |                                      |
|---|--------------------------------------|
| 33. (i) If syndicated, names of Managers: | [Not Applicable/ <i>give names</i> ] |
| (ii) Stabilising Manager (if any):        | [Not Applicable/ <i>give name</i> ]  |
| (iii) Dealer's Commission:                | ●                                    |
| 34. If non-syndicated, name of Dealer:    | [Not Applicable/ <i>give names</i> ] |
| 35. Additional selling restrictions:      | [Not Applicable/ <i>give names</i> ] |

#### **Operational Information**

- |  |  |
|--|--|
| 36. ISIN Code:   | ●  |
| 37. Common Code:   | ●  |
| 38. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | [Not Applicable/ <i>give name(s) and number(s)</i> ] |
| 39. Delivery:  | Delivery [against/free of] payment                   |
| 40. The Agents appointed in respect of the Notes are:  | ●  |

#### **General**

- |  |  |
|--|--|
| 41. Additional steps that may only be taken following approval by an Extraordinary resolution in accordance with Condition 12(a)):                       | [Not Applicable/ <i>give details</i> ] |
| 42. The aggregate principal amount of Notes issued has been translated into [£] at the rate of ●, producing a sum of (for Notes not denominated in [£]): | [Not Applicable/[£] ●]                 |

#### **[Listing Application**

The Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the [*insert Programme Amount*] Euro Medium Term Note Programme of Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c., St. Michael Finance p.l.c. and Marks and Spencer p.l.c.]

**[Stabilising**

In connection with this issue, *[insert name of Stabilising Agent]* (the "Stabilising Agent") or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.]

**Material Adverse Change Statement**

[Except as disclosed in [the Offering Circular] [the supplemental Offering Circular] [this document], *there/There*<sup>(4)</sup> has been no significant change in the financial or trading position of the Issuer[, the Guarantor] or of the Group since *[insert date of last audited accounts or interim accounts (if later)]* and no material adverse change in the financial position or prospects of the Issuer[, the Guarantor] or of the Group since *[insert date of last published annual accounts.]*

**Responsibility**

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular [and the supplemental Offering Circular] referred to above, contains all information that is material in the context of the issue of the Notes.

**Signed on behalf of the Issuer:**

By: .....

Duly authorised

**[Signed on behalf of the Guarantor:**

By: .....

Duly authorised]

---

**Notes:**

- (1) Notes which have a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies) if they are issued by any Issuer other than Marks and Spencer Financial Services p.l.c.
- (2) Only to be completed for an issue where Day Count Fraction is Actual/Actual-ISMA
- (3) If full terms and conditions are to be used, please add the following here:

"The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary."

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

- (4) If any change is disclosed in the Pricing Supplement, it will require approval by the UK Listing Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 or the competent authority in respect of such other stock exchange(s) on which the Notes may be listed. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular [comprising supplemental listing particulars] rather than in a Pricing Supplement.

## GENERAL INFORMATION

1. The listing of the Notes on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that listing of the Programme in respect of the Notes on the Official List and admission of the Notes to trading on the London Stock Exchange's market for listed securities will be granted on or about 26th September, 2003. It is expected that each Tranche of Notes which is to be admitted to the Official List will be admitted separately and when issued, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.
2. Each Issuer has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment and update of the Programme and Marks and Spencer p.l.c. has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the giving of the guarantee relating to the Programme. The establishment and update of the Programme and the issue of the Notes was authorised by resolutions of the Board of Directors of Marks and Spencer Finance p.l.c. and St. Michael Finance p.l.c. each passed on 28th June, 1996, 5th June, 1997 and 6th July, 1998, 9th July, 1999, 3rd July, 2000, 4th July, 2001, 24th September, 2001, 19th September, 2002 and 15th September, 2003 respectively; the issue of Notes by Marks and Spencer p.l.c. was authorised by resolution of the Treasury Committee of its Board of Directors passed on 24th September, 2001, 29th August, 2002 and 15th September 2003. The Board of Directors of Marks and Spencer Financial Services p.l.c. authorised its inclusion as an Issuer under the Programme on 19th July, 2002 and authorised the update of the Programme and the issue of the Notes on 16th September, 2003. The giving of the guarantee relating to the Programme by the Guarantor was authorised by resolutions of the Treasury Committee of the Board of Directors of the Guarantor passed on 4th June, 1996, 25th June, 1997, 6th July, 1998, 9th July, 1999, 30th June, 2000, 4th July, 2001, 24th September, 2001, 29th August, 2002 and on 15th September, 2003.
3. There has been no significant change in the financial or trading position of the Issuers or of the Group since the date on which their most recent audited accounts were prepared and no material adverse change in the financial position or prospects of the Issuers or of the Group since such date which, in the case of Marks and Spencer Financial Services p.l.c., was 31st March, 2003 and, in the case of the other Issuers and the Guarantor, was 29th March, 2003.
4. None of the Issuers nor any of their subsidiaries is or has been involved in any legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position of the Group or of the relevant Issuer nor is any Issuer aware that any such proceedings are pending or threatened.
5. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
6. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
7. For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the office of each Issuer and of the Issuing and Paying Agent in London:
  - 7.1 the Trust Deed (which includes the form of the Global Notes, the Global Certificates, the definitive Bearer Notes, the Coupons, the Receipts and the Talons)
  - 7.2 the Distribution Agreement
  - 7.3 the Agency Agreement
  - 7.4 the Memorandum and Articles of Association or constitutive documents of each Issuer



