

PART XII
ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names appear on page 27 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and Registered Office

The Company was incorporated and registered in Bermuda on 25 June 2008 as an exempted company limited by shares under the name Signet Limited, and changed its name to Signet Jewelers Limited on 4 July 2008. The Company's registered number is 42069.

The principal legislation under which the Company operates and under which the Company's Common Shares will be issued is the Bermuda Companies Act and the regulations made thereunder.

The Company is domiciled in Bermuda with its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The telephone number of the Company's registered office is +1 441 295 1422. The sole activity of the Company is to act as the Group's holding company.

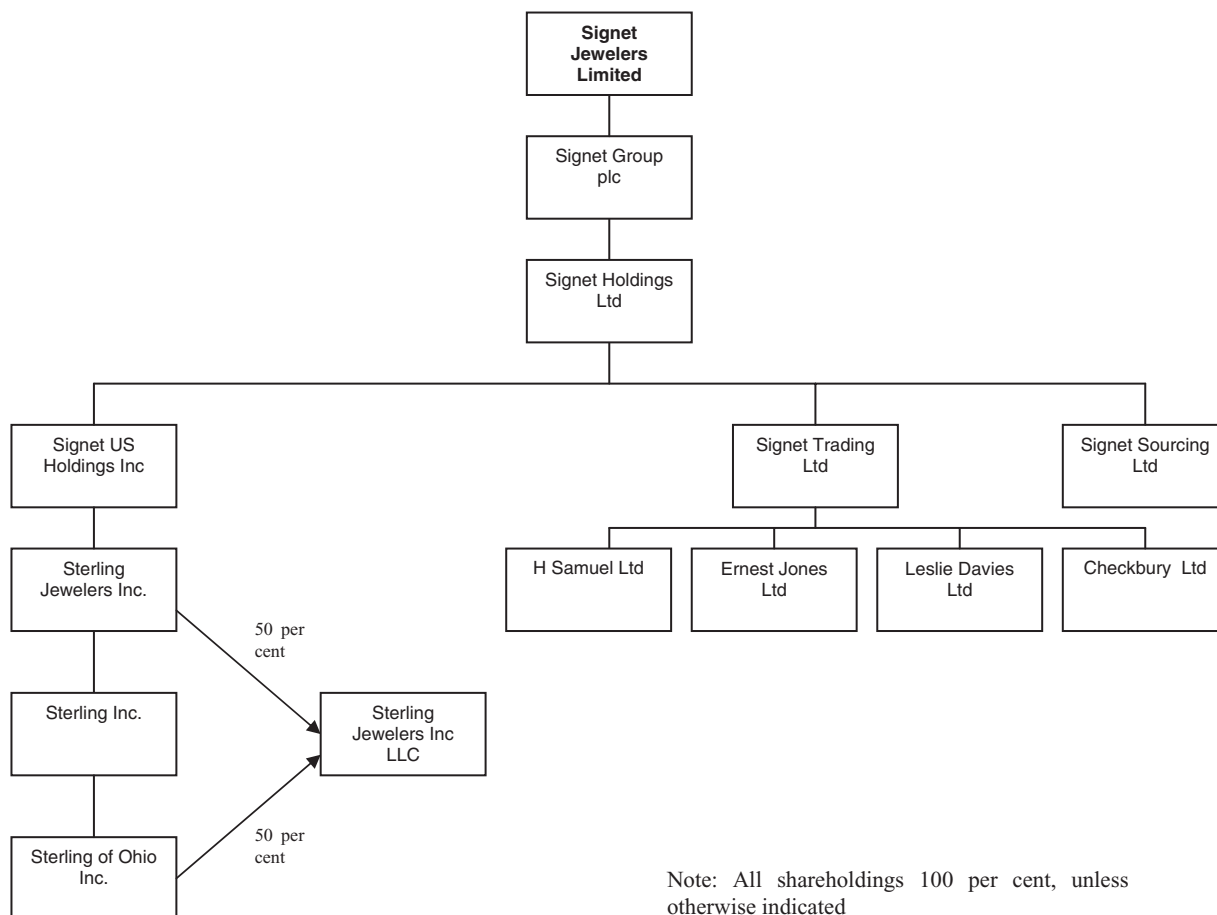
3. Organisational Structure

Following the Scheme becoming effective in accordance with its terms, the Company will be the ultimate holding company of the Group.

The Company's principal subsidiaries and associated undertakings (each of which are considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, the financial position and/or the profits and losses of the Group) following the Scheme Effective Date will be as follows:

<u>Name of subsidiary undertaking</u>	<u>Country of incorporation</u>	<u>Proportion of voting rights held within the Group</u>	<u>Nature of business</u>
Signet Group plc	UK	100 per cent	Holding company
Ernest Jones Limited	UK	100 per cent	Retail jeweller
H. Samuel Limited	UK	100 per cent	Retail jeweller
Leslie Davies Limited	UK	100 per cent	Retail jeweller
Signet Trading Limited	UK	100 per cent	Service company
Sterling Inc.	US	100 per cent	Retail jeweller
Sterling Jewelers Inc.	US	100 per cent	Retail jeweller
Sterling Jewelers LLC	US	100 per cent	Retail jeweller
Sterling of Ohio Inc	US	100 per cent	Retail jeweller
Signet Holdings Limited	UK	100 per cent	Holding company
Signet US Holdings, Inc.	US	100 per cent	Holding company
Checkbury Limited	UK	100 per cent	Property holding company
Signet Sourcing Limited	UK	100 per cent	Diamond sourcing

Group Structure



4. Main Investments

As at the date of this document and for the financial years ended 2 February 2008, 3 February 2007 and 28 January 2006, neither the Company nor Signet has made any investments (as that term is used in the Prospectus Rules).

5. Share Capital

The authorised and issued fully paid up share capital of the Company as at the date of this document is, and at the date of Admission is expected to be, as follows:

- The authorised, issued and fully paid share capital of the Company as at the date of publication of this document is as follows:

	Authorised		Issued		Unissued	
	Number	Amount (\$)	Number	Amount (\$)	Number	Amount (\$)
Common shares of par value US\$0.009 each	10,000,000,000	90,000,000	1	0.009	9,999,999,999	89,999,999.991
Preference shares of par value US\$0.01 each	500,000,000	5,000,000	0	0	500,000,000	5,000,000

- The authorised, issued and fully paid share capital of the Company as it is expected to be following the Scheme Effective Date (assuming there is no exercise of options over Signet Shares between the date of publication of this document and the Scheme Effective Date) is as follows:

	Authorised		Issued		Unissued	
	Number	Amount	Number	Amount (\$)	Number	Amount (\$)
Common shares of par value US\$0.18 each	500,000,000	90,000,000	85,277,901	15,349,876.38	414,722,909	74,650,123.62
Preference shares of par value US\$0.01 each	500,000,000	5,000,000	0	0	500,000,000	5,000,000

- The Company was incorporated on 25 June 2008 with an authorised share capital of \$0.009 divided into one Common Share of par value \$0.009 which was issued to Pembroke Company Limited, a company ultimately owned by the partners of Conyers, Dill & Pearman, the Company’s Bermuda lawyers, and was paid in full in cash (the “**Subscriber Share**”). If the Scheme becomes effective, the Subscriber Share will be repurchased by the Company at nominal value.
- The Common Shares to be issued in accordance with the terms of the Scheme with the security code (ISIN) of BMG812761002 will, when issued, be in registered form and are not capable of being held in uncertificated form in CREST. As described in Section 21 of this Part XII, the Common Shares themselves will not be admitted to the CREST system but dematerialised Depository Interests will be issued by a subsidiary of the Registrars in respect of the underlying Common Shares which will be able to be held and transferred through the CREST system. It is expected that Depository Interests representing the Common Shares will be issued to holders of Common Shares on the date of LSE Admission. Depository Interests representing Common Shares will be credited to CREST accounts on the date of the LSE Admission.
- There are no acquisition rights or obligations over the authorised but unissued share capital of the Company or an undertaking to increase the capital of the Company.
- There are no convertible securities, exchangeable securities or securities with warrants in the Company.
- Save as disclosed in this document, during the three years immediately preceding the date of this document, there has been no issue of share capital of the Company fully or partly paid either for cash or other consideration and no such issues are proposed and no share capital of the Company or any of its subsidiaries is under option or agreed, conditionally or unconditionally, to be put under option.
- Rights attaching to the Common Shares are summarised in Section 6 of this Part XII below.
- No commissions, discounts, brokerages or other special terms have been granted in respect of the issue of any share capital of the Company.
- Save as disclosed in this document:
 - no share or loan capital of the Company has been issued or been agreed to be issued fully or partly paid, either for cash or for a consideration other than cash and no such issue is now proposed;
 - no commissions, discounts, brokerages or other special terms have been granted in respect of any share capital of the Company;
 - no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option; and
 - at the date of this document the Company has no subsidiaries and accordingly no share or loan capital of any subsidiary has been issued or been agreed to be issued fully or partly paid either for cash or for a consideration other than cash and no such issue is now proposed and no share or loan capital of any subsidiary is under option or agreed, conditionally or unconditionally, to be put under option.

6. Memorandum of Association and Bye-laws

The memorandum of association and Bye-laws are available for inspection as described in Section 25 of this Part XII of this document, and are available for inspection at the Company’s registered office.

6.1 Memorandum of association

The memorandum of association of the Company provides that the objects for which the Company is formed and incorporated are unrestricted.

6.2 *Bye-laws*

The following paragraphs summarise some of the key provisions in the Bye-laws:

6.2.1 *Share capital*

The share capital of the Company comprises Common Shares of \$0.18 each. The Board is authorised to create and issue additional shares of any existing class or shares of a new class and, without prejudice to the generality of the foregoing, may provide for the issue of preference shares. (Bye-law 4.2)

6.2.2 *Transfer of registered shares*

A shareholder may transfer all or any of his Common Shares in any manner which is permitted by any applicable legislation (subject to the restrictions in the Bye-laws) and is approved by the Board. The Company must maintain a register of Common Shares in accordance with the relevant Bermudian legislation.

