
This document is important and requires your immediate attention

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

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

Morgan Sindall Group plc

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

Notice of Annual General Meeting 2014

Notice of the Annual General Meeting of Morgan Sindall Group plc to be held at the offices of Jefferies Hoare Govett, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ on 8 May 2014 at 12.00 noon is set out at the end of this circular.

Whether or not you propose to attend the Annual General Meeting, please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received by 12.00 noon on 6 May 2014.

Morgan Sindall Group plc

(the Company)

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

Registered Office:

Kent House
14–17 Market Place
London
W1W 8AJ

18 March 2014

To the holders of ordinary shares in the Company

Dear Shareholder,

Notice of Annual General Meeting

I am pleased to be writing to you with details of our Annual General Meeting (AGM) which we are holding at the offices of Jefferies Hoare Govett, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ on 8 May 2014 at 12.00 noon. The formal notice of AGM is set out on pages 6 to 8 of this document.

The purpose of this letter is to explain certain elements of the business to be considered at the AGM. Resolutions 1 to 14 and 18 to 20 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 15 to 17 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Resolution 1: Report and accounts

The directors of the Company are required to lay the report and accounts of the Company before the shareholders each year at the AGM. The annual report comprises the audited financial statements, the auditor's report, the directors' report, the directors' remuneration report and the directors' strategic report.

Resolution 2: Dividend

The Board recommends a final dividend of 15p per ordinary share. Subject to approval by shareholders, the final dividend will be paid on 23 May 2014 to shareholders on the register on 2 May 2014.

Resolutions 3 to 9: Directors

The Company's Articles of Association require each director to submit himself/herself for re-election by shareholders every three years. The Board has agreed however, in accordance with the UK Corporate Governance Code, to submit all of its continuing directors for re-election at the AGM irrespective of their date of appointment and length of service on the Board. Separate resolutions will be proposed for each of these re-elections. As described in the corporate governance statement in the Company's report and accounts 2013, the Board believes that the performance of the non-executive directors continues to be effective and that they demonstrate commitment to their roles. The directors' biographies are set out on pages 48 to 49 of the Company's report and accounts 2013.

Resolution 10: Remuneration policy

The Company proposes an ordinary resolution to approve the directors' remuneration policy contained in the directors' remuneration report as set out on pages 59 to 63 of the annual report. Once approved by shareholders, this policy will be binding upon the Company from the 2014 AGM, and the directors will only be able to make remuneration payments in accordance with the approved policy. If the remuneration policy is approved and remains unchanged, it will be valid for up to three financial years without new shareholder approval being required. If the Company wished to change the remuneration policy, it would need to put the revised policy to a vote again, before it could implement that new policy.

Resolution 11: Remuneration report

This resolution is an ordinary resolution to approve the directors' remuneration report which is set out on pages 58 to 72 of the annual report, other than the part containing the directors' remuneration policy which is set out on pages 59 to 63. The vote on this resolution is advisory only and the directors' entitlement to remuneration is not conditional on its being passed.

Resolutions 12 and 13: Auditor

The Company is required to appoint an auditor at each general meeting at which accounts are laid, to serve until the next such meeting. Deloitte LLP have indicated their willingness to continue in office and the Board proposes by Resolution 12 that Deloitte LLP be re-appointed as auditor of the Company. Resolution 13 authorises the directors to negotiate and agree the remuneration of the auditor.

Resolution 14: Directors' authority to allot shares

This ordinary resolution will be proposed to renew the directors' authority to allot share capital in the Company in accordance with section 551 of the Act. Paragraph (a) of this resolution would give directors the authority to allot shares or grant rights to subscribe for or convert any securities into shares up to an aggregate nominal amount equal to £721,067.95 (representing 14,421,359 shares). This amount represents approximately one third of the total issued share capital of the Company as at 18 March 2014, the latest practicable date prior to the date of this notice.