- 7.5 each Pricing Supplement for Notes that are listed on the Official List and which are admitted to trading on the London Stock Exchange's market for listed securities or any other stock exchange
  - 7.6 a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular
  - 7.7 a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on the Official List and which are admitted to trading on the London Stock Exchange's market for listed securities.
8. Copies of the latest published annual report and audited accounts of Marks and Spencer Finance p.l.c. and St. Michael Finance p.l.c. for the two financial years ended 29th March, 2003 and for the two financial years ended 31st March, 2003, in the case of Marks and Spencer Financial Services p.l.c. and of the latest published annual report and audited consolidated accounts of the Guarantor and its subsidiaries for the two financial years ended 29th March, 2003 and the subsequent interim accounts of Marks and Spencer Finance p.l.c., Marks and Spencer Financial Services p.l.c. and St. Michael Finance p.l.c. and the subsequent interim consolidated accounts of the Guarantor may be obtained, and copies of the Trust Deed (including the Guarantee) will be available for inspection, at the office of each Issuer and at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. The report of the Issuers/Guarantor's auditors for the year ended 29th March, 2003 and, in the case of Marks and Spencer Financial Services p.l.c., for the year ended 31st March, 2003, states that the report, including the opinion, has been prepared for and only for the members of the company to which the report related, as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose, and that PricewaterhouseCoopers did not, in giving their opinion, accept or assume responsibility for any other purpose or to any other person to whom the report is shown or into whose hands the report may come.
9. PricewaterhouseCoopers LLP (Chartered Accountants and Registered Auditors) of 1 Embankment Place, London, WC2N 6RH have audited, and rendered unqualified audit reports on, the accounts of each Issuer for the three years ended 29th March, 2003 (or 31st March, 2003, in the case of Marks and Spencer Financial Services p.l.c.).

## **REGISTERED AND HEAD OFFICES OF THE ISSUERS**

### **Marks and Spencer p.l.c.**

Michael House  
Baker Street  
London W1U 8EP

### **Marks and Spencer Finance p.l.c.**

Michael House  
Baker Street  
London W1U 8EP

### **Marks and Spencer Financial Services p.l.c.**

Kings Meadow  
Chester  
Cheshire CH99 9FB

### **St. Michael Finance p.l.c.**

Michael House  
Baker Street  
London W1U 8EP

## **REGISTERED OFFICE OF THE GUARANTOR**

### **Marks and Spencer p.l.c.**

Michael House  
Baker Street  
London W1U 8EP

## **DEALERS**

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**Deutsche Bank AG London**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**HSBC Bank plc**  
Level 4  
8 Canada Square  
London E14 5HQ

**Morgan Stanley & Co.  
International Limited**  
25 Cabot Square  
Canary Wharf  
London E14 4QA

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP

## **ISSUING AND PAYING AGENT AND CALCULATION AGENT**

**Deutsche Bank AG London**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

## **PAYING AGENT, REGISTRAR AND TRANSFER AGENT**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer  
L - 1115 Luxembourg

**TRUSTEE**

**The Law Debenture Trust Corporation p.l.c.**  
Fifth Floor  
100 Wood Street  
London EC2V 7EX

**ARRANGER**

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**AUTHORISED ADVISER**

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**AUDITORS**

*To each Issuer*

**PricewaterhouseCoopers LLP**  
1 Embankment Place  
London WC2N 6RH

**LEGAL ADVISERS**

**TO THE ISSUERS AND THE GUARANTOR**  
*in respect of English law*

**Slaughter and May**  
One Bunhill Row  
London EC1Y 8YY

**TO THE DEALERS AND THE TRUSTEE**  
*in respect of English law*

**Linklaters**  
One Silk Street  
London EC2Y 8HQ

# MARKS & SPENCER

Printed in England - 70041



becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

*(c) Redemption for Taxation Reasons:*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer [or, if the Guarantee were called, the Guarantor,]<sup>(1)</sup> satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer [(or the Guarantor, as the case may be)]<sup>(1)</sup> taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer [(or the Guarantor, as the case may be)]<sup>(1)</sup> would be obliged to pay such additional amounts were a payment in respect of the Notes [(or the Guarantee, as the case may be)]<sup>(1)</sup> then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer [(or the Guarantor, as the case may be)]<sup>(1)</sup> stating that the obligation referred to in (i) above cannot be avoided by the Issuer [(or the Guarantor, as the case may be)]<sup>(1)</sup> taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on Noteholders and Couponholders.

*(d) Redemption at the Option of the Issuer and Exercise of Issuer's Options:*

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, or exercise any Issuer's option (as may be described hereon) in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

*(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options:*

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

(2) This text will only appear on Notes issued by Marks and Spencer p.l.c.

applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer except that such Note will be returned to the holder if, prior to its date for redemption or exercise of the option, the Note becomes immediately payable or if upon presentation payment of redemption monies is not made or exercise of the option is denied or refused.

