

This section is important and requires your immediate attention. If you are in any doubt about any aspect of the proposals referred to in this section or the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares in Morgan Sindall plc, please pass this document together with the accompanying proxy form to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Notice of annual general meeting

This year's annual general meeting will be held at the offices of RBS Hoare Govett, 250 Bishopsgate, London EC2M 4AA on 30 April 2009 at 12.00 noon. You will be asked to consider and pass the resolutions below. Resolutions 10 to 12 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary business

Ordinary resolutions

1. That the financial statements and the reports of the directors and the independent auditors for the year ended 31 December 2008 be received and accepted.
2. That a final dividend of 30.0p per ordinary share be declared for the year ended 31 December 2008.
3. That Paul Smith be re-elected as a director.
4. That Adrian Martin be elected as a director.
5. That the directors' remuneration report for the year ended 31 December 2008 be approved.
6. That Deloitte LLP be re-appointed as independent auditors.
7. That the directors be authorised to fix the independent auditors' remuneration.

Special business

Ordinary resolutions

8. That the authorised share capital of the Company be and is hereby increased from £3,000,000 to £3,750,000 by the creation of 15,000,000 new ordinary shares of 5p each ranking pari passu with the existing shares of the Company.
9. (A) THAT the directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985 (the '1985 Act')) up to an aggregate nominal amount of £716,731 provided that this authority shall expire at the conclusion of the Company's next annual general meeting, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired,

and further,

(B) THAT the directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in Section 94(2) of the 1985 Act) in connection with a rights issue where the equity securities respectively attributable to the interests of all shareholders are proportionate (as nearly as may be) to the respective numbers of shares held by them up to an aggregate nominal amount of £1,433,462 (after deducting from such limit any relevant securities allotted under paragraph (A) above) provided that this authority shall expire at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Notice of annual general meeting

Special resolutions

10. THAT subject to the passing of the previous resolution the directors be and are hereby empowered pursuant to Section 95 of the 1985 Act to allot equity securities (as defined in section 94(2) of the 1985 Act) for cash pursuant to the authority conferred by the previous resolution as if section 89(1) of the 1985 Act did not apply to such allotment provided that such power shall be limited to:

(A) the allotment of equity securities which are offered to all holders of equity securities of the Company (at a date specified by the directors) (but, in the case of the authority granted under paragraph (B) of the previous resolution, by way of a rights issues only) where the equity securities respectively attributable to the interests of such holders are as nearly as practicable in proportion to the respective number of securities held by them, but subject to such exclusions and other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements and any legal or practical problems under any laws, or requirements of any regulatory body or stock exchange in any territory or otherwise; and

(B) the allotment (otherwise than pursuant to sub-paragraph (A) above) of equity securities up to an aggregate nominal value of £107,510

and provided that this power shall expire at the conclusion of the Company's next annual general meeting, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

11. That, pursuant to section 166 of the 1985 Act, the Company be and is hereby generally authorised to make one or more market purchases (within the meaning of section 163(3) of the 1985 Act) of up to 4,300,385 of its own ordinary shares, representing an aggregate nominal value of £215,019 on the basis that:

(A) the minimum price which may be paid for each ordinary share shall be the nominal value of that share;

(B) the maximum price which may be paid for each ordinary share shall be the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share of the Company, as derived from the London Stock Exchange's Daily Official List, for the five business days immediately preceding the day on which the purchase is carried out, and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out; and

(C) this authority will expire 12 months after the date on which this resolution is passed or, if earlier, at the conclusion of the next annual general meeting of the Company (except in relation to the purchase of ordinary shares the contract for which is concluded before such date and which is to be executed wholly or partly after such date).

12. That a general meeting, other than an annual general meeting, of the Company may be called on not less than 14 clear days notice.