In line with guidance issued by the Association of British Insurers (ABI), paragraph (b) of this resolution would give the directors the authority to allot shares or grant rights to subscribe for or convert any securities into shares in connection with a rights issue, up to an aggregate nominal amount equal to £1,442,135.90 (representing 28,842,718 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 18 March 2014, the latest practicable date prior to the date of this notice.

The authorities sought under this resolution will expire at the earlier of close of business on 8 August 2015 and the conclusion of the annual general meeting of the Company to be held in 2015. The directors currently have no intention of issuing further shares or granting rights over shares other than in connection with the Company's employee share option and share incentive schemes. However, if the directors do exercise the authority granted by the resolution, the directors intend to follow ABI recommendations concerning its use.

As at 18 March 2014, being the latest practicable date prior to the date of this notice, the Company held no shares in treasury.

Resolution 15: Disapplication of pre-emption rights

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

As in previous years, this authority would be limited to allotments or sales in connection with pre-emptive offers or otherwise up to an aggregate nominal amount of £108,160.20 (representing 2,163,204 shares). This aggregate nominal amount represents approximately 5% of the total issued share capital of the Company as at 18 March 2014, the latest practicable date prior to the date of this notice. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authorities sought under this resolution will expire at the earlier of close of business on 8 August 2015 and the conclusion of the annual general meeting of the Company to be held in 2015.

Resolution 16: Authority to purchase own shares

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

Under the terms of the resolution, the Company will be generally authorised to make market purchases of up to 4,326,408 shares with an aggregate nominal value of £216,320.40, representing approximately 10% of the total issued share capital of the Company as at 18 March 2014, the latest practicable date prior to the date of this notice. The maximum price payable per share will be based on the market price of a share as set out in more detail in the resolution itself.

As at 18 March 2014, the number of outstanding options to subscribe for shares granted by the Company was 1,656,740 shares. This figure represents 3.83% of the total issued share capital of the Company at that date and would, assuming no further shares are issued, represent 4.25% of the total issued share capital if full authority to purchase shares (under the existing authority and that sought at the annual general meeting) was used.

The Company has not undertaken any purchases of its own shares since the date of the last AGM, but the renewal of the authority is sought to preserve flexibility. The directors have no present intention of exercising this authority which will expire at close of business on 8 August 2015 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015.

As at 18 March 2014, being the last practicable date prior to the date of this notice, no shares had been purchased and held as treasury shares or cancelled under the existing authority.

Resolution 17: Notice period for general meetings

The minimum notice period permitted by the Companies Act for general meetings (other than AGMs of the Company) is 21 days. However, the Companies Act enables companies to reduce this period back to 14 days (other than for AGMs) provided that two conditions are met. The first condition is that the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility, accessible to all holders of shares that carry voting rights at general meetings, to appoint a proxy by means of a website. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

Electronic means of voting is available to all the Company's registered shareholders. The Board is therefore proposing Resolution 17 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than AGMs. The resolution will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The 14 clear days' notice period will not be used as a matter of routine, but only where the flexibility is merited by the business of the meeting and is thought to be in the best interests of the Company and of its shareholders as a whole.

Resolution 18: Political donations

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

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

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

Resolutions 19 and 20: Establishing new share incentive plans

The Company's existing Executive Remuneration Plan 2005 (the "ERP") will shortly reach the end of its ten year life. Consequently, the Remuneration Committee of the Company has undertaken a full scale review of the Company's long-term incentive provision and has determined that two new plans should be established in 2014 to replace the ERP: the 2014 Long Term Incentive Plan, under which free share awards may be granted; and the 2014 Share Option Plan, under which both tax-favoured and non tax-favoured share options may be granted.

The 2014 Long Term Incentive Plan will be used primarily to grant awards to executive directors and selected employees within the Morgan Sindall Group. The 2014 Share Option Plan will be used to grant options to employees throughout the Group. Whilst executive directors are eligible to participate in the 2014 Share Option Plan, there is currently no intention for them to do so.