A shareholder may transfer all or any of his shares by an instrument of transfer in the form provided in the Bye-laws, or in such other form as the Board may approve. The instrument of transfer must be signed by or on behalf of the transferor and, except in the case of a fully paid Common Share, by or on behalf of the transferee. The Board may, in its absolute discretion and without giving any reason for it, refuse to register any transfer of any Common Share: (1) which is not fully paid up or (2) is not accompanied by the Common Share certificate for the Common Shares to be transferred (if any) or by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer. If the Board refuses to register a transfer it shall, within three months after the date on which the instrument of transfer was lodged, send to the transferor and transferee notice of the refusal. Subject to the Bermuda Companies Act and any other applicable laws and regulations and the facilities and requirements of any relevant system concerned and the Bye-laws, the Board has power to implement and/or approve any arrangements it may, in its absolute discretion, think fit in relation to the evidencing of title to and transfer of interests in shares in the capital of the Company in the form of depositary interests or similar interests, instruments or securities, and to the extent such arrangements are so implemented, no provision of the Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding or transfer thereof or the shares of the Company represented thereby. The Board may from time to time take such actions and do such things as it may, in its absolute discretion, think fit in relation to the operation of any such arrangements. (Bye-law 13)

6.2.3 *Alteration of capital*

The Company may if authorised by resolution of the Board increase its share capital and if authorised by a resolution of the members, divide, consolidate, subdivide, change the currency denomination of, diminish or otherwise alter or reduce its share capital in any manner permitted by the Bermuda Companies Act. (Bye-law 16.1)

6.2.4 *Authority to allot relevant securities*

Subject to the Bye-laws and to any resolution of Shareholders to the contrary, the directors shall have the power to issue any unissued shares on such terms and conditions as they may determine. (Bye-law 2.1)

6.2.5 *Power of the Company to investigate interests in shares and failure to disclose interests in shares*

The Company may give notice to a person, where it knows or has reasonable cause to believe such person to be, or in the previous three years to have been, interested in the Company's shares, requiring such person to confirm or deny such interest and to give such further information as may be requested. Where a person is required to disclose an interest in a share (a default share) and has not done so within 14 days after the date of service of the relevant notice by the Company, unless the Board in its absolute discretion decides otherwise, the relevant shareholder shall not be entitled to be present or vote on any question in person or by proxy at any general meeting of the Company or separate general meeting of the holders of any class of shares of the Company or count in the quorum. Where the default shares represent at least 0.25 per cent of the issued shares of the same class, the Board may also direct that:

- (i) the Company may withhold any dividend (or part) or other amount payable, but when the restriction ceases to have effect, the Company must pay the amount to the person who would have been entitled to it;
- (ii) where the relevant shareholder has elected to receive shares in the Company instead of cash in respect of any dividend (or part), any election in respect of the default shares will not be effective; or
- (iii) no transfer of any of the shares held by the relevant shareholder will be recognised or registered by the directors unless the transfer is an excepted transfer or the shareholder is not in default after due and careful enquiry. (Bye-law 83)

6.2.6 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital and, subject to applicable law to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party. (Bye-law 49.2)

6.2.7 *Dividends*

The Board may, subject to the Bye-laws and in accordance with section 54 of the Bermuda Companies Act, declare a dividend to be paid to the shareholders, in proportion to the number of shares held by them, and such dividend may be paid in cash or in such other way as may be agreed between the Company and the shareholder.

Dividends unclaimed within 7 years of declaration are forfeited and revert to the Company. (Bye-laws 18 to 20)

6.2.8 *Distribution of assets on liquidation*

On liquidation the liquidator may with the authority of a resolution of the members, and any other authority required by Bermudian legislation, divide the whole or any part of the assets of the Company among the shareholders, in whole or part, in specie or vest the whole or any part of the assets upon such trusts as the liquidator shall think fit. (Bye-law 78)

6.2.9 *General meetings*

All annual and special general meetings will be held in such place as the Board appoints. At least 14 clear days' notice must be given of an annual general meeting and a special general meeting. At any general meeting of the Company any two shareholders present in person or by proxy throughout the meeting form a quorum for the transaction of business. If within half an hour from the time appointed for the meeting a quorum is not present and if the meeting is convened on the requisition of shareholders, it will be deemed cancelled. In any other case, the meeting will stand adjourned to the same day one week later, at the same time and place as the original meeting, or to such other day, time and place as the Company Secretary may decide. (Bye-laws 25 to 28)

A poll may be demanded by, amongst others, not less than three members present in person or by proxy and having the right to vote at that meeting or a member or members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting. (Bye-law 33)

6.2.10 *Forfeiture of shares*

If, after the payment due date, the whole or any part of any call or instalment remains unpaid, the Board may give a notice (the "**Payment Notice**") to the holder requiring him to pay the amount due, together with accrued interest. If the requirements in the Payment Notice are not complied with, any share in respect of which it was given may be forfeited by a Board resolution. Every share which is forfeited or surrendered becomes the property of the Company. The Board may dispose of the forfeited or surrendered share upon such terms as the Board thinks fit.

A person whose shares have been forfeited or surrendered ceases to be a shareholder in respect of the forfeited or surrendered share. The person will remain liable to pay to the Company all moneys payable by him in respect of that share at the time of forfeiture or surrender, together with interest. (Bye-law 7)

6.2.11 *Indemnity and insurance*

Each director may be indemnified out of the assets of the Company against all liabilities, loss, damage or expense incurred by him in the conduct of the Company's business or in the discharge of his duties. The indemnity must not extend in such a way which would render it void under Bermudian legislation. (Bye-law 56)

6.2.12 *Takeover provisions*

The Company is prohibited from engaging, under certain circumstances, in a business combination (as defined in the Bye-laws) with any interested shareholder (as defined in the Bye-laws) for three years following the date that the shareholder became an interested shareholder. A "business combination" is defined to include, among other things, a merger or consolidation involving the company and the interested shareholder and a sale of more than 10 per cent of the company's assets. In general, an "interested shareholder" is defined as any entity or person beneficially owning 15 per cent or more of the company's voting shares and any entity or person affiliated with or associated with that entity or person. (Bye-law 84)

Where an amalgamation of the Company with another company has been approved by the Board, that amalgamation requires the approval of a simple majority of the votes cast at the general meeting called to approve the amalgamation. The quorum at such a general meeting is two or more members present in person or by proxy.

Where an amalgamation of the Company with another company has not been approved by the Board, that amalgamation requires the approval of not less than 75 per cent of the total voting rights attaching to all shares entitled to vote on the amalgamation. The quorum at a general meeting convened to approve such an amalgamation is two or more members present in person or by proxy representing in excess of 50 per cent of the total voting rights attaching to all shares entitled to vote on the amalgamation. (Bye-law 85)

6.2.13 *The Bye-laws also contain, inter alia, the following provisions:*

(A) Voting rights

In general members have one vote for each Common Share held by them and are entitled to vote at all meetings of members and, in the case of a poll, every member present in person or by proxy has one vote for every Common Share of which he is the holder. (Bye-laws 4.1(a) and 32.3)

The Bye-laws provide for unanimous written resolutions of members. (Bye-law 38)

(B) Class rights

Subject to the Bermuda Companies Act, all or any of the special rights for the time being attached to any class of shares may, unless otherwise provided in the rights attached to the terms of issue of the shares of that class, be altered or abrogated with the consent in writing of the holders of not less than 75 per cent of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of such shares voting in person or by proxy at which special meeting the quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. (Bye-law 17)

(C) Appointment and removal of directors

The Board will consist of such number of directors, being not less than two and not more than such maximum number, not exceeding 15, as the Board may from time to time determine. (Bye-law 40.1)

The Company, by a resolution of its members or, when authorised by members pursuant to Bye-law 40.7, by the directors, may appoint persons to be directors of the Company. If the directors appoint a person to be such a director this person will hold the post until the next annual general meeting at which point they will be eligible for re-election.

Only persons who are proposed or nominated in accordance with Bye-law 40 will be eligible for election as directors. Any shareholder or the Board may propose any person for election as a director.

Where any person, other than a director retiring at the meeting or a person proposed for re-election or election as a director by the Board, is to be proposed for election as a director, notice must be given to the Company of the intention to propose him and of his willingness to serve as a director. (Bye-law 40.3)

Where the number of persons validly proposed for re-election or election as a director pursuant to Bye-law 40.4 is greater than the number of directors to be elected, the person(s) receiving the most votes will be elected as the director(s), and an absolute majority of the votes cast will not be a pre-requisite to the election of such director(s). (Bye-law 40.6)

At any general meeting, the shareholders may authorise the Board to fill any vacancy in their number left unfilled at a general meeting. (Bye-law 40.7)

One third of the directors must retire by rotation at each annual general meeting. (Bye-law 41)

A director must vacate his office if, amongst other things, he is prohibited by law from being a director, becomes bankrupt, becomes of unsound mind or is absent from board meetings for more than 6 months without permission. (Bye-law 45)

Holders of Common Shares may remove a director from office only by a resolution of not less than 75 per cent of the votes attaching to all Common Shares in issue. (Bye-law 44)

A director may be removed at any time by a vote of at least 75 per cent of the directors (other than the director proposed to be removed). (Bye-law 44)

(D) Management of the Company by the Board

The business of the Company is managed by the Board, which may exercise all such powers as are not required to be exercised by the Company in general meeting subject always to the Bye-laws and the provisions of the Bermuda Companies Act, subject to the limitations set out in Bye-law 49. The Board may delegate to any company, firm, person, or body of persons any power of the Board (including the power to sub-delegate). (Bye-law 48)

The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit, but no meeting of the Board may be held in the UK. (Bye law 57)

Subject to the provisions of the Bye-laws, a resolution put to the vote at a meeting of the Board will be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution will fail.

The Board may delegate any of its powers (including the power to sub-delegate) to a committee which may consist partly or entirely of non-directors of the Company provided that every such committee conforms to such directions as the Board imposes on them and provided further that the meetings and proceedings of any such committee are governed by the provisions of the Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board. (Bye-law 49.7)

The Board may delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board sees fit. (Bye-law 49.8)

The Board may appoint one or more directors of the Company to the office of managing director or chief executive officer of the Company, who will, subject to the control of the Board, supervise and administer all of the general business and affairs of the Company. (Bye-law 49.3)

The quorum necessary for the transaction of business at a meeting of the Board is two. No meeting of the Board will be quorate if the majority of the directors present consists of persons who are personally resident in the UK for UK tax purposes. (Bye-law 60)

Bye-law 63 provides for unanimous written resolutions of directors to be as valid as though passed at a meeting of the Board.