*(f) Partly Paid Notes:*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

*(g) Purchases:*

The Issuer[, its Holding Company (as defined in the Trust Deed)]<sup>(2)</sup> [, the Guarantor, its Holding Company (as defined in the Trust Deed)]<sup>(1)</sup> [and any of [the Guarantor's other]<sup>(1)</sup> [its]<sup>(2)</sup> Subsidiaries (as defined in the Trust Deed)] may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise in any manner and at any price.

*(h) Cancellation:*

All Notes purchased by or on behalf of the Issuer[, its Holding Company (as defined in the Trust Deed)]<sup>(1)</sup> [, the Guarantor, its Holding Company (as defined in the Trust Deed)]<sup>(2)</sup> or any of its Subsidiaries (as defined in the Trust Deed) may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer [and the Guarantor]<sup>(1)</sup> in respect of any such Notes shall be discharged.

## **7. Payments and Talons**

*(a) Bearer Notes:*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

*(b) Registered Notes:*

- (i) All payments in respect of Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments on each Registered Note shall be made in the relevant currency drawn on a bank in the principal financial centre of the country of such currency subject as provided in paragraph (a) above, and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of such currency.
- (ii) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made as provided in (i) above, but only against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar.

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

(2) This text will only appear on Notes issued by Marks and Spencer p.l.c.

*(c) Payments in the United States:*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

*(d) Payments subject to Fiscal Laws:*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

*(e) Appointment of Agents:*

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent appointed by the Issuer [and the Guarantor]<sup>(1)</sup> and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer [and the Guarantor]<sup>(1)</sup> and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer [and the Guarantor reserve]<sup>(1)</sup> [reserves]<sup>(2)</sup> the right at any time with the prior approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities (including London, so long as the Notes are listed on the official list of the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 and admitted to trading on the London Stock Exchange's market for listed securities), (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee and (vii) if the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 are implemented, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing those conclusions or any law implementing or complying with, or introduced in order to conform to, such Directive PROVIDED THAT under no circumstances shall the Issuer [or Guarantor]<sup>(1)</sup> be obliged to maintain a Paying Agent with a specified office in such a European Union member state unless at least one European Union member state does not require a Paying Agent making payments through a specified office in that member state to so withhold or deduct tax.

In addition, the Issuer [and the Guarantor]<sup>(1)</sup> shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

*(f) Unmatured Coupons and Receipts and unexchanged Talons:*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

(2) This text will only appear on Notes issued by Marks and Spencer p.l.c.

from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may reasonably require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest (if any) accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

*(g) Talons:*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

*(h) Non-Business Days:*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency which, in the case of Australian Dollars shall be Melbourne or, in the case of New Zealand Dollars shall be Wellington, or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## **8. Taxation**

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons [or under the Guarantee]<sup>(1)</sup> shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Issuer [or the Guarantor]<sup>(1)</sup> within the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer [or, as the

---

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.



case may be, the Guarantor]<sup>(1)</sup> shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) *Other connection, etc.*: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom or any political subdivision thereof or any authority therein or thereof other than the mere holding of the Note, Receipt or Coupon; or
- (b) *Statutory requirements and/or declarations of non-residence*: Presented for payment by a holder who would have been able to avoid such withholding or deduction by satisfying any statutory requirements and/or by making a declaration of non-residence or other similar claim for exemption but, in either case, fails to do so; or
- (c) *Presentation more than 30 days after the Relevant Date*: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (d) *Payment to individuals*: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) *Payment to another Paying Agent*: (except in the case of registered Notes) presented for payment by or on behalf of a Noteholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

## **9. Prescription**

Claims against the Issuer [and/or the Guarantor]<sup>(1)</sup> for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8) in respect of them.

There shall not be included in any sheet of Coupons issued on exchange of a Talon any Coupon the claim for payment in respect of which would be prescribed pursuant to this Condition 9 or Condition 7(f) or any Talon which would be prescribed pursuant to this Condition 9 or Condition 7(f).

## **10. Events of Default**

If any of the following events ("Events of Default") occurs, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified to its

<sup>(1)</sup> This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together with accrued interest as provided in the Trust Deed:

(i) *Non-Payment:*

If default is made for a period of ten business days or more in the payment of any principal or interest due in respect of the Notes or any of them and for this purpose a "business day" shall mean a day on which banks are open for business in London; or

(ii) *Breach of Other Obligations:*

If the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed [or the Guarantor fails to perform or observe any of its obligations under the Trust Deed]<sup>(1)</sup> and (except where in any such case the Trustee considers such failure to be incapable of remedy when no such notice as is hereinafter mentioned will be required) such failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer [or the Guarantor (as the case may be)]<sup>(1)</sup> of notice requiring the same to be remedied; or

(iii) *Cross-Default:*

Any loan or other indebtedness for borrowed money of the Issuer [or the Guarantor]<sup>(1)</sup> amounting in aggregate to not less than £20,000,000 or its equivalent in other currencies becomes due and repayable prematurely by reason of an event of default (however described) or the Issuer [or the Guarantor]<sup>(1)</sup> fails to make payment in respect thereof on the due date for such payment as extended by any applicable grace period as originally provided or the security for any such loan or other indebtedness for borrowed money becomes enforceable and steps are taken to enforce the same or if default is made by the Issuer [or the Guarantor]<sup>(1)</sup> in making any payment due under any guarantee and/or indemnity given by it in respect of any loan or other indebtedness for borrowed money amounting in aggregate to not less than £20,000,000 or its equivalent in other currencies save in any such case to the extent that the Issuer [or the Guarantor, as the case may be,]<sup>(1)</sup> satisfies the Trustee that there is a *bona fide* dispute as to whether payment or repayment is due; or

