

PART II
EXPLANATORY STATEMENT

(in compliance with Part 26 of the Companies Act 2006)

L A Z A R D

Lazard & Co., Limited
(Registered in England No. 162175)

Registered Office:
50 Stratton Street, London W1J 8LL

To the holders of Signet Shares and Signet ADS holders

24 July 2008

Dear Signet Shareholders and Signet ADS holders

1 Introduction

We are writing to you to explain the Proposal, including the Scheme and the Share Capital Consolidation, and its effects.

On 10 July 2008, the Board of Directors of Signet announced that it had approved a series of inter-related proposals. The main proposals are:

- (i) to move the primary listing of the parent company of the Signet Group from the Official List to the NYSE;
- (ii) to reorganise the Signet Group pursuant to a Court approved scheme of arrangement so that Signet becomes a wholly-owned subsidiary of Signet Jewelers Limited, a new company incorporated in Bermuda, and former Signet Shareholders and Signet ADS holders become shareholders of Signet Jewelers Limited;
- (iii) to implement a one-for-twenty share capital consolidation (also known as a reverse stock split) after the Scheme of Arrangement becomes effective; and
- (iv) to apply for a secondary listing on the Official List.

Your attention is drawn to the letter from the Chairman of Signet set out in Part I of this document, which forms part of this Explanatory Statement. The letter contains, among other matters, information on the reasons for the Proposal and the unanimous recommendation by the Board to Signet Shareholders to vote in favour and, in the case of Signet ADS holders to instruct the ADS Depository to vote in favour, of the resolutions to be proposed at the Court Meeting and the Scheme GM.

The Directors intend to vote in favour of the resolutions to be proposed at the Court Meeting and the Scheme GM in respect of their own beneficial holdings, which amount in aggregate to 1,746,323 Signet Shares. This represents, as at close of business on 20 July 2008 (being the last practicable day before publication of this document), approximately 0.10 per cent of the votes capable of being cast at the Court Meeting and Scheme GM. The Directors have retained Lazard & Co., Limited as financial advisers in connection with the Scheme. We have been authorised by the Directors to write to you to explain the Scheme and other components of the Proposal and to provide you with other relevant information. The Scheme is set out in full in Part V of this document. Your attention is also drawn to the information regarding Signet and Signet Jewelers Limited contained in Parts III and VII of this document.

You are strongly urged to read this document in its entirety in order to gain a better understanding of the proposals set forth herein.

2 Summary of the terms of the Proposal

2.1 The Scheme

Under the Scheme, Signet is proposing to reorganise the Signet Group pursuant to a Court approved scheme of arrangement under Part 26 of the Companies Act so that Signet becomes a wholly and directly owned

subsidiary of Signet Jewelers Limited and former Signet Shareholders become shareholders of Signet Jewelers Limited. Immediately following the Scheme becoming effective, former Signet Shareholders will hold 100 per cent of the Signet Jewelers Limited Shares in issue.

The Scheme will be implemented by cancelling and extinguishing all of the Scheme Shares on the Effective Date, capitalising the reserve created by the cancellation and issuing New Signet Shares to Signet Jewelers Limited. In return for Signet Jewelers Limited's receipt of New Signet Shares, Scheme Shareholders (including the ADS Depositary) will receive one Signet Jewelers Limited Share for each Signet Share held by them at the Scheme Record Time (which is currently expected to be 5.00 p.m. on 10 September 2008). Your attention is drawn to paragraph 3 of this Part II where the Scheme is explained in greater detail.

2.2 *The Share Capital Consolidation*

As part of the Proposal, Signet Jewelers Limited intends to implement a share capital consolidation (also known as a reverse stock split), on a one-for-twenty basis, in respect of the Signet Jewelers Limited Shares issued under the Scheme. The Share Capital Consolidation is intended to be implemented immediately after the Scheme becomes effective. Your attention is drawn to paragraph 5 of this Part II where the Share Capital Consolidation is explained in greater detail.

2.3 *Signet ADS holders*

As part of the Proposal, following both the Scheme and the Share Capital Consolidation becoming effective, Signet ADS holders will be able to surrender their Signet ADSs for shares in Signet Jewelers Limited on the basis of one Signet Jewelers Limited Share for every two ADSs surrendered. Holders of Signet ADSs should read paragraph 10 of this Part II, which contains more particular information about the Proposal as it affects holders of Signet ADSs.

2.4 *Combined effect*

The combined effect of the above is that:

- (i) former Signet Shareholders will receive one Signet Jewelers Limited Share for every twenty Signet Shares they held on the Scheme Record Time; and
- (ii) former Signet ADS holders will receive one Signet Jewelers Limited Share for every two Signet ADSs.

You will not have to pay anything for the Signet Jewelers Limited Shares.

2.5 *Change in listing*

It is intended that, once both the Scheme and the Share Capital Consolidation become effective, the Signet Jewelers Limited Shares will be listed on the NYSE and the existing listing of the Signet ADSs on the NYSE will be cancelled. It is also intended that an application will be made to list the Signet Jewelers Limited Shares on the Official List (by way of secondary listing) and for their admission to trading on the London Stock Exchange's main market for listed securities and that the existing listing of the Signet Shares on the Official List and their admission to trading on the London Stock Exchange will be cancelled.

Signet ADS holders should read paragraph 10 of this Part II, which contains important information to Signet ADS holders regarding the Proposal which is relevant to them.

Participants in the Signet Share Plans should read paragraphs 13 and 14 of this Part II, which contains further important information which is relevant to them.

3 *Structure of the Scheme*

3.1 *The Scheme*

The Proposal is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act, the provisions of which are set out in full in Part V of this document.

On the Scheme becoming effective, the entire issued ordinary share capital of Signet as at the Reduction Record Time will be cancelled and extinguished and New Signet Shares will be issued by Signet to Signet Jewelers Limited by a capitalisation of the reserves arising from such cancellation, so that Signet becomes a wholly-owned subsidiary of Signet Jewelers Limited.

Signet Shareholders will then receive Signet Jewelers Limited Shares on the basis set out in paragraph 2.1 of this Part II.

To become effective, the Scheme requires the approval of: (i) a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting; and (ii) 75 per cent or more in value of all Signet Shares held by such Scheme Shareholders and voted at that meeting. The Scheme also requires the sanction of the Court and the passing of the special resolution necessary to implement the Scheme at the Scheme GM, as well as satisfaction or waiver of the other conditions set out in Part IV of this document.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders, including any Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme.

On the Effective Date, share certificates in respect of Signet Shares will cease to be valid and Signet Shareholders who hold their Signet Shares in certificated form should, if requested to do so by Signet Jewelers Limited, send such certificates to Signet Jewelers Limited for cancellation. In addition, on the Effective Date, entitlements to Signet Shares held within the CREST system will be cancelled.

3.2 Conditions

The Scheme is subject to a number of conditions set out in full in Part IV of this document.

The Scheme will require approval by the Signet Shareholders at the Court Meeting and the special resolution will need to be passed at the Scheme GM. The Shareholder Meetings and the nature of the approvals required to be given at each of them are described in more detail in paragraph 4 of this Part II.

The Scheme can only become effective if all conditions to the Scheme, including approvals at the Shareholder Meetings and the sanction of the Court, have been satisfied or, where appropriate, waived. Signet Shareholders are entitled to attend the Shareholder Meetings in person or by proxy to support or oppose the Scheme. The Scheme will become effective upon the delivery for registration to the Registrar of copies of the Court Orders and the registration of the Reduction Court Order. Unless the Scheme becomes effective by not later than 31 December 2008, or such later date as Signet and Signet Jewelers Limited may agree and the Court may allow, the Scheme will lapse and will not proceed.