A director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company must declare the nature of such interest as required by the Bermuda Companies Act. (Bye-law 55.2)

Following such a declaration, unless disqualified by the chairman of the relevant Board meeting, the director will be entitled to vote in respect of such contracts or proposed contracts or arrangement and may be counted in the quorum for such meeting. (Bye-law 55.3)

The Company by resolution of its members or the Board, if so authorised by the members, may elect an alternate director. Any director, provided the members have not resolved otherwise, may appoint another director or other person authorised by the Board to act as an alternate director to himself or herself. An alternate director will be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a director for whom he was appointed is not personally present and generally to perform at such meeting all the functions of such director for whom such alternate director was appointed. (Bye-law 43)

The amount of any fees to be paid to directors is to be determined by the Board and is deemed to accrue from day to day. (Bye-law 46.1)

Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman), or who serves on any committee, or who, at the request of a director of the Company, goes or resides abroad, makes any special journey or otherwise performs services which in the opinion of the directors, determined in a resolution of the directors, are outside the scope of the ordinary duties of a director, may be paid such remuneration by way of salary, commission or otherwise as the directors may determine in addition to or in lieu of any fee payable to him for his services as a director pursuant to the Bye-laws. (Bye-law 46.2)

(E) Distributions on liquidation to shareholders

The holders of the Common Shares (subject to the other provisions of the Bye-laws) are, in the event of a winding-up or dissolution of the Company, entitled to be paid the surplus assets of the Company remaining after payment of its liabilities (subject to the rights of holders of any shares in the Company

then in issue having preferred rights on the return of capital) in respect of their holdings of Common Shares pari passu and pro rata to the number of Common Shares held by each of them. (Bye-law 4.1(c) and 4.2 (h))

(F) Changes to the Bye-laws

No Bye-law may be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board and by a resolution of the members. (Bye-law 79.1)

Certain of the Bye-laws, being Bye-laws 40 (Election of Directors), 41 (Retirement by Rotation), 42 (No Share Qualification), 44 (Removal of Directors), 56 (Indemnification and Exculpation of Directors and Officers), 79 (Changes to Bye-laws), 84 (Business Combinations) and 85 (Amalgamations) may not be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by at least 75 per cent of the directors then in office and approved by an affirmative vote of at least 75 per cent of the votes attaching to all Common Shares in issue. (Bye-law 79.2)

7. Mandatory Takeover Bids, Squeeze-out and Sell-out Rules

The UK Takeover Code will not apply to the Company and Bermuda law does not contain any provisions relating to mandatory bids.

An acquiring party is generally able to acquire compulsorily the shares of minority holders in a Bermuda in the following ways:

- (A) By a scheme of arrangement under the Bermuda Companies Act. A scheme of arrangement could be effected by obtaining the agreement of the company and of members, representing in the aggregate a majority in number and at least 75 per cent in value of the shares present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.
- (B) If the acquiring party is a company it may compulsorily acquire all the shares of the target company, by acquiring, pursuant to a takeover offer, 90 per cent of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the offeror), or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90 per cent or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-accepting shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-accepting shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.
- (C) Where one or more parties holds not less than 95 per cent of the shares or a class of shares of a company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.
- (D) Under Bermuda law, two or more companies may amalgamate and continue as one company. In practical terms, the effect of an amalgamation is that the assets and liabilities of the amalgamating companies become the assets and liabilities of the amalgamated company. Dissenting shareholders may apply to the Bermuda Court within one month of the notice convening the special general meeting to approve the amalgamation to have the court appraise the fair value of their shares.

8. Directors' Interests

8.1 Other Directorships

Save as set out below, none of the Directors have been a member of any partnerships; or held any directorships of any other company (other than Group companies of which those persons are also directors), at any time in the last five years prior to the date of this document:

<u>Director</u>	<u>Current directorships and partnerships</u>	<u>Previous directorships and partnerships held in the previous five years</u>
Sir Malcolm Williamson	CDC Group plc	Pearl Group Holdings (No. 1) Limited
	National Australia Bank	BA (GI) Limited
	Cass Business School Strategy & Development Board	G4S plc
	Clydesdale Bank plc	Pearl Group Management Services Limited
	National Australia Group Europe Limited	Resolution Asset Management Limited
	JPMorgan Cazenove Holdings	Resolution Fund Managers Limited
	The Prince of Wales International Business Leaders Forum	Resolution Investment Services Limited
	The Prince of Wales Youth Business International Limited	Resolution plc
		Securicor Limited
		Visa International
	Yorkshire Bank plc	
Terry Burman	Council For Responsible Jewellery Practices Limited	—
	Jewelers of America	
	World Diamond Council	
	Yankee Holding Corp.	
Walker Boyd	—	WH Smith Retail Holdings Limited (formerly WH Smith Group Plc)
Robert Blanchard	—	Bandag Inc. Best Buy Co.
Russell Walls	Aviva plc	Stagecoach Group plc
	Delphic Diagnostics Limited	

8.2 Interests of Directors in share capital

The interests of the Directors and their immediate families in the share capital of Signet (all of which are beneficial unless otherwise stated) were as at 4 September 2008 (being the latest practicable date prior to the publication of this document) as follows:

<u>Director</u>	<u>Number of Signet Shares</u>	<u>Percentage of issued share capital</u>
Sir Malcolm Williamson	187,375	0.01%
Terry Burman	808,601	0.04%
Walker Boyd	542,798	0.03%
Mark Light	76,454	0.004%
Robert Blanchard	10,010	0.0006%
Dale W. Hilpert	20,000	0.001%
Russell Walls	30,000	0.002%

In the event that the Scheme and the Share Capital Consolidation become effective, the Directors and their immediate families will have the following interests in the Common Shares on LSE Admission:

<u>Director</u>	<u>Number of Common Shares</u>	<u>Percentage of issued share capital</u>
Sir Malcolm Williamson	9,368	0.01%
Terry Burman	40,430	0.04%
Walker Boyd	27,139	0.03%
Mark Light	3,822	0.004%
Robert Blanchard	500	0.0006%
Dale W. Hilpert	1,000	0.001%
Russell Walls	1,500	0.002%

8.3 *Confirmations and conflicts of interest*

8.3.1 *Confirmations*

Save as set out in this paragraph 8.3.1, at the date of this document, none of the Directors has during at least the previous five years to the date of this document:

- (A) been convicted in relation to fraudulent offences;
- (B) been a member of the administrative, management, supervisory body or senior management of a company associated with any bankruptcies, receiverships or liquidations; or
- (C) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships between any of the Directors.

Dale Hilpert was appointed chairman, chief executive officer and president of Footstar Inc. in 2003 in order to lead that company through a process of seeking protection from its creditors under Chapter 11 of the United States Bankruptcy Code. The company came out of that process in 2006 having paid all creditors whereupon Mr Hilpert ceased to be a director or hold any other office in relation to the company.

8.3.2 *Conflicts of interest*

No Director has any actual or potential conflict of interest between his or her duties to the Company and his or her private interests or other duties.

8.3.3 *Transactions with Directors*

No Director has, or has had, any interest in any transaction which is or was unusual in its nature or conditions or which is, or was, significant in relation to the business of the Group and which was effected by any member of the Group during the current or immediately preceding financial year, or during any earlier financial year, and remains in any respect outstanding or underperformed.

There are no outstanding loans granted by the Company or any Group company to any of the Directors nor has any guarantee been provided by the Company or any Group company for their benefit.

8.3.4 *Director appointment arrangements*

There are no arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any Director was selected as a director or senior manager (as the case may be).

9. Summary of Remuneration and Benefits

A summary of the amount of remuneration paid by the Group to the Directors (including any contingent or deferred compensation) and benefits in kind for the financial year ended 2 February 2008 is set out in the table below. The Directors are categorised in their positions as at 4 September 2008 for these purposes.

<u>Directors</u>	<u>Salary/fees</u>	<u>Bonus</u>	<u>Benefits in kind</u>	<u>Total year ended 2 February 2008</u>
	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>	<u>(\$000)</u>
Sir Malcolm Williamson	427	–	–	427
Terry Burman	1,559	–	109	1,668
Walker Boyd	840	–	45	885
Mark Light	785	–	38	823
Robert Blanchard	109	–	–	109
Dale W. Hilpert	92	–	–	92
Russell Walls	109	–	–	109
Total	<u>3,921</u>	<u>0</u>	<u>192</u>	<u>4,113</u>

The aggregate contributions made by the Group to provide pension, retirement or similar benefits in relation to Directors in the last financial year (ended 2 February 2008) was \$630,151.

10. Director's Terms and Conditions

10.1 Executive Directors

10.1.1 Employment contracts and notice

Terry Burman is employed by Sterling Jewelers Inc. (a wholly owned subsidiary of Signet) under a service agreement dated 20 December 2000 (and amended and restated by an agreement dated 19 February 2008).

Mark Light is employed by Sterling Jewelers Inc. (a wholly owned subsidiary of Signet) under a service agreement dated 26 April 2002 (and amended and restated by a subsequent agreement dated 6 August 2004 and amendments dated 12 January 2006 and 19 February 2008).

The service agreements for Mr Burman and Mr Light are governed by the laws of Ohio.

Walker Boyd is employed by Signet under a service agreement governed by English law dated 14 June 1995 and an addendum to that agreement dated 15 May 2000.

The terms of the service agreements are applicable to the appointments of Mr Burman, Mr Light and Mr Boyd as executive directors of any other Group company.

The service agreements for both Mr Burman and Mr Boyd are rolling agreements which can be terminated by one year's notice in writing by either party.

Mr Light's service agreement is a rolling agreement which Sterling Jewelers Inc. may terminate at any time by notice in writing. Mr Light may terminate the agreement on written notice of 360 days.

10.1.2 Change of control provisions

Mr Burman's service agreement provides that in specified circumstances on a change in control of Sterling Jewelers Inc., Mr Burman has the right to terminate his employment by written notice to Signet within 14 days of such circumstances.

The circumstances which trigger Mr Burman's right to terminate his employment on a change of control are: (i) termination without cause by a third party purchaser; (ii) voluntary resignation if his title or duties are substantially diminished or changed without his consent within 2 years of the change of control; (iii) voluntary resignation if the location of his employment changes by more than 50 miles without his consent; or (iv) his election to leave the Group within 6 months of the change of control.