(iv) *Enforcement Proceedings:*

If an administrator is appointed or any order is made by a competent court or resolution passed for winding up, or an administration order is made in relation to, the Issuer [or the Guarantor]<sup>(1)</sup> or if the Issuer [or the Guarantor]<sup>(1)</sup> stops payment of its obligations generally or ceases to carry on its business or substantially all thereof except that a winding up or a stopping of payment or cessation of business for the purpose of a reconstruction or amalgamation of the Issuer [or the Guarantor],<sup>(1)</sup> the terms of which have previously been approved in writing by the Trustee, shall not constitute an Event of Default; or

(v) *Security Enforced:*

If an encumbrancer takes possession or an administrative or other receiver is appointed of the whole or any material part of the assets of the Issuer [or the Guarantor]<sup>(1)</sup> or if a distress or execution is levied or enforced upon or sued out against any material part of the assets of the Issuer [or the Guarantor]<sup>(1)</sup> and is not removed, discharged or paid out within 60 days;

(vi) *Insolvency:*

If the Issuer [or the Guarantor]<sup>(1)</sup> is unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 of Great Britain or makes a general assignment for the benefit of its creditors; or

(vii) *Guarantee:*

The Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect in any material respect<sup>(1)</sup>.

Provided that in the case of any such events except those described in sub-paragraph (i) above, the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

## 11. Enforcement

The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer [and/or the Guarantor]<sup>(1)</sup> as it may think fit to enforce any obligation, condition or provision

---

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

binding on the Issuer [and/or the Guarantor]<sup>(1)</sup> under the Notes or under the Trust Deed, but shall not be bound to do so unless:

- (i) it has been so directed by an Extraordinary Resolution or in writing by the holders of at least one fifth of the principal amount of the Notes outstanding; and
- (ii) it has been indemnified to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to institute proceedings directly against the Issuer [and/or the Guarantor]<sup>(1)</sup> unless the Trustee, having become bound to proceed as aforesaid, fails to do so within a reasonable time and such failure is continuing.

## **12. Meetings of Noteholders, Modification, Waiver and Substitution**

### *(a) Meetings of Noteholders:*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, [or (ix) to modify or cancel the Guarantee,]<sup>(1)</sup> in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.*

### *(b) Modification of the Trust Deed:*

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

### *(c) Substitution:*

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or the Couponholders, to the substitution of any other company in place of the Issuer [or Guarantor]<sup>(1)</sup>, or of any previous substituted company, as principal debtor [or Guarantor]<sup>(1)</sup> under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent

<sup>(1)</sup> This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

*(d) Entitlement of the Trustee:*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer [or the Guarantor]<sup>(1)</sup> any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

**13. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

**14. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. References in these Conditions to "Notes" shall be construed accordingly. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

**15. Indemnification of Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer [, the Guarantor] or any other person without accounting for any profit resulting therefrom and to act as trustee for the holders of any other securities by the Issuer [or the Guarantor]<sup>(1)</sup> or any other person without accounting for any profit resulting therefrom.

**16. Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily English language newspaper of general circulation in London (which is expected to be the Financial Times). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. If publication as aforesaid is not practicable, notice will be given in such other manner,

---

(1) This text will only appear on Notes issued by an Issuer other than Marks and Spencer p.l.c.

and will be deemed to have been given on such date, as the Trustee may approve. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

**17. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

**18. Governing Law**

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Initial Issue of Notes

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the relevant Issuer or the Guarantor (where relevant) to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the relevant Issuer or the Guarantor (where relevant) in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer or the Guarantor (where relevant) will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes represented by such Global Certificate, as the case may be, in respect of each amount so paid.

### Exchange

1. *Temporary Global Notes.* Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:
  - 1.1 if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme-Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below and
  - 1.2 otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.
2. *Permanent Global Notes.* Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of 2.3 below, Registered Notes:
  - 2.1 unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Global Noteholders, the Issuing and Paying Agent and the Trustee of its intention to effect such exchange
  - 2.2 if the relevant Pricing Supplement provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange
  - 2.3 if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes and

- 2.4 otherwise, if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "Alternative Clearing System") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so
  - 2.5 in addition, where the relevant Pricing Supplement does not provide that the permanent Global Note is exchangeable at the request of the holder, it will nevertheless be exchangeable for Definitive Notes at the cost of the holder. In such circumstances the first accountholder with Euroclear or Clearstream, Luxembourg wishing to request such exchange will be required to bear the entire cost of such exchange, not just the cost attributable to the portion of such accountholder's interest in such permanent Global Note.
3. *Permanent Global Certificates.* If the Pricing Supplement states that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:
- 3.1 if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
  - 3.2 if principal in respect of any Notes is not paid when due; or
  - 3.3 with the consent of the Issuer
- provided that, in the case of the first transfer of part of a holding pursuant to 3.1 or 3.2 above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.
4. *Partial Exchange of Permanent Global Notes.* For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.
5. *Delivery of Notes.* On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuing and Paying Agent will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the Issuing and Paying Agent will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6. *Exchange Date.* "Exchange Date" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