The Remuneration Committee believes that the new plans will result in a strategically-focused equity-based long-term incentive provision that will create a genuinely strong alignment of interests between management and shareholders.

These resolutions therefore seek approval to introduce the new share incentive plans to replace the ERP. The new plans will share many of the features of the ERP but have been updated to reflect current legislation, best practice and corporate governance requirements. The main terms of the new plans are summarised in Appendix 1 to this Notice.

Attendance and voting

I very much hope that you will be able to join us at the AGM. Whether or not you are proposing to attend and vote, I would encourage you to fill in the proxy form sent to you with this notice and return it to our registrars as soon as possible or to vote online at www.investorcentre.co.uk/eproxy. The registrars must receive your proxy by 12.00 noon on 6 May 2014.

If you would like to vote on the resolutions, but cannot come to the AGM, you can appoint a proxy to exercise all or any of your rights to attend, vote and speak at the AGM. Please see the proxy form section below and the notes to the notice of meeting for information.

Recommendation

The directors of the Company consider that all the resolutions to be proposed at the AGM are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. They will be voting in favour of them in respect of their beneficial holdings and unanimously recommend that you do so as well.

Yours faithfully,

Adrian Martin
Chairman

Morgan Sindall Group plc

Notice of Annual General Meeting

This year's annual general meeting will be held at the offices of Jefferies Hoare Govett, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ on 8 May 2014 at 12.00 noon. You will be asked to consider and pass the resolutions below. Resolutions 15 to 17 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Report and accounts

1. That the financial statements and the reports of the directors and the auditor for the year ended 31 December 2013 be received.

Dividend

2. That a final dividend of 15p per ordinary share be declared for the year ended 31 December 2013.

Directors

That the following directors be re-elected:

3. Steve Crummett
4. Patrick De Smedt
5. Geraldine Gallacher
6. Simon Gulliford
7. Adrian Martin
8. John Morgan
9. Liz Peace

Remuneration policy

10. That the directors' remuneration policy contained in the directors' remuneration report for the year ended 31 December 2013 be approved.

Remuneration report

11. That the directors' remuneration report, other than the part containing the directors' remuneration policy, for the year ended 31 December 2013 be approved.

Auditor

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

Directors' authority to allot

14. That the directors be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (a) up to a nominal amount of £721,067.95 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such amount); and
 - (b) comprising equity securities (as defined in section 560(1) of the Companies Act 2006 (the Act)) up to a nominal amount of £1,442,135.90 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of rights issue:
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 8 August 2015) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the directors may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

Disapplication of pre-emption rights

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

- (a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 14, by way of a rights issue only):
 - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to holders of other equity securities, as required by the rights of those securities or, as the directors otherwise consider necessary,

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) in the case of the authority granted under paragraph (a) of resolution 14 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £108,160.20,

such power to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 8 August 2015) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority ends and the directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not ended.

Authority to purchase own shares

16. That, pursuant to section 701 of the Act, the Company be and is hereby generally authorised to make one or more market purchases (within the meaning of section 693(4) of the Act) of up to 4,326,408 of its own ordinary shares, representing an aggregate nominal value of £216,320.40 on the basis that:

- (a) the minimum price, exclusive of expenses, which may be paid for each ordinary share shall be the nominal value of that share;
- (b) the maximum price which may be paid for each ordinary share shall be the higher of (i) an amount equal to 105% of the average of the closing middle market quotations for an ordinary share, as derived from the London Stock Exchange's Daily Official List, for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased and (ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange at the time the purchase is carried out in each case, exclusive of expenses; and
- (c) this authority will expire at close of business on 8 August 2015 or, if earlier, at the conclusion of the next annual general meeting of the Company (except in relation to the purchase of ordinary shares the contract for which is concluded before such date and which is to be executed wholly or partly after such date).