In the event of Mr Burman exercising the right to terminate his employment, Sterling Jewelers Inc. must pay Mr Burman a pro-rata amount of his entitlement to short term bonus (payable at the end of the relevant fiscal year) and a lump sum equal to the Termination Payment (as defined in Section 10.1.5 "Termination Payments" below) (payable at the date of termination). Mr Burman shall

also be entitled to exercise any outstanding stock options at the date of termination unless he exercises his right to terminate his employment on the basis that he elects to leave employment within six months following the date of the change of control.

Mr Boyd's employment contract provides that in the event of a change in control of Signet, Mr Boyd shall be entitled within three months thereof to terminate his employment by giving Signet not less than one month's written notice. If Mr Boyd exercises this right to terminate his employment he is entitled to a termination payment of an amount equal to gross salary and market value of benefits in kind and annual incentive plan for 12 months from the termination date. The termination payment shall be subject to tax and national insurance contributions.

10.1.3 *Summary termination*

The service agreements for Mr Burman and Mr Light are terminable with immediate effect by notice in writing if there is:

- (A) fraud, embezzlement or gross insubordination on the part of the director or a material breach by the director of his obligations under the confidentiality and non-compete provisions of the service agreement;
- (B) convictions of or an entry of a plea of *nolo contendere* by the director for any felony;
- (C) the material breach of, or the wilful failure or refusal by the director to perform and discharge his duties, responsibilities or obligations under the service agreement (and, for Mr Burman, this is not corrected within 30 days of written notice being given); or
- (D) in respect of Mr Burman only, an act of moral turpitude or misconduct by Mr Burman which is intended to result in personal enrichment of Mr Burman at the expense of Sterling Jewelers Inc., or a member of the Group or their affiliates or has a material adverse impact on the business or reputation of Sterling Jewelers Inc., or a member of the Group or their affiliate.

The service agreement for Mr Boyd is terminable with immediate effect by notice in writing if Mr Boyd:

- (A) becomes the subject of a bankruptcy order or an interim order under the Insolvency Act 1986 or a disqualification order under the Company Directors Disqualification Act 1986;
- (B) becomes a patient for the purposes of Part VII of the Mental Health Act 1983;
- (C) is convicted of any criminal offence (other than a minor offence of the nature which does not prejudice the performance by Mr Boyd of his duties under the service agreement) or a road traffic offence with a penalty of more than 3 months' imprisonment;
- (D) commits an act of dishonesty, any serious misconduct or any other act which may seriously affect his ability to discharge his duties; or
- (E) is guilty of any serious or persistent neglect in the discharge of his duties or commits any wilful or persistent breach of the provisions of the service agreement.

10.1.4 *Benefits*

The directors are entitled to receive the following benefits under the terms of their service agreements:

- (A) **basic salary per annum**—\$1,622,250 for Mr Burman, \$822,000 for Mr Light and £437,750 for Mr Boyd;
- (B) **bonus**—Mr Burman, Mr Boyd and Mr Light are entitled to participate in both short term/annual bonus schemes and long term incentive plans. Mr Burman is entitled to up to 200 per cent of base salary under the terms of the short term bonus scheme and up to 158 per cent of base salary under the terms of the Signet 2005 Long-Term Incentive Plan (with not less than 50 per cent of the grant paid in cash and the remainder in ordinary shares) both payable in accordance with performance goals relating to Signet and the Group. Mr Light is entitled to up to 120 per cent of base salary under the terms of an annual bonus plan and up to 100 per cent of base salary under the terms of the Signet 2005 Long-Term Incentive Plan (with not less than 50 per cent of the grant paid in cash and the remainder in ordinary shares) both payable in accordance with performance goals relating to Signet and the Group. Mr Boyd is entitled to up to 100 per cent of base salary under the terms of an annual bonus plan and up to 77 per cent of base salary under the terms of the Signet 2005 Long-Term Incentive Plan (with not less than 50 per cent of the grant paid in cash and the remainder in ordinary shares) both payable in accordance with performance goals relating to Signet and the Group;

- (C) **options**—Mr Burman, Mr Boyd and Mr Light are entitled to participate in share option grants as approved by the Board, in accordance with the option plan in force. Mr Burman’s service agreement provides that he is entitled to options to acquire ordinary shares (or American Depositary Shares representing ordinary shares) of Signet with a market value of such shares at the time of grant up to a maximum of four times his base salary to be granted at such time, in such tranches and on such terms as the Remuneration Committee shall determine;
- (D) **holiday**—entitlement to 25 days holiday per annum; and
- (E) **other customary benefits**—Mr Burman and Mr Light are entitled to: deferred compensation plan, medical and dental insurance, life assurance, long term disability insurance, company car and country club membership; and, Mr Boyd is entitled to: company car, optional membership of the Signet Director’s Pension Scheme and additional pension benefits under a Funded Unapproved Retirements Benefits Scheme, to which the Group has ceased making contributions and in substitution pays a supplement directly to Mr Boyd in relation to salary above the scheme specific earnings cap which is equivalent to the previous earnings cap increased by RPI annually, private medical insurance, life assurance and personal accident insurance.

10.1.5 *Termination payments*

Where Mr Burman’s employment is terminated without cause upon written notice he will be entitled to payment of: (i) a pro-rata amount of his entitlement to short term bonus (payable on the 30th April following the end of the relevant fiscal year); and (ii) a lump sum payable on the effective date of termination equal to the total of (i) one years’ annual base salary (at the date of termination); (ii) an amount equal to the product of his base salary and the current maximum percentage of short term bonus reduced by the average percentage, if any, that short term bonus has fallen below the maximum short term bonus percentage during the period of his employment with the Group; (iii) an amount equal to 20 per cent of his termination base salary in lieu of Sterling Jewelers Inc.’s obligation to contribute that amount under the deferred compensation plan; and (iv) an amount equal to 5 per cent of his termination base salary in lieu of all other benefits for the notice period (together the “**Termination Payment**”).

In such event, Mr Burman shall be entitled to exercise stock options outstanding at the date of termination.

Where Mr Light’s employment is terminated by Sterling Jewelers Inc. without cause upon written notice the Group will be obligated to pay Mr Light the following: (i) one years’ annual base salary (at the date of termination); (ii) any annual bonus and/or long term bonus earned by Mr Light for a completed fiscal year prior to the effective date of termination which remains unpaid; (iii) the pro-rata portion of the annual bonus for which he was eligible as of the date of termination for the then current fiscal year; (iv) any vacation days accrued but not used; and (v) base salary for 12 months following such last date of employment.

Where Mr Boyd’s employment is terminated by Signet in accordance with the terms of the service agreement he is entitled to a termination payment of an amount equal to gross salary and market value of benefits in kind and annual incentive plan for 12 months from the termination date (or ending on Mr Boyd’s 60th birthday if earlier). The termination payment shall be subject to tax and national insurance contributions.

10.2 *Non-Executive Directors*

The following non-executive Directors have each entered into a letter of appointment with Signet, the terms of which are applicable to the appointment of any of the non-executive Directors as a non-executive director of any other Group company:

- (a) Sir Malcolm Williamson;
- (b) Robert Blanchard;
- (c) Dale W. Hilpert; and
- (d) Russell Walls.

The terms of any appointment of the non-executive Directors are subject to Signet’s articles of association.

Sir Malcolm Williamson was initially appointed as a non-executive director of Signet on 28 November 2005 and subsequently as the non-executive chairman of Signet on 9 June 2006. He was appointed to the Board as the non-executive Chairman of the Company on 8 July 2008.

The appointments of Mr Blanchard, Mr Hilpert and Mr Walls as non-executive directors of Signet took effect on 5 September 2000, 1 September 2003 and 29 May 2002 respectively. Letters of appointment for specific three year periods, with the ability to review such appointments for longer periods, took effect from 8 June 2007, 8 June 2007 and 9 June 2006 respectively. Mr Blanchard, Mr Hilpert and Mr Walls were appointed to the Board as non-executive directors on 8 July 2008.

Each of the four non-executive Directors is appointed for an initial term anticipated to be three years, subject to continued satisfactory performance. The appointments are also subject to the provisions of Signet's articles of association regarding appointment, fees, expenses, retirement, disqualification and removal of directors but will in any event terminate forthwith without any entitlement to compensation if:

- (A) the non-executive director is not re-elected at an annual general meeting of Signet at which he retires and offers himself for re-election in accordance with Signet's articles of association; or
- (B) the non-executive director is required to vacate office for any reason pursuant to any of the provisions of Signet's articles of association; or
- (C) the non-executive director is removed as a director or otherwise required to vacate office under any applicable law.

During the period of Sir Malcolm Williamson's appointment, he will be entitled to an annual fee of not less than £221,450 less applicable deductions. Any fees will be payable in arrears by equal monthly instalments. Signet will, upon reasonable request from Sir Malcolm Williamson, make available to him a car and driver for use whilst he is on company business.

Mr Blanchard, Mr Hilpert and Mr Walls each receive an annual fee of £46,000. Such fees will be less any deductions which Signet may be required to make, and paid in arrears in equal quarterly instalments for Mr Blanchard and Mr Hilpert. Mr Walls is paid monthly in arrears. Mr Blanchard receives a further annual fee of £10,000 for his chairmanship of the Remuneration Committee. Mr Walls receives a further annual fee of £10,000 for being the chairman of the Audit Committee and an additional £14,000 for being Senior Independent Director.

The fees paid to the non-executive Directors do not include additional remuneration paid in respect of other duties which they may perform for the Group (including but not limited to, special remuneration pursuant to Signet's articles of association).

The annual fees are based on an anticipated time commitment of 20 days per year for Mr Walls, Mr Blanchard and Mr Hilpert. Mr Walls, as Senior Independent Director, is also expected to act as an additional point of contact for shareholders and fellow non-executive directors. Sir Malcolm Williamson is expected to devote such time as is necessary for the proper performance of his duties, which is likely to be on average 2 days per week.

If the non-executive Directors are required to spend substantially longer than the anticipated time commitment in the performance of their duties, Signet may at its sole and absolute discretion make one or more specific payments to the non-executive Directors (less any applicable deductions and subject to any limits on directors' fees contained in Signet's articles of association) in addition to the fees referred to above.

In addition to the fees referred to above, Signet will reimburse all expenses reasonably incurred by each of the non-executive Directors in the proper performance of his obligations by virtue of his appointment as a non-executive director. Expenses may include professional fees if it is necessary for the non-executive director to seek independent professional advice subject to them having first consulted the Chairman (or the Senior Independent Director in the case of the Chairman) or lead non-executive director as appropriate.