In addition, the Directors will not prior to or after the First Court Hearing take the steps necessary to enable the Scheme and the Capital Reduction to become effective unless, at the relevant time, they consider that the Scheme continues to be in the best interests of Signet Shareholders as a whole.

Signet Jewelers Limited has agreed to consent to the Scheme and to undertake to be bound by the terms of the Scheme. The First Court Hearing is expected to be held on 8 September 2008 and the Second Court Hearing is expected to be held on 10 September 2008. It is necessary to have two separate Court hearings to allow people who have options over Signet Shares under the Signet Share Plans which will be triggered on the Scheme being sanctioned at the First Court Hearing, to exercise those options in time for their Signet Shares to be issued before the Reduction Record Time and therefore be Scheme Shares which will be cancelled under the Scheme.

If the Scheme is sanctioned by the Court and the conditions to the Scheme are satisfied or waived, it is expected that the Scheme will become effective on 11 September 2008, and that dealings in the Signet Jewelers Limited Shares issued pursuant to the Scheme will commence on the NYSE at 2.30 p.m. (9.30 a.m. New York time) on 11 September 2008 and on the London Stock Exchange at 8.00 a.m. on 11 September 2008.

3.3 Amendment to Signet's Articles of Association

It is proposed, as part of the special resolution to be proposed at the Scheme GM, to amend Signet's Articles of Association to ensure that any Signet Shares issued after the date of such amendment to the Articles but before the Reduction Record Time are issued subject to the terms of the Scheme. The amended Articles of Association will also provide that, subject to the Scheme becoming effective, any Signet Shares issued on or after the Reduction Record Time, for example, upon the exercise of options under the Signet Share Plans, will automatically be transferred to Signet Jewelers Limited in consideration of the issue to such holder by Signet Jewelers Limited of Signet Jewelers Limited Shares on the same terms as under the Scheme and Share Capital Consolidation (provided that such Signet Jewelers Limited Shares will not be issued until the Effective Date). This will avoid any person other than Signet Jewelers Limited or its nominee(s) holding Signet Shares after the Scheme becomes effective.

In addition, the amended Articles of Association will provide that, in connection with the Scheme, if, in respect of an Overseas Shareholder (or a person whom Signet reasonably believes to be an Overseas Shareholder), Signet is advised that the issue of Signet Jewelers Limited Shares may infringe the laws of an

overseas jurisdiction (or may require Signet to comply with obligations with which it is unable to comply with or compliance with which it regards as unduly onerous), Signet is authorised to appoint a person to transfer the Scheme Shares held by such shareholder to a nominee who shall then sell the Signet Jewelers Limited Shares it receives under the Scheme and transfer the net proceeds of such sale to the shareholder.

Paragraph 1.4 of the special resolution set out in the notice of Scheme GM at Part X of this document seeks shareholder approval for such amendments.

3.4 Securities Act considerations

Signet has been advised that Signet Jewelers Limited Shares may be issued to Signet Shareholders under the Scheme without registration under the Securities Act pursuant to an exemption provided by section 3(a)(10) of the Securities Act and, as a consequence, the issuance of Signet Jewelers Limited Shares will not be registered under the Securities Act. In reliance on the pre-emption attached to NYSE listing, the issuance of Signet Jewelers Limited Shares will not be registered under the securities laws of any state or other jurisdiction of the United States. Signet will advise the Court that its sanctioning of the Scheme will be relied upon by Signet and Signet Jewelers Limited as a Court approval of the Scheme for the purpose of qualifying for the exemption from the registration requirements of the Securities Act described above.

4 Shareholder Meetings

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and of Signet Shareholders at the Scheme GM. Both such meetings are expected to be held on 19 August 2008.

Notices of the Court Meeting and the Scheme GM are set out on pages 84 to 91 of this document. Entitlement to attend and vote at these meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Signet at 6.00 p.m. on 17 August 2008 which is two days before the date of the Shareholder Meetings (or, in the event that the Shareholder Meetings are adjourned, by reference to the register of members of Signet at 6.00 p.m. on the day that is two days before the adjourned Shareholder Meetings).

4.1 Court Meeting

The Court Meeting has been convened by the Court for 11.30 a.m. on 19 August 2008 in accordance with the direction of the Court to enable the Scheme Shareholders to consider and, if thought fit, approve the Scheme. In relation to the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for every Scheme Share they held as at the Voting Record Time.

4.2 Scheme general meeting

The Scheme GM has been convened by the Company for 11.45 a.m. on 19 August 2008 (or as soon thereafter as the Court Meeting shall have concluded or been adjourned) to enable Signet Shareholders to consider and, if thought fit, pass two resolutions, including a special resolution which requires a vote in favour of not less than 75 per cent of the votes cast. The special resolution is necessary to allow the Proposal (including the Scheme) to be implemented. The special resolution is being proposed for the purpose of giving effect to the Scheme, and in particular to:

- (i) authorise the Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- (ii) approve the cancellation of the Scheme Shares;
- (iii) approve: (A) the increase of Signet's share capital by the number of shares that are cancelled pursuant to the Capital Reduction; (B) the application of the reserve arising out of the cancellation of the Scheme Shares to pay up in full the number of new shares in Signet created pursuant to the increase of Signet's share capital described at (A) above; and (C) the issue, pursuant to section 80 of the Companies Act 1985 (in relation to the authority of Directors to allot shares), of such new shares; and
- (iv) amend the Articles of Association (the proposed amendments are described in more detail in paragraph 3.3 of this Part II).

The second resolution is an ordinary resolution (which is subject to the special resolution above first having been approved) and is being proposed to give Signet Shareholders the opportunity to approve in principle the operation by Signet Jewelers Limited of the Signet Jewelers Limited Share Plans.

Voting at the Scheme GM will be by way of a poll and each Signet Shareholder present in person or by proxy will be entitled to one vote for every Signet Share held at the Voting Record Time.

4.3 Voting at each Shareholder Meeting

The approval required at the Court Meeting is: (i) a majority in number of those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting; and (ii) 75 per cent or more in value of all Scheme Shares held by such Scheme Shareholders and voted at that meeting.

All Signet Shareholders who hold Signet Shares as at the Voting Record Time are entitled to vote at the Court Meeting and the Scheme GM.

At both the Court Meeting and Scheme GM, voting will be by way of poll and therefore each Signet Shareholder present in person or by proxy will be entitled to one vote for each Signet Share held.

If you are a Signet Shareholder a BLUE form of proxy for use at the Court Meeting and a WHITE form of proxy for use at the Scheme GM are enclosed with this document. Any proxy given may be revoked at any time up to 48 hours before the start of the relevant meeting (or any adjournment thereof) by notifying Capita Registrars in writing of such revocation at the address set out on the proxy form. Alternatively, if the relevant Signet Shareholder attends and votes in person at the meeting or any adjournment thereof, the proxy will be disregarded.

At the Court Meeting, Signet Shares may be voted either “for” or “against” with respect to the Scheme and Signet Shares that are not voted “for” or “against” will not be considered present at such meeting and will therefore not have an effect on the outcome of the vote.