Notice period for general meetings

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

Political donations

18. That in accordance with section 366 of the Act, the Company and each company which is or becomes a subsidiary of the Company at any time during the period for which this resolution has effect be and is hereby authorised (a) to make political donations to political parties and/or independent election candidates to which section 366 of the Act applies; (b) to make political donations to political organisations other than political parties; and (c) to incur political expenditure; provided that: (i) the aggregate amount made or incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £25,000; and (ii) this authority shall expire on the earlier of the conclusion of the next annual general meeting of the Company and close of business on 8 August 2015.

Establishing new share incentive plans

19. That the rules of the Morgan Sindall 2014 Long Term Incentive Plan (the "LTIP") produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the directors be authorised to:
- (a) make such modifications to the LTIP as they may consider appropriate to take account of the requirements of best practice and for the implementation of the LTIP and to adopt the LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the LTIP; and
 - (b) establish further plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the LTIP.
20. That the rules of the Morgan Sindall 2014 Share Option Plan (the "SOP") produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the directors be authorised to:
- (a) make such modifications to the SOP as they may consider appropriate to take account of the requirements of HMRC and for the implementation of the SOP and to adopt the SOP as so modified and to do all such other acts and things as they may consider appropriate to implement the SOP; and
 - (b) establish further plans based on the SOP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the SOP.

By order of the Board

Mary Nettleship

Company Secretary

18 March 2014

Notes

1. The following documents will be available for inspection during normal business hours on any business day at Kent House, 14–17 Market Place, London W1W 8AJ and at the office of Slaughter and May, One Bunhill Row, London EC1Y 8YY from 26 March 2014 until the time of the AGM and at Jefferies Hoare Govett, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ from 15 minutes before the AGM until it ends:
 - > Copies of the executive directors' service contracts
 - > Copies of letters of appointment of the non-executive directors
 - > Copies of the rules of the Morgan Sindall 2014 Long Term Incentive Plan and the Morgan Sindall 2014 Share Option Plan.
2. Under section 338 and section 338A of the 2006 Act, shareholders meeting the threshold requirements in those sections have the right to require the Company:
 - (a) to give, to shareholders of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
 - (b) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

- (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
- (b) it is defamatory of any person; or
- (c) it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company no later than the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

3. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A proxy form, which may be used to make such appointment and give proxy instructions, accompanies this notice. A shareholder may appoint more than one proxy in relation to the annual general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. To appoint more than one proxy you may photocopy the form accompanying this notice. Please indicate the proxy holder's name and the number of shares in relation to which he or she is authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope. A failure to specify the number of shares to which each proxy appointment relates or specifying a number in excess of those held by you will result in the appointment being invalid. If you do not have a proxy form and believe that you should have one, please contact Computershare on 0870 707 1695. Lines are open from 8.30am to 5.30pm (UK time), Monday to Friday or by email at webcorres@computershare.com.
4. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Computershare Investor Services PLC, The Pavilions, Bridgwater Road BS13 8AE no later than 12.00 noon on 6 May 2014.
5. Shareholders may vote electronically, by no later than 12.00 noon on 6 May 2014, by visiting www.investorcentre.co.uk/eproxy. You will be asked to enter the Shareholder Reference Number (SRN), identifying meeting Control Number and PIN shown on your proxy card and agree to certain terms and conditions. CREST shareholders may lodge their proxy via the CREST system (see notes 11 to 14).
6. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in note 10 below) will not prevent a shareholder attending the annual general meeting and voting in person if he/she wishes to do so.

7. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the annual general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
8. The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.
9. To be entitled to attend and vote at the annual general meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00 pm on 6 May 2014 (or, in the event of any adjournment, on the date which is two days before the date of any adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
10. As at 18 March 2014, the last practicable day prior to the date of this notice, the Company's issued share capital consisted of 43,264,078 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at that date are 43,264,078.
11. 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.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Computershare Investor Services PLC (ID 3RA50), by 12.00 noon on 6 May 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. 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.
15. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
16. A corporation must execute the form of proxy under its common seal or the hand of a duly authorised officer or attorney. The power of attorney or authority (if any) should be returned with the form of proxy.
17. 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).

18. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which appointment was received last, none of them will be treated as valid in respect of that share.
19. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
20. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
21. A copy of this notice, and other information required by section 311A of the Act, can be found at www.corporate.morgansindall.com.
22. Any electronic address provided either in this notice or any related documents (including the form of proxy) may only be used for the limited purposes specified herein and not to communicate with the Company by electronic means or for any other more general purpose.

Appendix 1

This Appendix describes the unique features of each new share plan and then describes those features which are common to both plans.

Principal terms of the Morgan Sindall 2014 Long Term Incentive Plan (the LTIP)

Grant of awards

The remuneration committee of the Board of the Company (the Committee) may grant awards to acquire ordinary shares in the Company (Shares) within six weeks following the Company's announcement of its results for any period. The Committee may also grant awards within six weeks of shareholder approval of the LTIP or at any other time when the Committee considers there are exceptional circumstances which justify the granting of awards. It is intended that the first awards will be made shortly following adoption of the LTIP.

The Committee may grant awards as conditional shares or as nil (or nominal) cost options. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

Individual limit

An employee may not receive awards in any financial year over Shares having a market value in excess of 150 per cent. of his annual base salary in that financial year.

It is the Committee's current intention that, in line with current policy, executive directors will receive awards of 100 per cent. of salary (up to 150 per cent. in exceptional circumstances).

Performance conditions

The Committee will impose performance conditions on the vesting of all awards granted to executive directors.

Initial awards made to executive directors in 2014 will be subject to two performance conditions measured over a period of three financial years: one-half of an award will be based on the Company's earnings per share (EPS) growth relative to the Retail Prices Index (RPI); and the other half of the award will be subject to a sliding scale of relative total shareholder return (TSR) targets, measured against a bespoke comparator group comprising Balfour Beatty plc, Carillion plc, Costain Group plc, Galliford Try plc, Interior Services Group plc, Interserve Plc, Keller Group plc and Kier Group plc.

The extent to which initial awards will vest is as follows:

EPS performance condition applying to one-half of the total number of Shares held under an initial award	
Company's average annual growth in EPS relative to RPI	Percentage of one-half of an initial award that vests
Less than RPI + 4%	0%
RPI + 4%	25%
RPI + 10% or more	100%
Between RPI + 4% and RPI + 10%	Between 25% and 100% on a straight-line basis

TSR performance condition applying to one-half of the total number of Shares held under an initial award	
Rank of the Company's TSR against the TSR of the members of the comparator group	Percentage of one-half of an initial award that vests
Below median	0%
Equivalent to median	25%
Between median and 4th place	Between 25% and 40% on a straight-line basis
Equivalent to 4th place	40%
Between 4th and 3rd place	Between 40% and 70% on a straight-line basis
Equivalent to 3rd place	70%
Between 3rd and 2nd place	Between 70% and 100% on a straight-line basis
Equivalent to 2nd place or above	100%

Irrespective of the extent to which the TSR performance condition has been achieved, the Committee may, in its discretion, scale back the level of vesting of the TSR half of the award (potentially to zero) in the event that the Committee considers that the financial performance of the Company has been unsatisfactory and/or the level of TSR vesting has been distorted due to the TSR of the Company or any company in the comparator group being considered abnormal.

The Committee can set different performance conditions for executive directors from those described above for future awards and the Committee may set different or no performance conditions for participants who are not executive directors.

The Committee may vary any performance conditions applying to existing awards if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Vesting of awards

Awards granted to executive directors normally vest three years after grant. Awards granted to employees outside of this population may vest at such time set by the Committee.