None of the non-executive Directors are eligible for the grant of options or other incentives under any of the Group's share option schemes as part of their remuneration.

The Group has in place directors' and officers' liability insurance cover.

Save as set out above, there are no existing letters of appointment between any of the non-executive Directors and Signet or any company within the Group.

10.3 Directors' indemnity

Under the Bermuda Companies Act a company may in its bye-laws indemnify any director in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence,

default, breach of duty or breach of trust of which the director may be guilty in relation to the company or any subsidiary thereof, except in relation to any fraud or dishonesty of which he may be guilty in relation to the company.

The Bye-laws provide that the directors for the time being acting in relation to any of the affairs of the Company, or of its subsidiaries, will be indemnified out of the assets of the Company from and against all actions, costs, charges, liabilities, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of the Company's business and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company may be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their duties, or in relation thereto, provided that such indemnity will not extend to any matter in respect of any fraud or dishonesty which may attach to any of the directors.

11. Employees

Over the 52 weeks ended 2 August 2008 the Group had an average of 16,703 employees across the UK and the US.

At the end of the last three financial periods, the average number of Group employees was as follows:

- 52 weeks ended 2 February 2008—17,243 employees
- 53 weeks ended 3 February 2007—16,836 employees
- 52 weeks ended 28 January 2006—15,652 employees

12. Employee Share Plans

The Company has established new employee share plans which have been established by the Directors and which have been approved by the Subscriber (as the sole shareholder in the Company). The Company's Remuneration Committee will review the plans during the year or so following the Admissions with a view to bringing forward any appropriate new plans or proposals for changes to the new Company plans at the 2009 or 2010 annual general meeting.

A summary of the principal features of the new plans is set out below.

(A) Long-Term Incentive Plan 2008

The Long-Term Incentive Plan 2008, which has been approved by the Subscriber (as the sole shareholder in the Company), is constituted under rules which provide for the making of awards of Common Shares each year by the Remuneration Committee. Any awards will normally vest on the third anniversary of award provided the participant remains in employment and any performance conditions which may be set are first satisfied. The intention is to make the initial Long-Term Incentive Plan 2008 awards to the executive directors, senior management and other senior executives (approximately 22 individuals) of the Company in April 2009.

Eligibility—Any employee (including an executive director) of the Group will be eligible to participate at the discretion of the Remuneration Committee.

Limit on awards—The maximum award which may be made to any participant in any financial year will be limited to such number of Common Shares as have an aggregate market value not exceeding 160 per cent of the participant's base salary.

Grant of awards—Awards will be made within the period of 42 days of the Company's announcement of its results for any period. Awards may also be made at other times in exceptional circumstances. Awards may be subject to a performance target which would normally be tested at the end of a fixed period of at least 3 years. To the extent any performance targets which may be set are satisfied the participant will receive a combination of the grant of an option over shares in the Company and cash on the basis of a mix of 50 per cent cash and 50 per cent share options.

Performance conditions—The plan allows for the Remuneration Committee to set any performance conditions which it considers appropriate to support the achievement of the Company's business objectives. Any performance targets which may be set may be discussed with key shareholders as appropriate.

Leaving employment—The Long-Term Incentive Plan 2008 allows at the discretion of the Remuneration Committee only a time pro-rated release of an amount, whether in the form of the grant of an option over shares or cash, where a participant leaves early for a good leaver reason. Performance conditions will apply on a pro-rata basis where a participant leaves early.

Corporate events—Awards will vest in the event of a takeover, amalgamation, court sanctioned compromise or arrangement resulting in a change of control of the Company or winding-up of the Company (other than an internal reorganisation) but only to the extent that the Remuneration Committee determines that the performance conditions have been satisfied to the date of the relevant event. The number of shares which may be transferred on a corporate event will (unless the Remuneration Committee decides otherwise) be further reduced on a time pro rated basis to reflect the period of time that has elapsed between the start of the performance period and the date of the relevant event.

(B) *UK and Irish sharesave plans*

The Sharesave Plan 2008 for UK employees has been submitted for approval by HM Revenue & Customs and the Sharesave Plan 2008 for Irish resident employees has been submitted for approval by the Office of Revenue Commissioners in Dublin, and both of which have been approved by the Subscriber (as the sole shareholder in the Company). The sharesave plans are constituted by rules which provide for the grant of options over Common Shares to be purchased out of the proceeds of a linked SAYE savings account with a recognised savings provider.

Eligibility—All employees (including executive directors) of the Group who have worked for a qualifying period determined by the Board (but not to exceed five years) will be eligible to participate in the sharesave plans.

Grant price—Options may be granted at an exercise price which is not less than 80 per cent of the middle market quotation of Common Shares on the NYSE or London Stock Exchange dealing days (or average over three dealing days) immediately prior to the day invitations are sent out.

Individual limits—Options may be granted over shares on the basis of savings of up to the statutory limit which in the UK is £250 a month and in the Republic of Ireland is €500 a month, usually for a period of three or five years.

Grant period—Invitations for the grant of options will normally only be issued within the 42 day period following the Company's announcement of results for any period, or there being exceptional circumstances which justify the grant of options at that time. Options will normally be granted within the period of 30 days following the earliest dealing day by reference to which the exercise price of an option was fixed.

Leaving employment—Normally, options lapse on leaving employment. However, if a participant ceases employment with any company in the Group by reason of death, injury or disability, redundancy, retirement or on the sale of the employing company or business out of the Group, options may be exercised during a six-month period following the cessation of employment. Exercise is also allowed where the participant leaves employment for any other reason, provided that the option has been held for at least three years. If any option is exercised early, the participant may only exercise to the extent of his or her accumulated savings under the savings contract (together with any interest due).

Corporate events—Options may be exercised in the event of a takeover, amalgamation, scheme of arrangement or winding-up of the Company, to the extent of the accumulated savings under the participant's savings arrangements (together with any interest due). In the event of another company acquiring control of the Company, participants may be allowed to exchange their options for options over shares in the acquiring company and, if the transaction is an internal reorganisation, participants may only have an opportunity to exchange their options.

(C) *US Employee Stock Savings Plan 2008*

The Directors have established a US Employee Stock Savings Plan which has been approved by the Subscriber (as the sole shareholder in the Company) and which is intended to provide for US resident employees a similar savings plan to acquire Common Shares as the sharesave plans provide for UK and Irish employees. The main difference to the sharesave plans is that the options are granted at 85 per cent of the fair market value of the shares at the date of grant and that the savings period is for only 27 months.

(D) Share option plans

The Directors have established three share option plans, the International Share Option Plan 2008, the US Stock Option Plan 2008 and the UK Approved Share Option Plan 2008 (which have also been approved by the Subscriber (as the sole shareholder in the Company)).

Eligibility—Any employee (including an executive director) of the Group will be eligible to participate at the discretion of the Remuneration Committee.

Limit on awards—The maximum number of shares over which options may be granted to any participant in any financial year will be limited to such number of shares as have an aggregate market value four times the participant's base salary.

Grant price—Options may be granted at an exercise price which is not less than the middle market quotation of the shares on the NYSE or London Stock Exchange dealing days (or average over the three dealing days) immediately prior to the date of grant.

Performance conditions—The plans allow for the Remuneration Committee to set any performance conditions which it considers appropriate to support the achievement of the Company's business objectives. Any performance targets which may be set may be discussed with key shareholders as appropriate.

Grant period—Invitations for the grant of options will normally only be issued within the 42 day period following the Company's announcement of results for any period, or there being exceptional circumstances which justify the grant of options at that time.

Leaving employment—Normally, options lapse on leaving employment. However, if a participant ceases employment with any company in the Group by reason of death, injury or disability, redundancy, retirement or on the sale of their employing company or business out of the Group, options may be exercised during a six-month period following the cessation of employment. Exercise is also allowed where the participant leaves employment for any other reason, provided that the option has been held for at least three years.

Corporate events—Options may be exercised in the event of a takeover, amalgamation, scheme of arrangement or winding-up of the Company. In the event of another company acquiring control of the Company, participants may be allowed to exchange their options for options over shares in the acquiring company and, if the transaction is an internal reorganisation, participants may only have an opportunity to exchange their options.

(E) Provisions relating to all the new employee share plans

Relevant shares—All awards and options under the new plans will be over Common Shares which may be new issue, treasury shares or purchased by trustees in the market.

Non-executive directors—Non-executive directors are ineligible to participate in any of the new plans.

Non-pensionable benefits—All of the benefits under the new plans are non-pensionable.

Non-transferability—Options and awards will not be transferable (other than to the participant's personal representatives in the event of his or her death).

Rights attaching to shares—Common Shares to be issued and allotted under the new plans will rank equally with all other Common Shares then in issue, but will not qualify for dividends or other rights arising by reference to a prior record date.

Variations of share capital—The number and price of options may be adjusted in the event of any variation of share capital.

Alterations to the schemes—The Board may amend the new plans provided that the prior approval of shareholders is obtained for any amendments to the advantage of participants in respect of eligibility, the limits on participation, the overall limits on the issue of Common Shares, or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, Common Shares or cash provided under the new plans and the adjustment of awards or options. However, shareholders' approval will not be required for only minor administrative changes or any alteration to take account of any change in legislation or any alteration required to obtain or maintain favourable tax, exchange control or regulatory treatment.

Limits on the issue of shares—In any ten year period the Company may not issue under the new plans and any other employee share plan adopted by the Company, Common Shares equal to more than 10 per cent of the issued Common Share capital of the Company. In addition, the Company may not

issue under the Long-Term Incentive Plan 2008 and any other discretionary employee share plan adopted by the Company, Common Shares equal to more than five per cent of the issued Common Share capital of the Company. Treasury shares will count as new issue shares for the purposes of these limits for so long as institutional investor guidelines prescribe that they need to be so counted.

Extension of the schemes overseas—The terms of each of the new plans provide the Board with the power to extend the plans to countries outside the US or the UK taking account of local tax, exchange control, or securities laws in the relevant jurisdictions. Awards under any such arrangements for overseas employees will count against the limits on the issue of Common Shares under the new plans and will not provide participants with benefits greater than those provided under those plans.

Termination—None of the new plans will be operated more than ten years after adoption without Shareholder approval, and the Remuneration Committee or the Board, as appropriate, will regularly review the operation of the new plans.