At the Scheme GM, Signet Shares may be voted either “for”, “against” or “vote withheld” with respect to the resolutions that are put to vote. Signet Shares that are not voted “for”, “against” or “vote withheld” in respect of such resolutions will not be considered present at such meeting and, as a result, such shares will not have an effect on the outcome of the vote. Shares voted “withheld” will not be a vote in law and will not count in the calculation of the proportion of the votes cast for and against the resolutions.

Duly executed forms of proxy will be voted in accordance with the instructions provided therein and to the extent no instructions are given the shares may be voted (or withheld from voting) at the meeting as the proxy thinks fit. At the Scheme GM, if no alternative proxy is indicated, the chairman of the meeting will act as the proxy, which, in the absence of any instruction, will be voted in accordance with the recommendations of the Board as described in this document. Your attention is drawn to the new regime for the appointment of proxies, in particular the appointment of more than one proxy, as set out in the notes to the Notice of Scheme GM in Part X of this document.

5 Share Capital Consolidation

As part of the Proposal, it is intended to implement a share capital consolidation (also known as a reverse stock split) on a one-for-twenty basis. This is being proposed to cause the shares of Signet Jewelers Limited to trade initially on the NYSE at a price more readily comparable to its peers.

The Share Capital Consolidation will be implemented by consolidating Signet Jewelers Limited Shares issued under the Scheme so that Signet Shareholders will receive one Signet Jewelers Limited Share for every twenty Signet Shares they own (directly or indirectly) at 5.00 p.m. (12.00 p.m. New York time), on 10 September 2008. This is referred to in this document as the Share Capital Consolidation. The Share Capital Consolidation will take effect immediately after the Scheme becomes effective, which is expected to occur on 11 September 2008.

The effect of this consolidation will be to reduce the number of Signet Jewelers Limited Shares in issue, but Signet Shareholders and Signet ADSs holders will own the same proportion of Signet Jewelers Limited as they did of Signet immediately before the Scheme became effective, subject to fractional entitlements.

A fractional entitlement will arise as a result of the Share Capital Consolidation unless a holding of Signet Jewelers Limited Shares is divisible by twenty. For example, a Signet Shareholder holding 50 Signet Jewelers Limited Shares immediately after the Scheme becomes effective would, after the Share Capital Consolidation, be entitled to two Signet Jewelers Limited Shares and a one-half fractional entitlement to a new Signet Jewelers Limited Share. In accordance with Signet Jewelers Limited’s Bye-laws, such fractional entitlements will be aggregated, sold in the market and the proceeds will be returned to the relevant Signet Shareholders by cheque to be despatched within 14 days of the Effective Date. You will receive any such cash in respect of entitlements to fractional interests in pounds sterling.

6 The Signet Directors and the effect of the Scheme on their interests

Details of the interests of the Directors (including any interests under the Signet Share Plans) are set out in paragraph 5 of Part VII of this document. Signet Shares held by the Directors will be subject to the Scheme.

The effect of the Scheme on the interests of the Directors and executive officers of Signet does not differ from its effect on the like interests of any other person.

Following the implementation of the Proposal and when reviewing remuneration policy, the Signet Jewelers Limited Remuneration Committee will take into account the remuneration policies of comparator companies and expects to implement remuneration policies more in line with those comparator companies whose shares are listed in the US, although this is not expected to lead to a material change in the target total level of remuneration for executive directors.

7 The Panel and the Takeover Code

7.1 Introduction

As a public limited company registered in England and with its registered office in the UK, Signet is currently subject to the provisions of the Takeover Code. Following the Scheme becoming effective, Signet Shareholders will become shareholders in Signet Jewelers Limited, a company whose registered office is not in the UK. As a result, following the Scheme becoming effective, the Takeover Code will not apply to any offer made to shareholders in Signet Jewelers Limited to acquire their shares.

Signet Shareholders should note that, if the Scheme is implemented, they will not receive the protections afforded by the Takeover Code in the event of an offer to acquire their shares in Signet Jewelers Limited.

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below.

7.2 The Takeover Code

The Takeover Code is issued and administered by the Panel. The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

7.3 The general principles and rules of the Takeover Code

The Takeover Code is based on a number of general principles which are essentially statements of standards of commercial behaviour. These general principles are set out in Part VI of this document and apply to all transactions with which the Takeover Code is concerned. They are expressed in broad terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the general principles, the Takeover Code contains a series of rules, of which some are effectively expansions of the general principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the rules are expressed in more detailed language than the general principles, they are not framed in technical language and, like the general principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a rule in certain circumstances.

7.4 Giving up the protection of the Takeover Code

A summary of key points regarding the application of the Takeover Code to takeovers generally is set out in Part VI of this document. **You are encouraged to read this information carefully as it outlines certain important protections which you will be giving up if the Scheme is implemented.**

The Signet Jewelers Limited Bye-laws contain provisions relating to takeovers as described in Part III of this document, "Takeovers of Public Companies".

8 Listings, dealings, settlement and CREST and Depository Interests

8.1 Listings

The Signet Jewelers Limited Shares are intended to be listed on the NYSE. The listing of the Signet Jewelers Limited Shares on the NYSE is expected to become effective on the Effective Date and dealings in Signet Jewelers Limited Shares on the NYSE are expected to commence at 2.30 p.m. (9.30 a.m. New York time) on 11 September 2008, being the expected Effective Date. The current listing of Signet ADSs on the NYSE is intended to be cancelled simultaneously with the commencement of dealings of the Signet Jewelers Limited Shares on the NYSE.

The Signet Jewelers Limited Shares are also intended to be listed on the Official List and admitted to trading on the London Stock Exchange's main market for listed securities (by way of a secondary listing) with effect from 8.00 a.m. on 11 September 2008, being the expected Effective Date. An application will be made and (subject to UK Listing Authority approval) a prospectus will be published in due course in relation to this listing. Signet intends to make an application for the cancellation of the listing of Signet Shares on the Official List and their admission to trading on the London Stock Exchange's main market for listed securities and it is expected that this cancellation will take effect simultaneously with the listing of the Signet Jewelers Limited Shares on the Official List.

The issuance of Signet Jewelers Limited Shares will not be registered under the Securities Act in reliance upon the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) thereof. In reliance on the pre-emption attached to NYSE listing, the issuance of Signet Jewelers Limited Shares will not be registered under the securities laws of any state or other jurisdiction of the United States. From the Effective Date, Signet Jewelers Limited Shares will be freely transferable without restriction under the Securities Act, other than by certain "affiliates" of Signet Jewelers Limited as described below. An "affiliate" of, or a person "affiliated" with, an issuer is defined (under Rule 144 of the Securities Act) to mean "a person that, directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with," the issuer. Persons who are "affiliates" of Signet Jewelers Limited after the Effective Date will be subject to certain transfer restrictions relating to the Signet Jewelers Limited Shares that they receive under the Scheme. Such Signet Jewelers Limited Shares may not be sold in the United States without registration, except pursuant to the applicable resale conditions of the exemptive safe harbour set forth in Rule 144 under the Securities Act or in a transaction that otherwise is not subject to registration (including but not limited to a transaction that satisfies the applicable requirements for resales outside the United States pursuant to Regulation S under the Securities Act).

A Scheme Shareholder who believes that he or she may be an affiliate of Signet Jewelers Limited after the Effective Date should consult his or her own legal advisers prior to any sales of Signet Jewelers Limited Shares.