#### **Amendment to Conditions**

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

1. *Payments.* No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Conditions 7(e)(vii) and 8(d) will apply to the Definitive Notes only.
2. *Prescription.* Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 9).
3. *Meetings.* The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each nominal amount of Notes equal to the minimum Specified Denomination of Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)
4. *Cancellation.* Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.
5. *Purchase.* Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor, its holding company or any of its/their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.
6. *Issuer's Option.* Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, or any other clearing system (as the case may be).
7. *Noteholders' Options.* Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the



form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

8. *Trustee's Powers.* In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or the relevant Global Certificate.
9. *Notices.* So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note.

#### **Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the relevant Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

#### **USE OF PROCEEDS**

The net proceeds from the issue of Notes will be used for general corporate purposes of the Group, including financial activities.

## MARKS AND SPENCER P.L.C.

### Introduction

The business of Marks and Spencer p.l.c. was founded in 1884. It was incorporated in England in 1926 and re-registered as a public limited company in 1981 and registered with the Registrar of Companies under registered number 00214436. On 19th March, 2002, it became a subsidiary of Marks and Spencer Group p.l.c. under a court approved scheme of arrangement made pursuant to section 425 of the United Kingdom Companies Act 1985. Marks and Spencer p.l.c. is wholly owned by (and the only asset of) the holding company of the Group, Marks and Spencer Group p.l.c.

The principal activities of the Group are retailing and financial services. Retailing includes clothing, food, beauty products and products for the home, which are sold under the brand name "Marks & Spencer". Financial services includes the operations of the Group's retail financial services companies, which provide credit cards, account cards, personal loans, unit trust management, life assurance, personal insurance and pensions and which are sold under the brand name "Marks & Spencer Money".

### Board of Directors

The functions of the directors of Marks and Spencer p.l.c., each of whose business address is 47-67 Baker Street, London W1U 8EP, and their principal activities outside the Group, where these are significant, are as follows:

Name	Position/Other Principal Activities
L.E. Vandeveld	Director (Chairman of Marks and Spencer Group p.l.c.) Non-Executive Director Vodafone Group Managing Director of Change Capital Partners
R.A. Holmes	Director (Chief Executive of Marks and Spencer Group p.l.c.)
D.R. Norgrove	Director (Executive Director of Marks and Spencer Group p.l.c.) Governor of National Institute of Economic and Social Research Inc. Non-Executive Director of the Strategic Rail Authority
A.C. Reed	Director (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of HSBC Bank plc Trustee of Whizz-Kidz
L. Powers-Freeling	Director (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of The Court of the Bank of England
J.M. King	Director (Executive Director of Marks and Spencer Group p.l.c.)
G.J. Oakley	Director and Company Secretary (Company Secretary of Marks and Spencer Group p.l.c.)
Vittorio Radice	Director (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of Abbey National plc Non-Executive Director of Shoppers Stop India Limited

## Capitalisation and Indebtedness

The capitalisation and indebtedness of Marks and Spencer p.l.c. as at 29th March, 2003, extracted from the consolidated audited accounts of Marks and Spencer p.l.c. for the year ended 29th March, 2003 is as follows:

	As at 29th March, 2003 (in £ millions)
<b>Capital and Reserves</b>	
Authorised, allotted, called up and fully paid 2,848,387,227 ordinary shares of 25 pence each .....	712.1
Share Premium account .....	380.9
Capital Redemption reserve .....	8.0
Revaluation reserve .....	370.6
Profit and Loss Account .....	3,565.8
Equity shareholders' funds .....	<u>5,037.4</u>
<b>Borrowings</b>	
Unsecured – due within one year	
Bank loans, overdrafts and commercial paper .....	150.2
Medium term notes .....	443.9
Secured – due within one year	
Securitised loan notes .....	2.5
Unsecured – due after one year	
Medium term notes .....	1,310.9
Secured – due after one year	
Securitised loan notes .....	315.7
Total Borrowings .....	<u>2,223.2</u>

### Notes:

- (1) Share Capital: (in £ millions)
- |  |       |
|--|-------|
| Authorised share capital                             |       |
| 3,200,000,000 ordinary shares of 25 pence each ..... | 800.0 |
| Issued share capital (fully paid)                    |       |
| 2,848,387,227 ordinary shares of 25 pence each ..... | 712.1 |
- (2) Balances in foreign currencies have been translated into sterling at the exchange rates ruling at 29th March, 2003, being the financial year end for the Group.
- (3) At 29th March, 2003, Marks and Spencer p.l.c. had the following commitments and contingent liabilities:
- (i) Approximately £929.8 million of guarantees in respect of the borrowings of subsidiaries.
  - (ii) Approximately £75.6 million of commitments in respect of properties in the course of development.
- At 29th March, 2003, consolidated borrowings guaranteed by Marks and Spencer p.l.c. amounted to approximately £686.5 million and consolidated borrowings not guaranteed by Marks and Spencer p.l.c. amounted to approximately £1,536.7 million.
- (4) At 19th September, 2003 (being the latest practicable date prior to the publication of this Offering Circular), Marks and Spencer p.l.c. had provided guarantees totaling £1,114.6 million in aggregate and has also guaranteed (i) the obligations of Marks and Spencer Finance Inc. under a share sale agreement for Brooks Brothers Inc., dated 23rd November, 2001 and (ii) Marks and Spencer (Ireland) Limited in order that such company may avail itself of the exemption provided for in s.17 of the Irish Companies (Amendment) Act 1986 in respect of the documents required to be annexed to its annual return.
- (5) On 14th August, 2003 Marks and Spencer p.l.c. guaranteed a three year £1.25 billion Revolving Credit Facility signed by Marks and Spencer Financial Services p.l.c.
- (6) There has been no material change in the capitalisation, consolidated indebtedness and contingent liabilities of Marks and Spencer p.l.c. since 29th March, 2003. Save as disclosed above in Notes 4 and 5, Marks and Spencer p.l.c. has not provided any guarantees since 29th March, 2003.