24 February 2009
By order of the Board
Mary Nettleship
Company Secretary

Registered Office:
Kent House
14-17 Market Place
London W1W 8AJ

Registered in England
and Wales, No. 521970

Notes

1. A member of the Company is entitled to appoint a proxy (who need not be a member of the Company) to exercise all or any of his or her rights to attend and to speak and vote on his or her behalf at the meeting. A proxy form which may be used to make such appointment and give proxy instructions accompanies this document. A shareholder may appoint more than one proxy in relation to the annual general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which he or she is authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares each proxy appointment relates to or specifying a number in excess of those held by you may result in the appointment being invalid. If you do not have a proxy form and believe that you should have one, please contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras). If calling from overseas please call +44 20 8639 3399.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 12.00 noon on 28 April 2009.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 10 below) will not prevent a shareholder attending the annual general meeting and voting in person if he or she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 28 April 2009 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting shall be entitled to attend and vote at the annual general meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of securities after 6.00 p.m. on 28 April 2009 or, if this meeting is adjourned, at 6.00 p.m. on the day two days prior to the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at this annual general meeting.
7. As at 23 February 2009 (being the last business day prior to the date of this Notice) the Company's issued share capital consists of 43,003,855 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 23 February 2009 are 43,003,855.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with the specifications set out by Euroclear UK and Ireland Limited ('Euroclear'), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12.00 noon on 28 April 2009. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
13. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
14. Copies of the service contracts and letters of appointment of the directors of the Company are available for inspection at the registered office of the Company during usual business hours (excluding weekends and English public holidays) and will be available at the annual general meeting from 15 minutes prior and during the meeting.
15. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting to follow the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives. Please see www.icsa.org.uk for further details of this procedure or contact the Company's Registrar on 0871 664 0300 (calls cost 10p per minute plus network extras). If calling from overseas please call +44 20 8639 3399.
16. Any electronic address provided either in this Notice of annual general meeting or any related documents (including the proxy form) may only be used for the limited purposes specified herein and not to communicate with the Company by electronic means or for any other more general purpose.
17. Explanatory notes on the items of special business to be proposed at the annual general meeting can be found on pages 124 to 125 following this Notice.

Explanatory notes to the special business to be proposed at the annual general meeting

Increase in authorised share capital (Resolution 8)

An ordinary resolution will be proposed to increase the Company's authorised share capital from £3,000,000 to £3,750,000 by the creation of 15,000,000 shares (an increase of 25%). If passed, this will give the directors the ability to allot shares in accordance with the authorities given in resolution 9 referred to below, but subject always to the restrictions contained in resolutions 9 and 10 and consistent with the Association of British Insurers' guidelines.

Authority to allot shares (Resolution 9)

An ordinary resolution will be proposed to renew the directors' authority to allot share capital in the Company in accordance with section 80 of the Companies Act 1985. Paragraph (A) of this resolution would give directors the authority to allot shares up to an aggregate nominal amount equal to £716,731 (representing 14,334,618 shares). This amount represents approximately one third of the total issued share capital of the Company as at 23 February 2009, the latest practicable date prior to the date of this Notice.

In line with recent guidance issued by the Association of British Insurers, paragraph (B) of this resolution would give the directors the authority to allot shares, in connection with a rights issue, up to an aggregate nominal amount equal to £1,433,462 (representing 28,669,236 shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two thirds of the total issued share capital of the Company as at 23 February 2009, the latest practicable date prior to the date of this Notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the conclusion of the annual general meeting of the Company to be held in 2010.

The directors currently have no intention of issuing further shares or granting rights over shares other than in connection with the Company's employees share option and share incentive schemes.

Disapplication of pre-emption rights (Resolution 10)

This resolution will be proposed as a special resolution, which requires a 75% majority of the votes to be cast in favour. It would give the directors the authority to allot shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

As in previous years, this authority would be limited to allotments or sales in connection with pre-emptive offers or otherwise up to an aggregate nominal amount of £107,510 (representing 2,150,192 shares). This aggregate nominal amount represents approximately 5% of the total issued share capital of the Company as at 23 February 2009, the latest practicable date prior to the date of this Notice. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the conclusion of the annual general meeting of the Company to be held in 2010.

Share repurchase authority (Resolution 11)

A special resolution will be proposed to authorise the Company to buy back its shares in the market, either for cancellation or to be held in treasury. Whilst the directors have no current intention of using this authority, it would give them the flexibility to make purchases of shares if they considered such purchases to be in the best interests of the Company and shareholders and expected such purchases to result in an increase in earnings per share.

Notice of annual general meeting

Under the terms of the resolution, the Company will be generally authorised to make market purchases of up to 4,300,385 shares with an aggregate nominal value of £215,019, representing approximately 10% of the current issued share capital of the Company. The maximum price payable per share would be based on the market price of a share as set out in more detail in the special resolution itself.

As at 23 February 2009, the number of outstanding options to subscribe for shares granted by the Company was 1,955,831 shares. This figure represents 5% of the total issued share capital of the Company at that date and would represent 6% of the total issued share capital if full authority to purchase shares (both the existing authority and that sought at the 2009 AGM) was used.

The authority will expire on the date falling 12 months after the passing of this resolution or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2010.

Notice of general meetings (Resolution 12)

This resolution is required to reflect the proposed implementation in August 2009 of the Shareholders Rights Directive. The regulation implementing this Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than AGMs) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 12 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

Recommendation

The directors consider that each resolution to be proposed at the meeting is in the best interests of the Company and its shareholders as a whole and recommend that you vote in favour of all resolutions.