13. Pensions

13.1 Employee pension schemes

The Group has one defined benefit plan (the “**Group Scheme**”) for UK based staff, which was closed to new members in 2004. All other pension arrangements consist of defined contribution plans. The SFAS 158 present value of obligations of the Group Scheme decreased by \$4.2 million (2006/07: increase of \$6.9 million) the largest movement being an actuarial gain of \$16.6 million (2006/07: actuarial gain of \$33.4 million). The market value of the Group Scheme’s assets decreased by \$13.5 million (2006/07: increased by \$38.0 million). As a result there was a retirement benefit deficit on the balance sheet of \$5.6 million (3 February 2007: \$3.7 million asset) before a related deferred tax asset of \$1.6 million (3 February 2007: \$1.2 million liability). The latest triennial actuarial valuation was carried out as at 5 April 2006. There was a surplus and as a result no additional contributions were required as part of a recovery plan to eliminate a deficit. The cash contribution to the Group Scheme in 2007/08 was \$7.2 million (2006/07: \$6.8 million), and the Group expects to contribute some \$7.4 million in 2008/09.

The valuation of the Group Scheme’s assets and liabilities partly depends on assumptions based on the financial markets as well as longevity and staff retention rates. This valuation is particularly sensitive to material changes in the value of equity investments held by the Group Scheme, changes in the UK AA rated corporate bond yields which are used in the measurement of the liabilities, changes in market expectations for long term price inflation and new evidence on projected longevity rates. Funding requirements and income statement items relating to this closed Group Scheme are also influenced by these factors.

Under the Pensions Act 2004, the Pensions Regulator has powers to vary and impose funding arrangements which could be more onerous than may be agreed with or proposed to the trustees. In addition, the provisions of the Pensions Act 2004 may restrict the freedom of the Group to undertake certain re-organisation steps or to effect returns on capital or unusual dividends without the prior agreement of the Group Scheme trustees, in consultation with the Pensions Regulator. Following the closure to new entrants of the Group Scheme in 2004, a defined contribution plan was set up for new UK employees of the Group.

The US division also operates defined contribution plans in the form of the 401(k) Plan and an nonqualified deferred compensation plan.

13.2 UK executive directors’ pension schemes

The Group Finance Director is a member of the UK Group Scheme, which is a funded, HMRC registered, final salary, occupational pension scheme with a separate category of membership for directors. Pensionable salary is the member’s base salary, excluding all bonuses. The main features of the directors’ category are:

- a normal pension age of 60;
- pension at normal pension age of two-thirds of final pensionable salary, subject to completion of 20 years’ service;
- life assurance cover of four times pensionable salary; and
- spouse’s pension on death.

All UK Group Scheme benefits were, until 5 April 2006, subject to Inland Revenue limits. Where such limitation was due to the Inland Revenue earnings cap the Signet Group Funded Unapproved

Retirement Benefit Scheme (the “**FURBS**”) was, until April 2006, used to supplement pension benefits. This was a defined contribution arrangement. As a result of the changes to pension taxation in the UK from 6 April 2006, the Remuneration Committee agreed that pension provision through the UK Group Scheme should continue broadly as before. However, members should not benefit from a windfall gain through the removal of existing limits, and therefore a scheme specific earnings cap was maintained equivalent to the previous earnings cap, increased by RPI annually. As the tax treatment of the FURBS and the other advantages of such a funding scheme have been eroded, the Group has ceased paying contributions to the FURBS. In substitution a supplement is paid to the member on the same basis as with other elements of remuneration: on an individual basis and in accordance with the remuneration principles. After review the Remuneration Committee agreed that it was necessary to increase the supplement paid to executive directors in order to achieve the appropriate positioning within the percentile ranges forming part of the remuneration principles. The Remuneration Committee has therefore taken the first steps to redress that balance during 2007/08. The Group will not compensate members for any increase in taxation that they may face as a result of the changes and members will not be protected by the Group from the consequences of the changes in taxation, but will be provided with a cash supplement in lieu of pension accrual once members reach the lifetime allowance limit set by the new legislation if they choose to exercise this option. The UK Group Scheme does allow for the new range of flexibility in pension arrangements without additional cost or administrative burden and for example, the new flexibility on tax-free cash has been incorporated.

13.3 *US executive directors’ pension schemes*

In the US there are two savings vehicles by which provision for pension payments is made: the Sterling Jewelers Inc. 401(k) retirement savings plan (the “**401(k) Plan**”) and the Deferred Compensation Plan (the “**DCP**”). These are defined contribution arrangements.

In the US division the primary retirement vehicle is the US company sponsored 401(k) Plan which is a qualified plan under Federal guidelines. The company matches employee contributions to the 401(k) Plan at 25 per cent of an employee’s contribution up to a maximum of 6 per cent of an employee’s basic salary. Under Federal guidelines the 401(k) Plan contributions by senior management may be reduced based on the participation levels of lower paid employees. Consequently, in a similar way to other US companies, a supplemental plan, the DCP, has been established for senior management to assist with pre-tax retirement savings. The DCP was originally established in 1996. In response to changes in US law, the original DCP was frozen and a new DCP was adopted. The new DCP is similar to the old DCP, with changes primarily intended to comply with Section 409A of the US Internal Revenue Code of 1986, as amended, including that it imposes additional restrictions on the timing of elections and distributions as required by law. The DCPs are unfunded nonqualified plans under Federal guidelines and therefore considered to be an important savings vehicle in addition to the 401(k) Plan. The employer makes a matched contribution to the DCP equal to 50 per cent of an employee’s contribution up to a maximum of 10 per cent of the individual’s basic salary and bonus. The Group Chief Executive has pension benefits provided via the 401(k) Plan and the DCP. The DCP rules allow for individual contractual matching arrangements without any effect to its tax beneficial status and at present the only contractual contribution matching arrangement is with the Group Chief Executive which provides for a contribution equal to 20 per cent of basic salary without any deferral being required. The Chief Executive of the US division is a member of the 401(k) Plan and the DCP. The DCP provides a contribution on a matched basis equal to 50 per cent of the maximum of 10 per cent of base salary and bonus.

14. **Significant Shareholders**

As at 4 September (being the latest practicable date prior to the publication of this document), insofar as is known to the Company, the name of each person who, directly or indirectly, is interested in five per cent or more of the ordinary share capital of Signet (and would accordingly, all other things remaining equal, be directly or indirectly, interested in five per cent or more of the ordinary share capital of the Company upon the Scheme becoming effective), and the amount of such person’s interest, is as follows:

<u>Name of shareholder</u>	<u>Number of Common Shares</u>	<u>Percentage of issued share capital</u>
Harris Associates L.P.	286,972,505	16.83%
The Capital Group Companies, Inc.	134,301,453	7.87%
Artisan Partners Limited Partnership	103,705,112	6.08%
Sprucegrove Investment Management Ltd	87,817,717	5.15%

Save as disclosed in Section 8 above or in this Section 14, the Directors are not aware of any interest which will represent an interest in the Company's share capital or voting rights which is notifiable under the Disclosure and Transparency Rules following the Scheme becoming effective and LSE Admission occurring.

So far as the Company is aware, on the Scheme becoming effective, no person or persons, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company.

There are no differences between the voting rights enjoyed by the shareholders described in this Section 14 above and those enjoyed by any other holder of the Company's Common Shares.

There are no arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

15. No Significant Change

There has been no significant change in the financial or trading position of Signet since 2 August 2008, being the date to which the latest interim financial information has been published (see Part XI "*Interim Financial Information of the Group for the 26 week period ended 2 August 2008*").

16. Related Party Transactions

Save as disclosed in the Historical Financial Information, there were no related party transactions entered into by Signet during the financial years ended 2 February 2008, 3 February 2007 and 28 January 2006.

17. Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Company/Group as at the date of this document:

17.1 Depository Agreement

A Depository Agreement dated 3 September 2008 (the "**Depository Agreement**") between the Company and Capita IRG Trustees under which the Company, subject to and conditional upon the Scheme becoming effective, appoints Capita IRG Trustees to constitute and issue from time to time, upon the terms of the trust deed poll executed by Capita IRG Trustees on or about the date of the Depository Agreement (the "**Deed Poll**"), a series of uncertificated depository interests ("**Depository Interests**") representing securities issued by the Company and to provide certain other services in connection with such Depository Interests with a view to facilitating the indirect holding by participants in CREST. Capita IRG Trustees agrees that it will comply, and will procure certain other persons to comply, with the terms of the Deed Poll and that it and they will perform their obligations in good faith and with all reasonable skill, diligence and care. Capita IRG Trustees assumes certain specific obligations including, for example, to arrange for the Depository Interests to be admitted to CREST as participating securities and to provide copies of and access to, the register of Depository Interests. Capita IRG Trustees warrants that it is an authorised person under FSMA and is duly authorised to carry out custodial and other activities under the Deed Poll. It also undertakes to maintain that status and authorisation. It will either itself or through its appointed custodian as bare trustee hold the deposited property (which includes, inter alia, the securities represented by the Depository Interests) for the benefit of the holders of the Depository Interests as tenants in common, subject to the terms of the Deed Poll. The Company agrees to provide such assistance, information and documentation to Capita IRG Trustees as is reasonably required by Capita IRG Trustees for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depository Agreement. In particular, the Company is to supply Capita IRG Trustees with all documents it sends to its shareholders so that Capita IRG Trustees can distribute the same to all holders of Depository Interests. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution and in respect of voting at general or other meetings. Each party is to indemnify the other, and each of its subsidiaries and subsidiary undertakings, against claims made against any of them by any holder of Depository Interests or any person having any direct or indirect interest in any such Depository Interests or the underlying securities which arises out of any

breach or alleged breach of the terms of the Deed Poll or any trust declared or arising thereunder. The aggregate liability of the Depositary is limited to the lesser of £1,000,000 and an amount equal to ten times the total annual fee payable to the Depositary under the Depositary Agreement. The agreement is to remain in force for as long as the Deed Poll remains in force. The Company may terminate the appointment of Capita IRG Trustees if an Event of Default (as defined in the Depositary Agreement) occurs in relation to Capita IRG Trustees or if it commits an irremediable material breach of the agreement or the Deed Poll or any other material breach which is not remedied within 30 days. Capita IRG Trustees has the same termination rights in respect of Events of Default (as defined in the Depositary Agreement) occurring or any breach by the Company. Either of the parties may terminate Capita IRG Trustees' appointment by giving not less than 45 days' written notice. If the appointment is terminated on an Event of Default (as defined in the Depositary Agreement) or breach, Capita IRG Trustees must within 14 days serve notice to terminate the Deed Poll to all holders of Depositary Interests. Capita IRG Trustees is to ensure that any custodian and any person who maintains the register of Depositary Interests is a member of its group and may not subcontract or delegate its obligations under the Deed Poll to a company that is not a member of the same group without the Company's consent. The Company is to pay certain fees and charges including, inter alia, an annual fee, a fee based on the number of Depositary Interests per year and certain CREST related fees. Capita IRG Trustees is also entitled to recover reasonable out of pocket fees and expenses.