## MARKS AND SPENCER P.L.C.

Holding Company: Marks and Spencer Group p.l.c.

### Principal subsidiary undertakings of Marks and Spencer p.l.c.

	Principal Activity	Country of Incorporation and Operation	Proportion of voting rights and shares held by	
			Marks and Spencer p.l.c.	A subsidiary
Marks and Spencer International Holdings Limited	Holding Company	Great Britain	100%	—
Marks and Spencer (Nederland) BV	Holding Company	The Netherlands	—	100%
Marks & Spencer Finance Inc	Holding Company	United States	100%	—
Marks and Spencer Ventures Limited	Holding Company	Great Britain	100%	—
Marks and Spencer (Ireland) Limited	Retailing	Republic of Ireland	—	100%
Kings Super Markets Inc	Retailing	United States	—	100%
Marks and Spencer (Asia Pacific) Limited	Retailing	Hong Kong	—	100%
Marks and Spencer Card Services Limited	Credit Card Handling	Great Britain	100%	—
Marks and Spencer Retail Financial Services Holdings Limited	Holding Company	Great Britain	100%	—
Marks and Spencer Financial Services p.l.c.	Financial Services	Great Britain	—	100%
Marks and Spencer Unit Trust Management Limited	Financial Services	Great Britain	—	100%
Marks and Spencer Savings and Investments Limited	Financial Services	Great Britain	—	100%
Marks and Spencer Life Assurance Limited	Financial Services	Great Britain	—	100%
MS Insurance Limited	Financial Services	Guernsey	—	100%
St. Michael Finance p.l.c.	Finance	Great Britain	100%	—
Marks and Spencer Finance p.l.c.	Finance	Great Britain	100%	—
Marks and Spencer Property Holdings Limited	Property Investment	Great Britain	100%	—
Amethyst Leasing (Properties) Limited	Finance	Great Britain	—	100%
Amethyst Finance p.l.c.	Finance	Great Britain	—	(1)
The Zip Project Limited	Procurement	Great Britain	75%	—

- (1) Amethyst Finance p.l.c. is a wholly owned subsidiary of a non-group company but has been consolidated in the accounts as a quasi-subsiidiary in accordance with FRS 5. The quasi-subsiidiary has net assets of £nil, the material balances being securitised loan notes of £328.7m (last year £331.0m) offset by an inter-company group receivable.

## MARKS AND SPENCER FINANCE P.L.C.

### Incorporation and Business

Marks and Spencer Finance p.l.c. is a wholly owned subsidiary of Marks and Spencer p.l.c., which is the wholly owned subsidiary of Marks and Spencer Group p.l.c. It was incorporated in England with limited liability on 26th March, 1985, and registered with the Registrar of Companies under registered number 1899685. It was incorporated to facilitate the raising of finance for the Group. Marks and Spencer Finance p.l.c. has no subsidiaries.

### Board of Directors

The functions of the directors of Marks and Spencer Finance p.l.c., each of whose business address is 47-67, Baker Street, London W1U 8EP, and their principal activities outside the Group, where these are significant, are as follows:

Name	Position/Other Principal Activities
A.C. Reed	Director (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of HSBC Bank plc Trustee of Whizz-Kidz
P. Hay-Plumb	Director (Director of Corporate Finance and Group Reporting, Marks and Spencer p.l.c.) Director of the Coalfields Regeneration Trust
L. Powers-Freeling	Director (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of The Court of the Bank of England

### Capitalisation and Indebtedness

The capitalisation and indebtedness of Marks and Spencer Finance p.l.c. as at 29th March, 2003, extracted from the audited accounts of Marks and Spencer Finance p.l.c for the year ended 29th March, 2003 is as follows:

	As at 29th March, 2003 (in £)
<b>Capital and Reserves</b>	
Authorised share capital 100,000 ordinary shares of £1.00 each .....	100,000
Issued share capital	
2 ordinary shares of £1.00 each paid up as to 100 per cent .....	2
49,998 ordinary shares of £1.00 each paid up as to 25 per cent .....	12,500
Total called up share capital .....	12,502
Profit and Loss Account .....	461,000
Equity shareholders' funds .....	473,502
<b>Borrowings</b>	
Unsecured – due within one year	
Medium term notes .....	243,300,000
Unsecured – due after one year	
Medium term notes .....	9,559,000
Total Borrowings .....	252,859,000

#### Notes:

- (1) Amounts due from Group undertakings amounted to £254,758,000 at 29th March, 2003.
- (2) Marks and Spencer Finance p.l.c. did not have any material contingent liabilities at 29th March, 2003.
- (3) Borrowings guaranteed by Marks and Spencer p.l.c. amounted to £252,859,000 at 29th March, 2003.
- (4) No guarantees have been provided by Marks and Spencer Finance p.l.c.
- (5) There has been no material change in the capitalisation, indebtedness and contingent liabilities of Marks and Spencer Finance p.l.c. since 29th March, 2003.