For the purpose of qualifying for the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) therein with respect to the Signet Jewelers Limited Shares issued pursuant to the Scheme, Signet will advise the Court that Signet and Signet Jewelers Limited will rely on the section 3(a)(10) exemption based on the Court's sanctioning of the Scheme and will view the Court's sanctioning of the Scheme as an approval of the Scheme following a hearing on its fairness to Signet Shareholders, at which hearing all such Signet Shareholders are entitled to attend in person or by counsel to support or oppose the sanctioning of the Scheme and with respect to which adequate notification has been given to all such Signet Shareholders.

8.2 Dealings

The last day of dealings in, and for registration of transfers of, Signet Shares is expected to be 10 September 2008, being the last business day prior to the expected Effective Date. An application will be made to the London Stock Exchange for Signet Shares to cease to be admitted to trading and to the UK Listing Authority for the listing of Signet Shares to be cancelled, in each case expected to take effect at 8.00 a.m. on 11 September 2008, being the expected Effective Date.

The listing of Signet ADSs on the NYSE is expected to be cancelled with effect from the start of trading in New York on 11 September 2008, being the expected Effective Date.

However, holders of certificated Signet Shares should note that any dealings in certificated Signet Shares must have completed (i.e. settled) by the Scheme Record Time, which is expected to be 5.00 p.m. on 10 September 2008. If any trades in certificated Signet Shares have not settled by this time, the relevant Signet Shareholder will need to make arrangements with his financial adviser and/or broker to ensure that

the trade is satisfied by the transfer of Signet Jewelers Limited Shares. Capita Registrars have indicated that in order to ensure that trades are completed by this time, they must have received the documents necessary to effect the transfer by no later than 12.00 p.m. on the day of the Scheme Record Time (currently expected to be 5.00 p.m. on 10 September 2008).

If Certificated Holders are in any doubt as to what action they should take, they should seek the advice of their financial adviser and/or broker.

Signet Jewelers Limited is applying to list the Signet Jewelers Limited Shares to be issued under the Scheme on the NYSE. The application is expected to become effective and trading in the Signet Jewelers Limited Shares is expected to commence on the NYSE at 2.30 p.m. (9.30 a.m. New York time) on the Effective Date, which, subject to the approval of the Court, is expected to be 11 September 2008.

Signet Jewelers Limited intends to apply to list the Signet Jewelers Limited Shares to be issued under the Scheme on the Official List by way of a secondary listing which is expected to become effective at 8.00 a.m. on the Effective Date, which, subject to the approval of the Court, is expected to be 11 September 2008.

8.3 Settlement

Subject to the Scheme and the Share Capital Consolidation becoming effective (and except as provided in paragraph 12 of this Part II in relation to certain non-UK/US Signet Shareholders), settlement of the Signet Jewelers Limited Shares to which any Scheme Shareholder is entitled under the Scheme will be effected in the manner set out in this paragraph 8.3.

To give Scheme Shareholders the opportunity to hold and deal in their Signet Jewelers Limited Shares in uncertificated form through CREST, Signet Jewelers Limited has adopted the Depositary Interest facility operated by Capita IRG Trustees Limited, acting as the DI Depositary and the issuer of the Depositary Interests. Further information about the Depositary Interest facility is contained in paragraph 8.4 of this Part II below.

(a) Scheme Shares in certificated form

Scheme Shareholders who hold their Scheme Shares in certificated form at the Scheme Record Time and wish to hold their Signet Jewelers Limited Shares in certificated form need take no action (other than voting at the Court Meeting and the Scheme GM). Definitive share certificates in respect of the Signet Jewelers Limited Shares are expected to be despatched within 10 business days after the Effective Date. In the case of joint Scheme Shareholders holding their Scheme Shares in certificated form, certificates will be despatched to the person whose name appears first in Signet's register of members. Pending receipt of certificates, transfers will be certified against Signet Jewelers Limited's register of members. As from the Effective Date, existing certificates representing holdings in certificated form of Signet Shares will cease to be valid for any purpose and Signet Shareholders who hold their Signet Shares in certificated form should, if so requested by Signet Jewelers Limited, send such certificates to Signet Jewelers Limited for cancellation.

(b) Scheme Shares in uncertificated form (that is, in CREST)

Scheme Shareholders who hold their Scheme Shares in a CREST account at the Scheme Record Time and who wish to hold and transfer their interests in Signet Jewelers Limited Shares within CREST need take no action (other than voting at the Court Meeting and the Scheme GM). Depositary Interests will automatically be credited to the CREST member account of those Scheme Shareholders or their nominee and instructions will be given to cancel such holders' entitlement to their Scheme Shares on or about 11 September 2008, being the expected Effective Date. Pending the crediting of such CREST stock accounts, transfers of Depositary Interests and the underlying Signet Jewelers Limited Shares will not be possible. If you wish to withdraw your underlying Signet Jewelers Limited Shares from the Depositary Interest arrangements, see paragraph 8.4 of this Part II below.

Signet Jewelers Limited reserves the right to settle all or any part of the Signet Jewelers Limited Shares referred to in this paragraph for all or any Scheme Shareholders in certificated form in the manner referred to in paragraph 8.3(a) above if, for any reason, it wishes to do so.

(c) General

All documents and cheques sent by or to Signet Shareholders, or as such persons shall direct, will be sent at their own risk and will be sent by post either to the holder's address as set out on Signet's register of members at the Scheme Record Time or to such other address of the holder as is notified as a change of address in writing by a Signet Shareholder to Signet prior to the Effective Date and, in the case of joint holders, to the joint holder whose name stands first in such register in respect of the joint holdings concerned.

Signet has confirmed that, except as provided for in the Scheme, settlement of the Signet Jewelers Limited Shares and any other payment which a Signet Shareholder is entitled to receive from Signet or Signet Jewelers Limited will be implemented in full without regard to any lien, right of set-off, counter claim or other analogous right to which Signet or Signet Jewelers Limited may be, or claim to be, entitled against such shareholder.

Signet ADS holders should read paragraph 10 of this Part II, which contains further important information which is relevant to them.

8.4 CREST and Depositary Interests

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Euroclear UK is unable to take responsibility for the electronic settlement of shares issued by non-UK companies, such as Signet Jewelers Limited. This means that the Signet Jewelers Limited Shares may not themselves be admitted to CREST. However, to enable investors to settle its international securities under the CREST system, Signet Jewelers Limited has arranged for the DI Depositary to issue Depositary Interests in respect of the underlying Signet Jewelers Limited Shares. With effect from the Effective Date, CREST members will be able to hold and transfer interests in Signet Jewelers Limited Shares within CREST, pursuant to these Depositary Interest arrangements. The Signet Jewelers Limited Shares will not themselves be admitted to CREST, rather the DI Depositary will issue Depositary Interests in respect of the underlying Signet Jewelers Limited Shares. In relation to those Scheme Shareholders who wish to hold and transfer interests in Signet Jewelers Limited Shares through CREST, Signet Jewelers Limited's register of members will show the DI Depositary Nominee as the legal holder of the relevant Signet Jewelers Limited Shares who will hold those shares as nominee for the DI Depositary which in turn will hold its interest in the Signet Jewelers Limited Shares on bare trust for the relevant holders. This means that the beneficial interest in the Signet Jewelers Limited Shares will remain with the holder of the Depositary Interests representing the underlying Signet Jewelers Limited Shares, who will receive all the rights attaching to the Signet Jewelers Limited Shares as it would have done if such holder of Depositary Interests had been on Signet Jewelers Limited's register of members itself. A holder of Depositary Interests wishing to withdraw the underlying Signet Jewelers Limited Shares to hold them in certificated form may do so at any time using standard CREST messages. Depositary Interests will be created and issued pursuant to a deed poll executed by the DI Depositary under English law. These Depositary Interests may be held and transferred within the CREST system. Depositary Interests will have the same security code (ISIN) as the underlying Signet Jewelers Limited Shares and will not require a separate admission to the Official List or to trading on the London Stock Exchange's main market for listed securities. If you hold your Signet Shares in uncertificated form as at the Scheme Record Time, your CREST account will automatically be credited with equivalent Depositary Interests on or about the Effective Date.