17.2 Note Purchase Agreement

On 30 March 2006 Signet entered into a US private placement note term series purchase agreement ("**Note Purchase Agreement**") which was funded largely from US insurance sector institutional investors in the form of fixed rate investor certificate notes ("**Notes**"). These Notes represent 7, 10 or 12 year maturities, with Series (A) \$100 million 5.95 per cent due 2013; Series (B) \$150 million 6.11 per cent due 2016 and Series (C) \$130 million 6.26 per cent due 2018. The aggregate issuance was \$380 million and the funding date was 23 May 2006. The proceeds from this debt issuance were used to refinance the maturing securitisation programme of \$251.0 million which ended in November 2006 and for general corporate purposes. The Notes rank pari passu with the Group's other senior unsecured debt. The principal financial covenants on this Note Purchase Agreement are as follows:

1. the ratio of consolidated net debt to consolidated EBITDA (Earning Before Interest, Tax, Depreciation and Amortisation) shall not exceed 3:1;
2. consolidated net worth (total net assets) shall not fall below £400 million; and
3. the ratio of EBITARR (Earnings Before Interest, Tax, Amortisation, Rents, Rates and Operating Lease Expenditure) to consolidated net interest expenditure plus rents, rates and operating lease expenditure shall be equal to or greater than 1.4:1.

17.3 Asset backed variable funding note conduit securitisation facility

In October 2007 the Group entered into a 364 day \$200m series 2007 asset backed variable funding note conduit securitisation facility for general corporate purposes. Under this securitisation, interests in the US receivables portfolio are sold to Bryant Park, a conduit administered by HSBC Securities (USA) Inc. This facility has not been utilised.

17.4 Facility Agreement

On 26 June 2008 Signet entered into a \$520 million unsecured multi-currency five year revolving credit facility agreement (the "**Facility Agreement**"). The Facility Agreement replaced a similar \$390 million facility that had been entered into on 28 September 2004. Under the Facility Agreement, a syndicate of banks made facilities available to the Group in the form of multi-currency cash advances and sterling acceptance credits on, inter alia, the following terms:

- the Facility Agreement bears a maximum margin of 1.75 per cent above LIBOR, though the margin may be lower dependent upon the performance of the Group. Since the commencement of the facility the margin has been 1.20 per cent above LIBOR; and
- the Facility Agreement is guaranteed by the Group's principal holding and operating subsidiaries.

The continued availability of the Facility Agreement is conditional upon the Group achieving certain financial performance criteria that are identical to those applicable to the Note Purchase Agreement (see above). It also has certain provisions which are customary for this type of agreement, including standard "negative pledge" and "pari passu" clauses. At 2 February 2008 and 9 April 2008 the amount outstanding under the previous facility agreement was \$nil.

18. Taxation

The following are brief and general summaries of the United Kingdom and United States taxation treatment of holding and disposing of Common Shares. The summaries are based on existing law, including statutes, regulations, administrative rulings and court decisions, and what is understood to be current HMRC and IRS practice, all as in effect on the date of this document. Future legislative, judicial or administrative changes or interpretations could alter or modify statements and conclusions set forth below, and these changes or interpretations could be retroactive and could affect the tax consequences of holding and disposing of Common Shares. The summaries do not consider the consequences of holding and disposing of Common Shares under tax laws of countries other than the United Kingdom, the United States (or any US laws other than those pertaining to income tax) and Bermuda, nor do the summaries consider any alternative minimum tax or state or local consequences of holding and disposing of Common Shares.

The summaries provide general guidance to persons resident, ordinarily resident and domiciled for tax purposes in the UK who hold Common Shares as an investment, and to US holders (as defined below) who hold Common Shares as capital assets (within the meaning of section 1221 of the US Internal Revenue Code), and not to any holders who are taxable in the UK on a remittance basis or who are subject to special tax rules, such as banks, financial institutions, broker-dealers, persons subject to mark-to-market treatment, UK resident individuals who hold their Common Shares under a personal equity plan, persons that hold their Common Shares as a position in part of a straddle, conversion transaction, constructive sale or other integrated investment, US holders whose “functional currency” is not the US dollar, persons who received their Common Shares by exercising employee stock options or otherwise as compensation, persons who have acquired their Common Shares by virtue of any office or employment, S corporations or other pass-through entities (or investors in S corporations or other pass-through entities), mutual funds, insurance companies, exempt organisations, US holders subject to the alternative minimum tax, certain expatriates or former long term residents of the US, and US holders that directly or by attribution hold 10 per cent or more of the voting power of the Company’s stock.

The summaries are not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. If you are in any doubt about your taxation position, or if you are ordinarily resident or domiciled outside the United Kingdom or resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom or the United States, you should consult your own professional advisers immediately.

The Company is incorporated in Bermuda. The Directors intend to conduct the Company’s affairs such that, based on current law and practice of the relevant tax authorities, the Company will not become resident for tax purposes in any other territory. This paragraph 18 is written on the basis that the Company does not become resident in a territory other than Bermuda.

18.1 UK Taxation

18.1.1 Chargeable Gains

A disposal of Common Shares may, depending on individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to (or an allowable loss for the purposes of) UK taxation of chargeable gains.

Any chargeable gain or allowable loss on a disposal of the Common Shares should be calculated taking into account the allowable cost to the holder of acquiring his Common Shares. In the case of corporate shareholders, to this should be added, when calculating a chargeable gain but not an allowable loss, indexation allowance on the allowable cost. Non-corporate shareholders should note that, under the Finance Act 2008, non-corporates are not entitled to indexation allowance or taper relief in respect of disposals occurring on or after 6 April 2008. The Finance Act 2008 also introduces a single capital gains tax of 18 per cent for non-corporate shareholders in respect of any chargeable gain arising on disposals on or after 6 April 2008. These changes do not affect shareholders within the charge to UK corporation tax on chargeable gains.

Individuals who hold their Common Shares within an ISA and are entitled to ISA-related tax reliefs in respect of the same will generally not be subject to UK taxation of chargeable gains in respect of any gain arising on a disposal of Common Shares.

18.1.2 Taxation of dividends on Common Shares

Under current UK law and practice, UK withholding tax is not imposed on dividends.

A UK resident shareholder or a holder of Common Shares who carries on a trade, profession or vocation wholly or partly in the United Kingdom (provided that in the latter case, the Common Shares are held in connection with that part of a trade carried on in the UK) will generally, depending upon the holder's particular circumstances, be subject to UK income tax or corporation tax (as the case may be), on any dividends paid by the Company on the Common Shares.

Shareholders within the charge to corporation tax will be liable to tax on the dividend income (up to the maximum rate of 28 per cent for 2008-2009). The UK government is however currently considering the tax treatment of portfolio dividends received by UK tax resident companies with a view to achieving parity of treatment between UK and foreign portfolio dividends.

A UK resident individual shareholder who is liable to UK income tax at no more than the basic rate will be liable to income tax on the dividend income at the dividend ordinary rate (which should be 10 per cent in 2008-2009). A UK resident individual shareholder who is liable to UK income tax at the higher rate will be subject to income tax on the dividend income at the dividend upper rate (which should be 32.5 per cent in 2008-2009). However, under the Finance Act 2008, with effect from the current year (2008-2009), individuals in receipt of dividends from the Company, if they own less than a 10 per cent shareholding in the Company, will be entitled to the same non-payable dividend tax credit as individuals in receipt of UK dividends (currently at the rate of 1/9th of the cash dividend paid (or 10 per cent of the aggregate of the net dividend and related tax credit)). Assuming that there is no withholding tax imposed on the dividend (as to which see Section 18.3 of this Part XII), the individual is treated as receiving for UK tax purposes gross income equal to the cash dividend plus the tax credit. The tax credit is set against the individual's tax liability on that gross income. The result is that a UK resident individual shareholder who is liable to UK income tax at no more than the basic rate will have no further UK income tax to pay on a Company dividend. A UK resident individual shareholder who is liable to UK income tax at the higher rate will have further UK income tax to pay of 22.5 per cent of the dividend plus the related tax credit (or 25 per cent of the cash dividend, assuming that there is no withholding tax imposed on that dividend). For example, a dividend of £80 (without any withholding tax imposed) will carry a tax credit of £8.89. The income tax payable by a higher rate taxpayer would be 32.5 per cent of £88.89, namely £28.89, less the tax credit of £8.89, leaving a net tax liability of £20.

The UK Government has announced proposals (which are intended to take effect from April 2009) to extend the availability of the tax credits to individuals who own 10 per cent or more of the issued share capital in distributing non-UK companies. The availability of this tax credit will be subject to a company paying the dividend satisfying certain conditions and it is possible that the Company will fail to meet those conditions.

Individual shareholders who hold their Common Shares in an ISA and are entitled to ISA-related tax reliefs in respect of the same will not be taxed on the dividends from those Common Shares but are not entitled to recover from HMRC the tax credit on such dividends.

18.1.3 Stamp duty/stamp duty reserve tax ("SDRT")

In practice, stamp duty should generally not need to be paid on an instrument transferring Common Shares. No SDRT will generally be payable in respect of any agreement to transfer Common Shares or Depositary Interests. The statements in this paragraph summarise the current position on stamp duty and SDRT and are intended as a general guide only. They assume that the Company will not be UK managed and controlled and that the Common Shares will not be registered in a register kept in the UK by or on behalf of the UK. The Company has confirmed that it does not intend to keep such a register in the UK.

18.2 US Taxation

As used in this discussion, the term "US holder" means a beneficial owner of Common Shares who is for US federal income tax purposes: (i) an individual US citizen or resident; (ii) a corporation, or entity treated as a corporation, created or organised in or under the laws of the United States; (iii) an estate the income of which is subject to US federal income taxation regardless of its source; or (iv) a trust if either: (a) a court within the US is able to exercise primary supervision over the administration of such trust and one or more US persons have the authority to control all substantial decisions of such trust; or (b) the trust has a valid election in effect to be treated as a US resident for US federal income tax purposes.