## ST. MICHAEL FINANCE P.L.C.

### Incorporation and Business

St. Michael Finance p.l.c. is a wholly owned subsidiary of Marks and Spencer p.l.c., which is the wholly owned subsidiary of Marks and Spencer Group p.l.c. It was incorporated in England with limited liability on 21st November, 1977, and registered with the Registrar of Companies under registered number 1339700. It carries on the business of a finance company. On 28th June, 1996, it was re-registered as a public limited company. St. Michael Finance p.l.c. has no subsidiaries.

### Board of Directors

The functions of the directors of St. Michael Finance p.l.c., each of whose business address is 47-67 Baker Street, London W1U 8EP, and their principal activities outside the Group, where these are significant, are as follows:

Name	Position/Other Principal Activities
A.C. Reed	Director (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of HSBC Bank plc Trustee of Whizz-Kidz
P. Hay-Plumb	Director (Director of Corporate Finance and Group Reporting, Marks and Spencer p.l.c.) Director of the Coalfields Regeneration Trust
L. Powers-Freeling	Director (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of The Court of the Bank of England

### Capitalisation and Indebtedness

The capitalisation and indebtedness of St. Michael Finance p.l.c. as at 29th March, 2003, extracted from the audited accounts of St Michael Finance p.l.c. for the year ended 29th March 2003 is as follows:

	As at 29th March, 2003 (in £'000)
<b>Capital and Reserves</b>	
Authorised, allotted, called up and fully paid 50,000 ordinary shares of £1.00 each .....	50
Profit and Loss Account .....	40,192
Equity shareholders' funds .....	<u>40,242</u>
<b>Borrowings</b>	
Unsecured – due within one year	
Bank loans, overdrafts and medium term notes .....	262,835
Amounts owed to Group undertakings .....	854,644
Unsecured – due after one year	
Medium term notes .....	148,474
Amounts owed to Group undertakings .....	<u>9,559</u>
Total Borrowings .....	<u>1,275,512</u>

#### Notes:

- (1) Amounts due from Group undertakings amounted to £1,321,363,000 at 29th March, 2003.
- (2) Borrowings guaranteed by Marks and Spencer p.l.c. amounted to £358,474,000 at 29th March, 2003.
- (3) St. Michael Finance p.l.c. did not have any material contingent liabilities at 29th March, 2003.
- (4) No guarantees have been provided by St. Michael Finance p.l.c.
- (5) There has been no material change in the capitalisation, indebtedness and contingent liabilities of St. Michael Finance p.l.c. since 29th March, 2003.

## **MARKS AND SPENCER FINANCIAL SERVICES P.L.C.**

### **Incorporation and Business**

Marks and Spencer Financial Services p.l.c. is a wholly owned subsidiary of Marks and Spencer p.l.c., which is the wholly owned subsidiary of Marks and Spencer Group p.l.c., which is the holding company of the Group. It was incorporated in England with limited liability on 24th November, 1983, and registered with the Registrar of Companies under registered number 01772585. It is an institution authorised under the Financial Services and Markets Act 2000 and also provides retail credit and associated services under the brand name of "Marks & Spencer Money". On 1st August, 2002, it was re-registered as a public limited company. Marks and Spencer Financial Services p.l.c. has no subsidiaries. For further information on the principal activities of the Group, please refer to page 33 of this Offering Circular.

### **Board of Directors**

The functions of the directors of Marks and Spencer Financial Services p.l.c., each of whose business address is Kings Meadow, Chester, Cheshire, CH99 9FB and their principal activities outside the Group, where these are significant, are as follows:

<b>Name</b>	<b>Position/Other Principal Activities</b>
L. Powers-Freeling	Chief Executive (Executive Director of Marks and Spencer Group p.l.c.) Non-Executive Director of The Court of the Bank of England
E. Nott	Chief Operating Officer
J. Walton	Finance Director
A. Milne	Sales and Marketing Director Director of Montrose Milne Limited
L.E. Vandeveld	Non-Executive Director (Chairman) (Chairman of Marks and Spencer Group p.l.c.) Non-Executive Director of Vodafone Group Managing Director of Change Capital Partners
P. Bradshaw	Non-Executive Director Director of Paul Bradshaw Consulting Limited
K. Culley	Non-Executive Director Non-Executive Director of BRIT Insurance Limited Non-Executive Director of BRIT Insurance (UK) Ltd Non-Executive Director of Financial Services Compensation Scheme Limited Non-Executive Director of Fleming Managed Growth plc Non-Executive Director of Investors' Compensation Scheme Limited Non-Executive Director of Fleming Managed Income PLC Non-Executive Director of Football Licensing Authority
B. Wells	Non-Executive Director Joint Chairman of Acott Tilley Wells Holdings Limited Chairman of PremierLine Direct Limited Chairman of BJW International Limited Director of Zenith Syndicate Management Limited Director of Zenith Insurance Management Limited
K. Knutson	Non-Executive Director Chief Executive Officer and Acting Chairman of Clear Money Limited Non-Executive Director of Dione plc