If you wish to withdraw your underlying Signet Jewelers Limited Shares from the Depositary Interest arrangements and to hold and deal in Signet Jewelers Limited Shares in book entry form in the US, you should contact Capita Registrars (+44 (0) 871 664 0300) who will provide the required form of authorisation and explain the procedure involved.

If you hold your Signet Shares in certificated form and you wish to hold your Signet Jewelers Limited Shares in uncertificated form in CREST, you will need to contact your broker to obtain a CREST Transfer Form. This should be completed and executed by you and returned to your broker as soon as possible and in any event in good time in order to allow the shares to be dematerialised in accordance with Euroclear UK's procedures. In any event, dematerialisation must be completed before the Scheme Record Time.

Scheme Shareholders who hold their Signet Shares in certificated form and wish to hold their Signet Jewelers Limited Shares in uncertificated form, but do not have a broker, will need to contact a bank or broker or other nominated CREST member or will need to become CREST members themselves.

For further information about Depositary Interests or if you have any queries in relation to CREST Transfer Forms, please consult your broker or other professional adviser.

9 Dividends and dividend policy

Following implementation of the Proposal, Signet Jewelers Limited intends to adopt a dividend policy that will continue to take into account the needs of the business including its store development programme, the significant competitive advantages of a strong balance sheet, as well as the wider economic environment. The board of Signet Jewelers Limited will also take account of the payout ratio of US listed speciality retailers, which are typically lower than in the UK. The board of Signet Jewelers Limited may also consider the repurchase of shares from time to time.

Signet currently intends to declare an interim dividend of 0.96 cents per share when it announces its 6 months results to 31 July 2008 on 3 September 2008. It is intended that this interim dividend distribution by Signet will be passed on to shareholders by Signet Jewelers Limited in November 2008. A final dividend will be considered by Signet Jewelers Limited at the time of the full year results for 2008/09 in March 2009. In subsequent years the board of Signet Jewelers Limited intends to declare quarterly dividends.

Unless you request otherwise, you will continue to receive any dividends paid by Signet Jewelers Limited in the same currency as you currently receive dividends paid by Signet. More particularly, all mandates in force at the Effective Date relating to instructions given by Signet Shareholders as to the payment of dividends will, unless revoked, be deemed as from the Effective Date to relate to the corresponding Signet Jewelers Limited Shares. To the extent that Signet Jewelers Limited Shareholders do not have any such mandate in force at the Effective Date (and have not subsequently provided Signet Jewelers Limited with instructions on the payment of dividends), if dividends are declared by Signet Jewelers Limited:

- Signet Jewelers Limited Shareholders with an address in the United Kingdom on the register of members of Signet Jewelers Limited on the date the dividend is declared will, unless they elect otherwise, automatically receive their dividend in pounds sterling; and
- Signet Jewelers Limited Shareholders with an address outside the United Kingdom on the register of members of Signet Jewelers Limited on the date the dividend is declared will, unless they elect otherwise, automatically receive their dividend in US dollars.

Signet Jewelers Limited Shareholders who wish to change the currency in which they currently receive dividends should contact the Company's registrar, Capita Registrars.

10 Treatment of Signet ADSs

Each Signet ADS currently represents ten Signet Shares. Deutsche Bank Trust Company Americas, as ADS Depository, is the record holder of the Signet Shares underlying the Signet ADSs. The ADS Depository, as a Signet Shareholder, under the Scheme will be entitled to:

one Signet Jewelers Limited Share for each Signet Share

held by it at the Scheme Record Time.

After the Share Capital Consolidation as described in paragraph 5 of this Part II, Signet ADS holders, after the satisfaction of certain pre-conditions set forth below, will receive their proportionate entitlement to the Signet Jewelers Limited Shares, in the following proportions:

one Signet Jewelers Limited Share for every two Signet ADSs

as set out in this document and as required by the Deposit Agreement.

In respect of holders of Signet ADSs who hold Signet ADSs in book entry form, the Signet Jewelers Limited Shares will be credited to them in book entry form either: (i) under the direct registration system in the United States; or (ii) credited to their DTC account held by their broker or custodian.

In respect of Signet ADS holders who hold certificates representing Signet ADSs, as soon as reasonably practicable, and in any event within ten business days after the Effective Date, the Exchange Agent will mail to each such holder a letter of transmittal which such Signet ADS holder must properly complete and deliver to the Exchange Agent along with the relevant holder's certificate representing the Signet ADSs and instructions for effecting surrender of the Signet ADSs.

Until properly surrendered as set out above, each certificate representing a Signet ADS will, after the Effective Date, represent the right to receive, upon proper surrender, Signet Jewelers Limited Shares. Upon receipt of such Signet ADSs, the Exchange Agent will transfer to the former Signet ADS holder one Signet Jewelers Limited Share for every two Signet ADSs cancelled by making a book entry in the direct registration system in the United States.

All documents shall be sent to Signet ADS holders at their own risk and will be sent by post either to the ADS holder's address as set out on the register of Signet ADS holders at the Scheme Record Time or to such other address of the ADS holder as is notified as a change of address in writing by a Signet ADS holder to the ADS Depository prior to the Effective Date and, in the case of joint ADS holders, to the ADS holder whose name stands first in such register in respect of the joint holdings concerned.

It should be noted that Signet ADS holders will not be entitled to attend the Shareholder Meetings. However, Signet ADS holders will be able to have the votes attaching to the underlying Signet Shares which their Signet ADSs represent cast at the Court Meeting and the Scheme GM by proxy through procedures established pursuant to the Deposit Agreement. Signet ADS holders who wish to attend the Shareholder Meetings as Signet Shareholders should take steps to present their Signet ADSs to the ADS Depository for cancellation and delivery of Signet Shares so as to become holders of record of Signet Shares prior to the Voting Record Time. If Signet ADS holders wish to attend the Shareholder Meetings, they must present their Signet ADSs to the ADS Depository for cancellation no later than 5 August 2008, although no guarantee can be given by the ADS Depository that it will be able to procure that the relevant Signet ADS holder becomes a holder of record of Signet Shares in time for the relevant meetings.

Pursuant to the Deposit Agreement, the ADS Depository has fixed the close of business in New York on 17 July 2008 as the ADS Record Date. All Signet ADS holders of record at the ADS Record Date will be sent a notice containing: (i) this document; (ii) a statement that the Signet ADS holders as of the ADS Record Date will be entitled to instruct the ADS Depository as to the exercise of the voting rights pertaining to the number of Signet Shares represented by their respective Signet ADSs; and (iii) a statement that such instructions may be given by returning a properly executed ADS Voting Instruction Card (in the form enclosed with this document) to the ADS Depository. Signet Shares represented by properly executed ADS Voting Instruction Cards received by the ADS Depository before 3.00 p.m. (New York time) on 13 August 2008, unless such ADS Voting Instruction Cards have been revoked, will be voted by the ADS Depository in accordance with the instructions set forth on such ADS Voting Instruction Card. In accordance with the provisions of the Deposit Agreement, if no instructions are indicated, or a Signet ADS holder does not return the ADS Voting Instruction Card, the ADS Depository will not exercise the voting rights pertaining to the Signet Shares represented by their respective Signet ADSs and such Signet Shares will not be counted towards the number of shares considered present at the Shareholder Meetings and will not have an effect on the outcome of the vote.