Awards will vest to the extent that any applicable performance conditions have been satisfied and provided the participant is still employed in the Company's group (although awards may vest as a result of the participant leaving employment in certain circumstances – see below). Awards in the form of nil (or nominal) cost options will normally be exercisable up to the tenth anniversary of grant unless they lapse earlier.

Dividend equivalents

The Committee may decide that participants will receive a payment (in cash and/or Shares) on or shortly following the settlement of their awards, of an amount equivalent to the dividends that would have been paid on those Shares between the time when the awards were granted and the time when they vest. This amount may assume the reinvestment of dividends.

Leaving employment

As a general rule, an award will lapse upon a participant ceasing to hold employment or be a director within the Company's group. However, if a participant ceases to be an employee or a director because of death, injury, disability, retirement, redundancy, TUPE transfer, his employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Committee, then the award will vest on the date when it would have vested if he had not ceased such employment or office.

The extent to which an award will vest in these situations will depend upon two factors:

- (i) the extent to which any performance conditions have been satisfied on the normal vesting date (i.e. at the time they would have been assessed had the participant not ceased employment or office); and
- (ii) the pro rating of the award to reflect the reduced period of time between its grant and vesting, although the Committee can decide not to pro rate an award if it regards it as inappropriate to do so in the particular circumstances.

If a participant ceases to be an employee or director in the Company's group for one of the "good leaver" reasons specified above, the Committee can decide in exceptional circumstances, that the award will vest on the date of cessation, subject to: (i) any applicable performance conditions measured at that time; and (ii) pro rating by reference to the time of cessation as described above.

Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that any performance conditions have been satisfied at that time; and (ii) the pro rating of the awards to reflect the reduced period of time between their grant and vesting, although the Committee can decide not to pro rate an award if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

Variation of capital

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustment as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

Principal terms of the Morgan Sindall 2014 Share Option Plan (the SOP)

General

The SOP is divided into two parts, both of which are identical in all material respects unless otherwise indicated in this summary. Part A is intended to be approved by HM Revenue & Customs (HMRC) so that options granted under it may qualify for beneficial tax treatment in the UK. Part B will be used to grant non-tax favoured options.

Grant of options

The Committee may grant options to acquire Shares within six weeks following the Company's announcement of its results for any period. The Committee may also grant options within six weeks of shareholder approval of the SOP or at any other time if the Committee considers there are exceptional circumstances which justify the granting of options.

Individual participation

An employee may not receive options in any financial year over Shares with a market value exceeding 200 per cent. of his annual base salary in that financial year. In exceptional circumstances, such as recruitment or retention, this limit is increased to 300 per cent. of an employee's annual base salary.

Under Part A of the SOP, the aggregate market value of Shares at the date of grant subject to unexercised HMRC approved options granted by the Company shall not exceed £30,000 (or such other limit as may from time to time apply under the relevant legislation) per employee.

Option price

The price per Share payable upon exercise of an option will not be less than:

- (a) the middle-market price of a Share on the London Stock Exchange on the dealing day immediately before the date of grant (or such other dealing day(s) as the Committee may decide); and
- (b) if the option relates only to new issue Shares, the nominal value of a Share.

Performance conditions

The Committee will impose performance conditions on the exercise of all options granted to executive directors. However, there is currently no intention to grant options to executive directors under the SOP.

The Committee may set different or no performance conditions for participants who are not executive directors.

The Committee may vary any performance conditions applying to existing options if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Exercise of options

Options granted to executive directors will normally become capable of exercise three years after grant. Options granted outside of this population may become capable of exercise at such time set by the Committee.

Options will become exercisable to the extent that any performance conditions have been satisfied and provided the participant remains employed in the Company's group. Options will lapse on the day before the tenth anniversary of the date of grant or after such shorter period as determined by the Committee at the time of grant.

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

The Committee can decide to satisfy Part B options which are not tax-advantaged by the payment of a cash amount or by delivering Shares equal in value to the gain made on the exercise of the option.