### Capitalisation and Indebtedness

The capitalisation and indebtedness of Marks and Spencer Financial Services p.l.c. as at 31st March, 2003, extracted from the audited accounts of Marks and Spencer Financial services p.l.c. for the year ended 31st March, 2003 is as follows:

	As at 31st March, 2003 (in £'000)
<b>Capital and Reserves</b>	
Authorised, allotted, called up and fully paid 35,000,000 ordinary shares of £1.00 each .....	35,000
Profit and Loss Account .....	373,158
Equity shareholders' funds .....	408,158
<b>Borrowings</b>	
Unsecured – due within one year	
Bank overdrafts .....	4,544
Medium term notes .....	50,140
Amounts owed to Group undertakings .....	1,332,665
Unsecured – due after one year	
Medium term notes .....	25,000
Subordinated loan stock owed to Group undertakings .....	35,000
Total Borrowings .....	1,447,349

#### Notes:

- (1) Amounts due from Group undertakings amounted to £9,159,000 at 31st March, 2003.
- (2) Borrowings guaranteed by Marks and Spencer p.l.c. amounted to £75,139,500 at 31st March, 2003.
- (3) On 14th August, 2003 Marks and Spencer Financial Services p.l.c. signed a three year £1.25 billion Revolving Credit Facility guaranteed by Marks and Spencer p.l.c.
- (4) Marks and Spencer Financial Services p.l.c. did not have any material contingent liabilities at 31st March, 2003.
- (5) No guarantees have been provided by Marks and Spencer Financial Services p.l.c.
- (6) There has been no material change in the capitalisation, indebtedness and contingent liabilities of Marks and Spencer Financial Services p.l.c. since 31st March, 2003. Marks and Spencer Financial Services p.l.c. has not provided any guarantees since 31st March, 2003.



## UNITED KINGDOM TAXATION

The comments below are of a general nature and reflect the understanding of the Issuers of current United Kingdom law and current United Kingdom Inland Revenue practice at the date of this Offering Circular. The comments relate only to the position of persons who are the absolute beneficial owners of their Notes and Coupons and deal with United Kingdom withholding tax issues which arise on payments in respect of the Notes. They do not address other United Kingdom taxation implications of acquiring, holding or disposing of such Notes and Coupons (except direct assessment to income tax of interest and discounts on Notes) and may not apply to certain classes of persons (such as dealers in securities) or where the interest on any such Note is deemed to be the income of any person other than the Noteholders for United Kingdom tax purposes.

**Prospective Noteholders who are in any doubt as to their tax position or may be subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to seek independent advice.**

So long as the Notes are and continue to be listed on a recognised stock exchange within the meaning of section 841 Income and Corporation Taxes Act 1988 (the London Stock Exchange is currently a recognised stock exchange for this purpose), payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax. Under an Inland Revenue published interpretation, securities will be treated as listed on the London Stock Exchange if they are admitted to the Official List and admitted to trading by the London Stock Exchange.

Persons in the United Kingdom (a) paying interest to or receiving interest on behalf of another person, or (b) paying amounts due on redemption of the Notes which constitute relevant discounted securities as defined in Schedule 13 to the Finance Act 1996 to or receiving such amounts on behalf of another person, may be required to provide certain information to the United Kingdom Inland Revenue regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

If the Notes cease to be listed on a recognised stock exchange interest will generally be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent) subject to any direction to the contrary from the Inland Revenue in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Interest on Notes having a maturity of less than one year may also be paid without deduction for or on account of United Kingdom income tax provided that the relevant Notes are not issued as part of an arrangement the effect of which is to render such Notes part of a borrowing for a total period of one year or more.

If the Notes are issued at a discount or redeemable at a premium, no United Kingdom withholding tax should apply to any premium or discount unless any element of the premium or discount were to be treated for tax purposes as yearly interest, in which case, payments thereof would be subject to United Kingdom withholding tax as outlined above.

The interest or any discount on a Note issued has a United Kingdom source and accordingly, subject as set out below, may be chargeable to United Kingdom income tax by direct assessment. However, where the interest and the discount is paid without withholding or deduction, neither the interest nor any discount will be assessed to United Kingdom tax in the hands of a Noteholder who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch, agency or permanent establishment in connection with which the interest or discount is received or to which those Notes are attributable. There are certain exemptions for interest and discounts received by specified categories of agent such as some brokers and investment managers.

Noteholders should note that the provisions relating to additional amounts referred to in "Terms and Conditions of the Notes – Taxation" above would not apply if the Inland Revenue sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision under an applicable double taxation treaty.

The Council of the European Union has adopted proposals for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, Member States will be required from 1st January 2005 to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to or for the benefit of an individual resident in that other Member State, except that Belgium, Luxembourg and Austria may instead operate a withholding system for a transitional period in relation to such payments.