Any Signet ADS holder giving instructions to the ADS Depository has the power to revoke or modify the instructions by delivery of a revocation or new ADS Voting Instruction Card to the ADS Depository at Deutsche Bank Trust Company Americas, c/o American Stock Transfer & Trust Company, Peck Slip Station, P.O. Box 2050, New York, NY 10272-2050, by no later than 3.00 p.m. (New York time) on 13 August 2008.

In addition, a completed ADS Voting Instruction Card returned by a Signet ADS holder will authorise the disclosure to Signet of the name and address of such Signet ADS holder together with details of the instructions on the ADS Voting Instruction Card.

The ADS Depository is entitled to charge the ADS holders for the cancellation of the Signet ADSs in accordance with the terms of the Deposit Agreement, however, Signet Jewelers Limited has agreed in these circumstances to bear such fee on behalf of the holders.

11 UK/US shareholder taxation

The following are brief and general summaries of the United Kingdom and United States taxation treatment of the Proposal. 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 the Proposal to Signet Shareholders and Signet ADS holders. The summaries do not consider the consequences of the Proposal under tax laws of countries other than the United Kingdom and the United States (or any US laws other than those pertaining to income tax), nor do the summaries consider any alternative minimum tax or state or local consequences of the Proposal.

The summaries provide general guidance to persons resident, ordinarily resident and domiciled for tax purposes in the UK who hold Signet Shares and/or Signet ADSs (and who also subsequently hold Signet Jewelers Limited Shares) as an investment, and to US holders (as defined below) who hold Signet Shares and/or Signet ADSs (and who also subsequently hold Signet Jewelers Limited Shares) as capital assets (within the meaning of section 1221 of the US 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 Signet Shares (or who subsequently hold Signet Jewelers Limited Shares) under a personal equity plan, persons that hold their

Signet Shares and/or Signet ADSs (or who subsequently hold Signet Jewelers Limited 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 Signet Shares and/or Signet ADSs (or who subsequently receive Signet Jewelers Limited Shares) by exercising employee stock options or otherwise as compensation, persons who have acquired their Signet Shares and/or Signet ADSs (or who subsequently acquire Signet Jewelers Limited 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, and certain expatriates or former long-term residents of the US.

In addition, this discussion does not address US holders of Signet Shares and/or Signet ADSs who will own five per cent or more of the Signet Jewelers Limited Shares, measured by vote or value, either directly or indirectly through attribution rules, immediately after the Scheme becomes effective, because those shareholders are subject to special US federal income tax rules, would generally be required to enter into a “gain recognition agreement” with the IRS to avoid current taxation upon receipt of Signet Jewelers Limited Shares under the Scheme, and may be required to recognise taxable gain for US federal income tax purposes in respect of the Scheme in certain circumstances. Each such US holder is urged to consult his tax adviser concerning the decision to file a gain recognition agreement and the procedures to be followed in connection with that filing.

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.

11.1 Tax residence of Signet Jewelers Limited and withholding tax

Signet Jewelers Limited will be incorporated in Bermuda. The directors of Signet Jewelers Limited intend to conduct Signet Jewelers Limited’s affairs such that, based on current law and practice of the relevant tax authorities, Signet Jewelers Limited will not become resident for tax purposes in any other territory. This section 11 is written on the basis that Signet Jewelers Limited does not become resident in a territory other than Bermuda.

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 Signet Jewelers Limited or by Signet Jewelers Limited’s shareholders in respect of Signet Jewelers Limited Shares. Signet Jewelers Limited 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 Signet Jewelers Limited 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 Signet Jewelers Limited in respect of real property owned or leased by it in Bermuda.

There is no income or other tax of Bermuda imposed by withholding or otherwise on any dividend or other distribution to be paid or made by Signet Jewelers Limited to its shareholders.

11.2 UK taxation of shareholders

(a) Chargeable gains

This paragraph 11.2(a) applies to UK resident or UK ordinarily resident Signet Shareholders or Signet Jewelers Limited Shareholders who (in either case) are domiciled in the UK.

(i) Implementation of the Scheme

If a Signet Shareholder does not hold (either alone or together with persons connected with him) more than five per cent of, or of any class of, shares in or debentures of Signet, he will not be treated by virtue of the implementation of the scheme as having made a disposal of his Signet Shares for the purposes of UK taxation of chargeable gains. Instead, the Signet Jewelers Limited Shares should be treated as the same asset as those Signet Shares acquired at the same time and for the same consideration as the Signet Shares.

Any Signet Shareholder who holds (either alone or together with persons connected with him) more than five per cent of, or of any class of, shares in or debentures of Signet is advised that clearance has been granted by HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Scheme. As a result, any such shareholder should also be treated in the manner described in the preceding paragraph.

(ii) Share Capital Consolidation

For the purposes of UK taxation of chargeable gains, the Share Capital Consolidation will be regarded as a reorganisation of the share capital of Signet Jewelers Limited.

Accordingly, other than in respect of any fractional entitlements referred to below, a Signet Jewelers Limited Shareholder will not be treated for these purposes as making a disposal of all or part of his holding of Signet Jewelers Limited Shares by reason of the Share Capital Consolidation and no liability to UK taxation of chargeable gains should arise in respect of the Share Capital Consolidation. Instead, pre- and post-Share Capital Consolidation Signet Jewelers Limited Shares will be treated as the same asset acquired at the time and for the same consideration as pre-Share Capital Consolidation Signet Jewelers Limited Shares.

Signet Jewelers Limited Shareholders may, depending on their individual circumstances, incur a liability to UK taxation of chargeable gains in respect of any cash received for the sale of any fractional entitlements arising to them as a result of the Share Capital Consolidation. However, Signet Jewelers Limited Shareholders will be treated as making no disposal for the purpose of UK taxation of chargeable gains if the cash payment is “small” as compared to the value of the Signet Jewelers Limited Shares in respect of which the rights arose. No liability to UK taxation of chargeable gains will then arise as a result of the disposal of the fractional entitlements, but the proceeds will be deducted from the base cost of the Signet Jewelers Limited Shareholder’s holding of Signet Jewelers Limited Shares. HMRC interprets “small” as five per cent or less of the value of the shares in respect of which the rights arose or £3,000 or less, regardless of whether or not it would pass the five per cent test.

(iii) Future disposal of Signet Jewelers Limited Shares

A subsequent disposal of the Signet Jewelers Limited 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 Signet Jewelers Limited Shares should be calculated taking into account the allowable cost to the holder of acquiring his Signet Shares. In the case of corporate Signet Jewelers Limited Shareholders, to this should be added, when calculating a chargeable gain but not an allowable loss, indexation allowance on the allowable cost. Non-corporate Signet Jewelers Limited Shareholders should note that, under the UK 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 UK Finance Act 2008 also introduces a single capital gains tax rate 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 currently hold their Signet 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 Signet Jewelers Limited Shares provided that the relevant gain arises on a disposal of Signet Jewelers Limited Shares which are held within an ISA on the same basis as those Signet Shares currently held in an ISA.