Leaving employment

As a general rule, an option will lapse upon a participant ceasing to hold employment or be a director within the Company's group. However, if a participant ceases to be an employee or director in the Company's group by reason of death, injury, disability, redundancy, retirement, TUPE transfer, his employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Committee, then his option will become exercisable on the date of his cessation and remain exercisable for a limited period thereafter.

The extent to which an option will become exercisable in these situations will depend upon: (i) the extent to which any performance conditions have been satisfied by reference to the date of cessation; and (ii) the pro rating of the option to reflect the period between its grant and the time of cessation, although the Committee can decide not to pro rate an option if it regards it as inappropriate to do so in the particular circumstances.

Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all options will become exercisable early and remain exercisable for a limited period.

The extent to which options will become exercisable in these situations will depend upon: (i) the extent to which any performance conditions have been satisfied by reference to the date of the corporate event; and (ii) the pro rating of the options to reflect the reduced period of time between their grant and the time of the corporate event, although the Committee can decide not to pro rate an option if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, options will be replaced by equivalent new options over shares in a new holding company unless the Committee decides that options should become exercisable on the basis which would apply in the case of a takeover as described above.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that options will vest on the basis which would apply in the case of a takeover as described above.

Variation of capital

In the event of any variation in the Company's share capital, the Committee may make such adjustment as it considers appropriate to the number of Shares under option and the price payable on the exercise of an option. However, no adjustment may be made to tax-advantaged options granted under Part A of the SOP without the prior approval of HMRC.

Options granted under Part B of the SOP which are not tax-advantaged may also be adjusted in the event of a demerger, special dividend or other similar event which materially affects the market price of Shares.

Principal terms common to the Plans***Operation***

The Committee will supervise the operation of the Plans.

Eligibility

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to participate in the Plans at the discretion of the Committee.

Grant of LTIP awards/SOP options

An LTIP award/SOP option may not be granted more than 10 years after shareholder approval of the Plans.

- > No payment is required for the grant of an LTIP award/SOP option
- > LTIP awards/SOP options are not transferable, except on death
- > LTIP awards/SOP options are not pensionable

Overall Plan limits

LTIP awards/SOP options may be satisfied using new issue Shares, treasury Shares or Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than:

- (a) 10 per cent of the issued ordinary share capital of the Company under the Plans and any other employee share plan adopted by the Company; and
- (b) 5 per cent of the issued ordinary share capital of the Company under the Plans and any other executive share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investors decide that they need not count.

Participants' rights

LTIP awards/SOP options will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have received their Shares.

Rights attaching to Shares

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

Alterations to the Plans

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

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

Prior shareholder approval will also not be required for any amendment to performance conditions applying to an award/option granted under the Plans.

No alteration to a key feature of Part A of the SOP may be made without the approval of HMRC.

Overseas Plans

The shareholder resolutions to approve the Plans will allow the Board of directors, without further shareholder approval, to establish further plans for overseas territories, any such plan to be similar to the relevant Plan, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the relevant Plan.