If a partnership (or other entity classified as a partnership for US federal tax income purposes) holds Common Shares, the US federal income tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships, and partners in partnerships, holding Common Shares are encouraged to consult their tax advisers.

INTERNAL REVENUE SERVICE CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DOCUMENT IS NOT INTENDED TO BE USED, AND CANNOT BE USED, BY HOLDERS FOR THE PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

18.2.1 Dividends and other distributions upon Common Shares

Distributions made with respect to Common Shares will generally be includable in the income of a US holder as ordinary dividend income, to the extent paid out of current or accumulated earnings and profits of the Company as determined in accordance with US federal income tax principles. The amount of such dividends will generally be treated as foreign-source dividend income, or, if 50 per cent or more of the Company's shares are directly or indirectly owned by US persons, which could be more likely as a result of the NYSE Admission, partly as US-source and partly as foreign-source dividend income in proportion to the earnings from which they are considered paid. Dividend income received from the Company will not be eligible for the "dividends received deduction" generally allowed to US corporations under the US Code. Subject to applicable limitations, including a requirement that the Common Shares be listed for trading on the NYSE, the NASDAQ Stock Market, or another qualifying US exchange, dividends with respect to Common Shares so listed that are paid to non-corporate US holders in taxable years beginning before 1 January 2011 will generally be taxable at a maximum tax rate of 15 per cent.

18.2.2 Sale or exchange of Common Shares

Gain or loss realised by a US holder on the sale or exchange of Common Shares generally will be subject to US federal income tax as capital gain or loss in an amount equal to the difference between the US holder's tax basis in the Common Shares and the amount realised on the disposition. Such gain or loss will be long term capital gain or loss if the US holder held the Common Shares for more than one year. Gain or loss, if any, will generally be US source for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

18.2.3 Information reporting and backup withholding

Payments of dividends on, and proceeds from a sale or other disposition of, Common Shares, may, under certain circumstances, be subject to information reporting and backup withholding at a rate of 28 per cent of the cash payable to the holder, unless the holder provides proof of an applicable exemption or furnishes its taxpayer identification number, and otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a US holder under the backup withholding rules are not additional tax and should be allowed as a refund or credit against the US holder's US federal income tax liability, provided the required information is timely furnished to the IRS.

18.2.4 Passive foreign investment company status

A non-US corporation will be classified as a passive foreign investment company (a "PFIC") for any taxable year if at least 75 per cent of its gross income consists of passive income (such as dividends, interest, rents, royalties or gains on the disposition of certain minority interests), or at least 50 per cent of the average value of its assets consists of assets that produce, or are held for the production of, passive income. For the purposes of these rules, a non US corporation is considered to hold and receive directly the assets and income of any other corporation of whose stock it owns at least 25 per cent by value. Consequently, the Company's classification under the PFIC rules will depend primarily upon the composition of Signet's assets and income.

If the Company is characterised as a PFIC, US holders would suffer adverse tax consequences, and US federal income tax consequences different from those described above may apply. These consequences may include having gains realised on the disposition of Common Shares treated as ordinary income

rather than capital gain and being subject to punitive interest charges on certain distributions and on the proceeds of the sale or other disposition of Common Shares. The Company believes that it is not a PFIC and that it will not be a PFIC for the foreseeable future. However, since the tests for PFIC status depend upon facts not entirely within a company's control, such as the amounts and types of its income and values of its assets, no assurance can be provided that the Company will not become a PFIC. US holders should consult their own tax advisers regarding the potential application of the PFIC rules to the Common Shares.

18.3 Bermuda Taxation

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by its shareholders in respect of its shares. The Company has obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 28 March 2016, be applicable to it or to any of its operations or to its shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by it in respect of real property owned or leased by it in Bermuda.

19. Litigation

Subject to the matters disclosed below, there are no and have not, since the date 12 months prior to the date of the document, been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Group's financial position or profitability and the Group is not currently engaged (whether as claimant or respondent) in any material litigation and there are no material claims against the Company, save in March 2008 a class lawsuit for an unspecified amount was filed against Sterling Jewelers Inc., a subsidiary of Signet, in the New York federal court. The lawsuit alleges that US store-level employment practices are discriminatory as to compensation and promotional activities. The Group denies these allegations and intends to defend them vigorously.

20. Property, Plant and Equipment

No single tangible fixed asset (including property, plant and equipment) accounts for more than 10 per cent of the Group's net turnover or production.

However, the Group currently owns or rents the following:

- (a) 1,973 stores in the UK and the US;
- (b) a 340,000 square foot leased head office and distribution facility in Akron, Ohio on a 25 year lease entered into on 2 February 2007;
- (c) an 86,000 square foot leased office building next door to the head office on a 25 year lease entered into on 1 January 2007; and
- (d) a 19,000 square foot repair centre is owned by the Group.

21. Depositary Interests and Terms of the Deed Poll

It is proposed that, with effect from the Admissions, Common Shares may be delivered, held and settled in CREST by means of the creation of dematerialised depositary interests representing such Common Shares. Pursuant to a method proposed by Euroclear under which transactions in international securities may be settled through the CREST system, Capita IRG Trustees, a subsidiary of Capita Registrars, will issue dematerialised depositary interests representing entitlements to Common Shares, known as Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

If a Depositary Interest Holder wishes to withdraw the underlying Common Shares from the Depositary Interest arrangements and to hold and deal in Common Shares in book entry form in the US, Capita Registrars (+44 (0) 871 664 0300) will provide the required form of authorisation and explain the procedure involved.

The Depositary Interests will be created pursuant to and issued on the terms of the Deed Poll executed by Capita IRG Trustees in favour of the holders of the Depositary Interests from time to time.

Prospective holders of Depositary Interests should note that they will have no contractual rights in respect of the underlying Common Shares or the Depositary Interests representing them against Euroclear or its subsidiaries.

Common Shares will be transferred to an account of Capita IRG Trustees or its nominated custodian and Capita IRG Trustees will issue Depositary Interests to participating members.

Each Depositary Interest will be treated as one Common Share for the purposes of determining, for example, eligibility for any dividends. Capita IRG Trustees will pass on to holders of Depositary Interests any stock or cash benefits received by it as holder of the Common Shares on trust for such Depositary Interest Holder. Depositary Interest Holders will also be able to receive notices of meetings of holders of Common Shares and other notices issued by the Company to its shareholders.

The Depositary Interests will have the same security code (ISIN) as the underlying Common Shares being BMG812761002 and will not require a separate listing on the Official List.

The Deed Poll is available for inspection as set out in Section 25 of this Part XII. In summary the Deed Poll contains, inter alia, provisions to the following effect:

- (a) The Depositary will hold (itself or through its nominated custodian) as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests.
- (b) Holders of Depositary Interests warrant, inter alia, that the securities in the Company transferred or issued to the Custodian on behalf of the Depositary/Custodian are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation.
- (c) The Depositary and any Custodian must pass on to Depositary Interest Holders and, so far as they are reasonably able, exercise on behalf of Depositary Interest Holders all rights and entitlements received or to which they are entitled in respect of the underlying securities which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.
- (d) The Depositary will be entitled to cancel Depositary Interests and withdraw the underlying securities in certain circumstances including where a Depositary Interest Holder has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depositary Interests.
- (e) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interest Holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent. Furthermore, the Depositary's liability to a Depositary Interest Holder will be limited to the lesser of:
 - (i) the value of the shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and
 - (ii) that proportion of £10 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the Depositary Interest Holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event or, if there are no such amounts, £10 million.
- (f) The Depositary is entitled to charge Depositary Interest Holders fees and expenses for the provision of its services under the Deed Poll.
- (g) Each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for

the account of Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent if such Custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent.

- (h) The Depositary may terminate the Deed Poll by giving not less than 30 days' notice. During such notice period holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest Holders or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll pro rata to holders of Depositary Interests in respect of their Depositary Interests.
- (i) The Depositary or the Custodian may require from any holder information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying securities in the Company and holders are bound to provide such information requested. Furthermore, to the extent that, inter alia, the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Company's securities, the holders of Depositary Interests are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Common Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for Depositary Interest Holders to give prompt instructions to the Depositary or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such shares as a proxy of the Depositary or its nominated Custodian.

The Depositary Agreement under which the Company has appointed Capita IRG Trustees to provide the Depositary Interest arrangements is summarised above in Section 17 of this Part XII.

22. Auditors

KPMG Audit plc, a member firm of the Institute of Chartered Accountants in England and Wales, is the Company's auditor, and the auditor of the Group, and audited the accounts of the Group for the financial years ended 2 February 2008, 3 February 2007 and 28 January 2006.

23. Consents

KPMG Audit plc has given and not withdrawn its written consent to the inclusion in this document of its report in the form and context in which it appears as set out in Part X of this document and has authorised the contents of that report for the purposes of Prospectus Rule 5.5.3R(2)(f).

Lazard has given and not withdrawn its written consent to the inclusion in this document of its name and references thereto in the forms and contexts in which they appear.

24. General

Neither the Company nor Signet is currently subject to any mandatory takeover bids.

Nether the Company nor Signet has been the subject of any public takeover bids in respect of the Company's or Signet Group's equity during the last financial year and the current financial year.

The total costs and expenses (exclusive of VAT) payable by the Group in connection with the Scheme and the Admissions are estimated to be approximately \$10.5 million. Given the inter relationship between the Scheme and the Admissions, it is not practicable to separate costs attributable solely to the Scheme and to the Admissions. There are no amounts payable to financial intermediaries.

25. Documents Available for Inspection

Copies of the following documents will be available for inspection at the Company's registered office, Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, Signet's registered office, 15 Golden

Square, London, W1F 9JG and the offices of Herbert Smith LLP, Exchange House, Primrose Street, London EC2A 2HS during normal business hours on Monday to Friday each week (public holidays excepted) for a period from and including the date of publication of this document until the date of the LSE Admission:

- the Company's memorandum of association and the Bye-laws;
- Signet's memorandum and articles of association;
- the consent letters referred to in Section 23 in this Part XII;
- the audited accounts of Signet for the financial years ended 2 February 2008, 3 February 2007 and 28 January 2006;
- the KPMG Audit plc report set out in Part X of this document;
- the Scheme Circular;
- this document;
- the rules of the Share Plans and the rules of the Signet Share Plans; and
- the Deed Poll.

This document is dated 5 September 2008