(b) Taxation of dividends on Signet Jewelers Limited Shares

A UK resident Signet Jewelers Limited Shareholder or a holder of Signet Jewelers Limited Shares who carries on a trade, profession or vocation in the United Kingdom through a branch or agency or, in the case of a company, a permanent establishment in connection with which the Signet Jewelers Limited Shares are held 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 Signet Jewelers Limited on the Signet Jewelers Limited 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 Signet Jewelers Limited 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 Signet Jewelers Limited 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 UK Finance Act 2008, with effect from the current year (2008-2009), individuals in receipt of dividends from Signet Jewelers Limited, if they own less than a 10 per cent shareholding in Signet Jewelers Limited, 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 further paragraph 11.1 above), 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 Signet Jewelers Limited 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 Signet Jewelers Limited dividend. A UK resident individual Signet Jewelers Limited 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 the company paying the dividend satisfying certain conditions and it is possible that Signet Jewelers Limited will fail to meet those conditions.

Individual Signet Jewelers Limited Shareholders who hold their Signet Jewelers Limited 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 Signet Jewelers Limited Shares but are not entitled to recover from HMRC the tax credit on such dividends.

(c) Stamp duty and SDRT

(i) The Scheme and the Share Capital Consolidation

No ad valorem United Kingdom stamp duty or SDRT will be payable by Signet Shareholders or by Signet ADS holders as a result of the Scheme or the Share Capital Consolidation.

(ii) Transfers of Signet Jewelers Limited Shares

In practice, stamp duty should generally not need to be paid on an instrument transferring Signet Jewelers Limited Shares. No SDRT will generally be payable in respect of any agreement to transfer Signet Jewelers Limited 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 Signet Jewelers Limited will not be UK managed and controlled and that the Signet Jewelers Limited Shares will not be registered in a register kept in the UK by or on behalf of Signet Jewelers Limited. Signet Jewelers Limited has confirmed that it does not intend to keep such a register in the UK.

(d) Transactions in securities

Signet Shareholders should note that a clearance has been granted by HMRC under section 707 of the Income and Corporation Taxes Act 1988 and section 701 of the Income Tax Act 2007 that Signet Shareholders and Signet ADS holders should not suffer a counter-acting tax assessment under the transaction in securities rules in sections 703 et seq. of the Income and Corporation Taxes Act 1988 and sections 682 et seq. of the Income Tax Act 2007 (as the case may be) by reference to the Scheme.

11.3 US taxation of shareholders

As used in this discussion, the term “US holder” means a beneficial owner of Signet Shares, Signet ADSs and/or Signet Jewelers Limited 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 Signet Shares, Signet ADSs or Signet Jewelers Limited 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 Signet Shares, Signet ADSs or Signet Jewelers Limited 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.

(a) Certain US federal income tax consequences of the Proposal generally

If you are a US holder of Signet Shares and/or Signet ADSs, you generally should not recognise any taxable gain or loss for US federal income tax purposes upon your receipt of Signet Jewelers Limited Shares under the Proposal. Different rules, however, apply to any cash received in lieu of fractional interests in Signet Jewelers Limited Shares, as discussed further below.

The aggregate tax basis of the Signet Jewelers Limited Shares received by you under the Proposal, including any fractional interests in Signet Jewelers Limited Shares to which you would be entitled but for the special treatment of fractional interests described below, will equal the aggregate tax basis of the Signet Shares and/or Signet ADSs exchanged for Signet Jewelers Limited Shares. The holding period of the Signet Jewelers Limited Shares received will include the holding period of the Signet Shares and/or Signet ADSs exchanged therefor.

(b) Cash received instead of a fractional interest in Signet Jewelers Limited Shares

Fractional interests in Signet Jewelers Limited Shares will not be issued to former holders of Signet Shares under the Proposal. Instead, any fractional share interests that such holders otherwise would have been entitled to receive will be aggregated and sold in the market and the proceeds will be paid to those shareholders. If you receive cash in respect of a fractional interest in a Signet Jewelers Limited Share, you generally will recognise a taxable gain or loss equal to the difference between the amount of cash received for the fractional share interest and your tax basis in the Signet Shares exchanged which is allocable to the fractional share interest. Any such gain or loss generally will be capital gain or loss, and generally will be long-term capital gain or loss with respect to Signet Shares held for more than one year at the effective time of the Scheme.

(c) Certain US federal income tax consequences of holding Signet Jewelers Limited Shares

Distributions made with respect to Signet Jewelers Limited 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 Signet Jewelers Limited 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 Signet Jewelers Limited Shares are directly or indirectly owned by US persons, which could be more likely as a result of the change in the parent company of the Signet Group’s primary listing, 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 Signet

Jewelers Limited 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 Signet Jewelers Limited Shares be listed for trading on the NYSE, the NASDAQ Stock Market, or another qualifying US exchange, dividends with respect to Signet Jewelers Limited 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.

Gain or loss realised by a US holder on the sale or exchange of Signet Jewelers Limited 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 Signet Jewelers Limited 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 Signet Jewelers Limited 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.

(d) Information reporting and backup withholding

Cash payments received in the transaction by a US holder (as well as future payments of dividends on, and the proceeds from a sale or other disposition of, Signet Jewelers Limited 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.

(e) 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. If either Signet or Signet Jewelers Limited were 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 Signet Shares and/or Signet Jewelers Limited 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 Signet Shares and/or Signet Jewelers Limited Shares. Signet believes that it is not a PFIC, and that neither Signet nor Signet Jewelers Limited will 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 either Signet or Signet Jewelers Limited will not become a PFIC. US holders should consult their own tax advisers regarding the potential application of the PFIC rules to their acquisition of Signet Jewelers Limited Shares pursuant to the Scheme and their ownership of Signet Jewelers Limited Shares acquired in connection with the Scheme.

12 Non UK/US Signet Shareholders

As regards Overseas Shareholders, the Proposal, including the Scheme and Share Capital Consolidation, may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of Overseas Shareholders to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

In any case, if, in respect of an Overseas Shareholder (or a person whom the Company or Signet Jewelers Limited reasonably believes to an Overseas Shareholder), the Company or Signet Jewelers Limited is advised that the issue of Signet Jewelers Limited Shares would or might infringe the laws of any jurisdiction outside the United Kingdom or the United States or would or might necessitate compliance with any special requirement with which the Company or Signet Jewelers Limited is unable to comply or which it regards as unduly onerous, clause 3 of the Scheme provides that the Company or Signet Jewelers Limited shall (unless the relevant shareholder satisfies the Company or Signet Jewelers Limited that no such infringement or requirement would apply) be authorised by the Articles to appoint any person to execute as transferor an instrument of transfer transferring, prior to the Scheme Record Time, the Scheme Shares held by such

shareholder to a nominee to hold such Scheme Shares on trust for that holder, on terms that such nominee shall sell the Signet Jewelers Limited Shares, if any, that it receives pursuant to the Scheme in respect of such Scheme Shares as soon as practicable following the Effective Date. Any such sale of Signet Jewelers Limited Shares under clause 3 of the Scheme will be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale of Signet Jewelers Limited Shares (after the deduction of all expenses and commissions incurred in connection with such sale, including value added tax, if any) shall be paid to the persons who would, but for clause 3 of the Scheme, have been entitled to receive such Signet Jewelers Limited Shares in accordance with the Scheme.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in New Zealand

It is the intention of the Company that any Scheme Shares whose holders are resident in, or citizens or nationals of, or who have a registered address in, New Zealand will be dealt with in accordance with clause 3 of the Scheme. Accordingly, such persons will not receive any Signet Jewelers Limited Shares and instead will receive the cash proceeds of the sale of the Signet Jewelers Limited Shares to which they would have otherwise been entitled.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in Australia

This document has not been and will not be lodged with the Australian Securities and Investments Commission as a disclosure document under Chapter 6D of the Australian Corporations Act in Australia. Signet does not assume any liability in respect of the requirements of the Australian Corporations Act as to the content of disclosure documents.