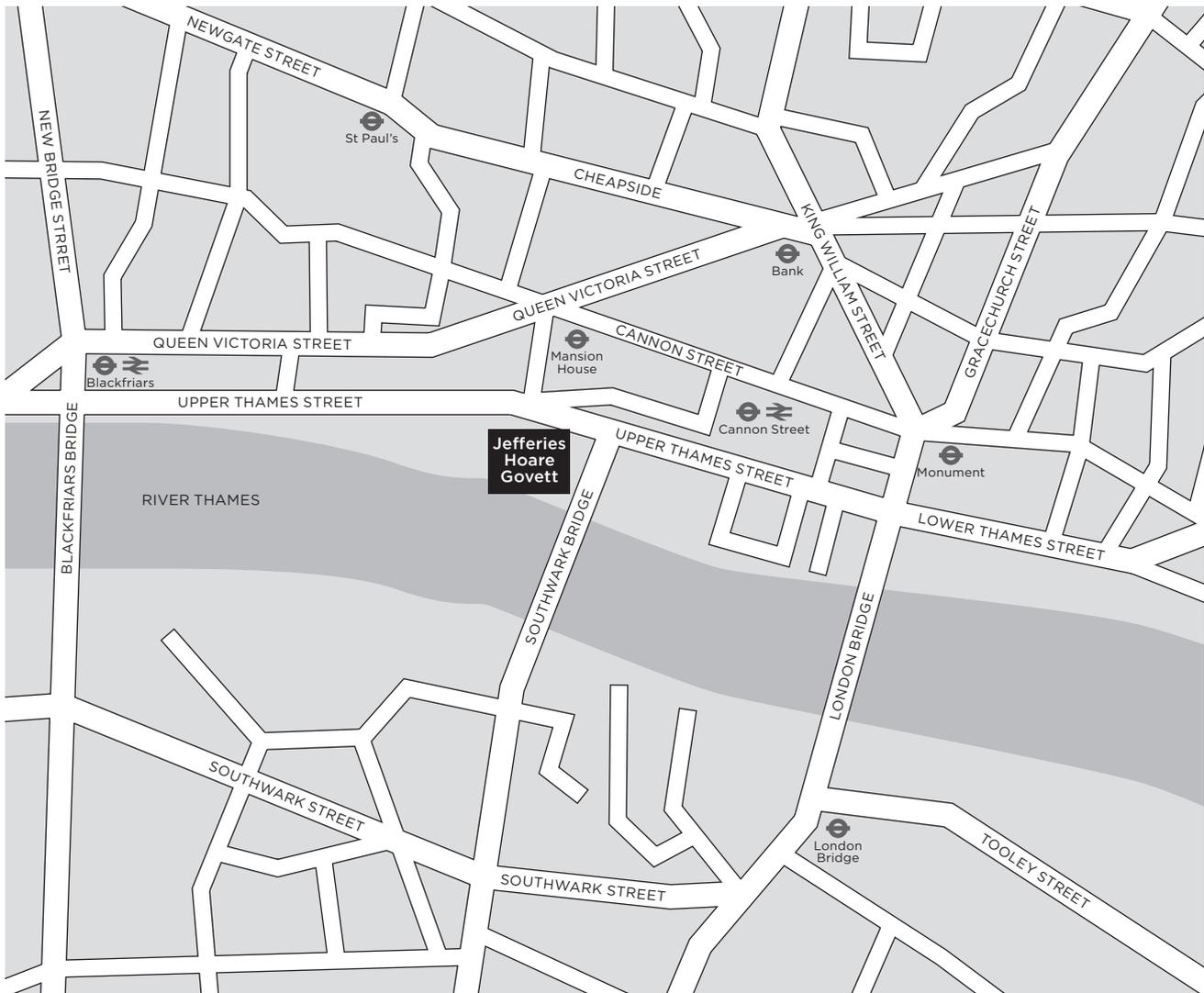
Other

Clawback

The Company operates an incentive recovery policy which does not form part of the formal rules of the Plans but which applies to incentive compensation granted to executive directors and senior management. Under this policy, the LTIP awards and Part B non-tax favoured options may be subject to clawback for overpayments due to material misstatement or error.

Venue details and map

Jefferies Hoare Govett, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ



How to get to Vintners' Place

Underground and Train

- > Mansion House and Cannon Street stations (approximately 5 minute walk) – District and Circle lines
- > Bank (approximately 10 minute walk) – Central, Waterloo & City lines and Docklands Light Railway
- > London Bridge – Northern and Jubilee lines, British rail links

Vintners' Place overlooks the river Thames and is adjacent to Southwark Bridge. Once you reach Vintners' Place please use the South Wing lifts at the opposite end of the main lobby to access Jefferies. Reception is located on the 5th floor.

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