The information in this document is general information and is not financial product advice for the purposes of Chapter 7 of the Australian Corporations Act and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions you should consult your legal, investment or other professional adviser.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in Canada

By its receipt of this document, each Canadian investor confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) to be drawn up in the English language only.

The wording in the paragraph immediately below is a French translation of the wording in the paragraph immediately above.

Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Notice to persons resident in, or citizens or nationals of, or who have a registered address in France

Signet Jewelers Limited Shares will not be offered or sold, and copies of this document will not be distributed or caused to be distributed, directly or indirectly, in France except to corporate entities having the status of “qualified investors” (“investisseur qualifié”) and/or to a restricted circle of investors (“cercle restreint d’investisseurs”) all as defined in and in accordance with article L. 411-2 of the French Monetary and Financial Code, in each case acting for their own account, or otherwise in circumstances which have not resulted and will not result in a public offering (“appel public à l’épargne”) in France as defined in article L. 411-1 of the French Monetary and Financial Code.

As required by article 211-4 of the General Regulations of the Autorité des Marchés Financiers, such qualified investors and restricted circle of investors are informed that: (i) no prospectus or other offering documents in relation to the Scheme have been lodged or registered with the Autorité des Marchés Financiers; (ii) they must

participate in the offering on their own account, in the conditions set out in articles D. 411-1, D. 411-2, D.734-1, D. 744-1, D. 754-1 and D.764-1 of the French Monetary and Financial Code; and (iii) the direct or indirect offer or sale, to the public in France, of the shares can only be made in accordance with articles L. 411-1, L.411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

This document does not constitute and may not be used for or in connection with either an offer to any person to whom it is unlawful to make such an offer or a solicitation (“démarchage”) by anyone not authorised so to act in accordance with articles L. 341-3, L. 341-4 and L. 341-7 of the French Monetary and Financial Code. Accordingly, no shares will be offered, under any circumstances, directly or indirectly, to the public in France.

13 Signet Share Plans

Signet currently operates three share option plans (the Signet UK Inland Revenue Approved Share Option Plan 2003, the Signet International Share Option Plan 2003 and the Signet US Share Option Plan 2003), two sharesave schemes (for UK and Irish resident employees), a Signet Employee Stock Savings Plan under section 423 of the US Code (“**US Plan**”) and the Signet 2005 Long-Term Incentive Plan for senior executives.

As a result of the Scheme, there will be no further awards granted under the Signet Share Plans and all outstanding awards may be replaced by equivalent awards over Signet Jewelers Limited Shares or, where the rules so provide, exercised.

(a) Share option plans

There are awards outstanding over approximately 64,078,338 Signet Shares under the three current share option plans and a previous plan which is no longer operated, the 1993 Executive Share Option Scheme, and under share options granted pursuant to the vesting of long term incentive awards under a plan which has terminated. Of these, options over 449,743 Signet Shares are granted at prices below £0.52 (the Signet share price at close of business on 20 July 2008, being the last practicable date before the publication of this document) and so as at that date appear capable of exercise at a gain. Options granted prior to 2003 may be exercised as of right upon sanction of the Scheme and later options only if the Remuneration Committee allows. The holders of all options will be offered the opportunity to replace their existing options with options over Signet Jewelers Limited Shares of equivalent value and on identical terms (but fractional entitlements arising from the adjustment to reflect the Share Capital Consolidation will be ignored).

(b) Sharesave schemes

There are options outstanding over approximately 4,243,918 Signet Shares under the two sharesave schemes. All options are granted at prices of at least £0.752 and it therefore appears unlikely that any options will be exercised upon the Court sanction of the Scheme as provided under the rules. However, the holders of all options will be offered the opportunity to replace their existing options with options over Signet Jewelers Limited Shares of equivalent value and on identical terms (but fractional entitlements arising from the adjustment to reflect the Share Capital Consolidation will be ignored).

(c) US Plan

It is estimated that on the basis of the savings made under the US Plan as at 20 July 2008, approximately 1,866,140 Signet Shares could potentially be purchased to date. The US Plan has been altered so that upon the Court sanctioned Scheme becoming effective options will be adjusted so that they subsist over an identical number of Signet Jewelers Limited Shares to the number of Signet Shares over which they currently subsist. Therefore, participants will continue to save in order to acquire Signet Jewelers Limited Shares at the normal expiry of the savings contract at the same price per share as at present subject to an adjustment for the Share Capital Consolidation.

(d) 2005 Long-Term Incentive Plan

There are potential awards over approximately 5,250,777 Signet Shares under the Signet 2005 Long-Term Incentive Plan. None of these shares may be released upon the Court sanction of the Scheme. Under the rules of the Signet 2005 Long-Term Incentive Plan, the Remuneration Committee intends to exercise its discretion to allow the holders of awards a right to replace their existing awards with awards over Signet Jewelers Limited Shares of equivalent value (but fractional entitlements arising from the adjustment to reflect the Share Capital Consolidation will be ignored) and prevent any early vesting of awards as a result of the Court sanction of the Scheme.

14 Adoption of new Signet Jewelers Limited Share Plans

Signet Jewelers Limited has established new employee share plans substantially similar to the existing Signet Share Plans for continuing use after completion of the Proposal. These replacement plans will provide for the use of Signet Jewelers Limited Shares instead of Signet Shares but otherwise will be in substantially similar form to the existing Signet Share Plans, subject to some updating to bring the schemes in line with current practice.

These plans have been established by the Signet Jewelers Limited directors but will not be operated without approval in principle by Signet Shareholders at the Scheme GM. A resolution will therefore be put to Signet Shareholders at the Scheme GM approving in principle the operation of the Signet Jewelers Limited Share Plans.

The Signet Jewelers Limited Remuneration Committee will review the replacement plans during the next year or so following the Effective Date with a view to bringing forward any appropriate new plans, or proposals for changes to the new Signet Jewelers Limited Share Plans. This review will particularly take into account the redomicile and listing of Signet Jewelers Limited on the NYSE and the increasing involvement of the Signet Group in the US.

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

(a) Signet Jewelers Limited Long Term Incentive Plan 2008

The Signet Jewelers Limited Long Term Incentive Plan 2008 is constituted under rules which provide for the making of awards of Signet Jewelers Limited Shares each year by the Signet Jewelers Limited 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 Signet Jewelers Limited Long Term Incentive Plan 2008 awards to the executive directors, senior management and other senior executives (approximately 22 individuals) in April 2009.

(i) Eligibility

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

(ii) Limit on awards

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

(iii) Grant of awards

Awards will be made within the period of 42 days of Signet Jewelers Limited's announcement of its results for any period. Awards may also be made at other times in exceptional circumstances. Awards will be subject to a performance target which will 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 Signet Jewelers Limited and cash, on the basis of a mix of 50 per cent cash and 50 per cent share options.

(iv) Performance conditions

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

(v) Leaving employment

The Signet Jewelers Limited Long Term Incentive Plan 2008 allows 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.

(vi) Corporate events

Awards will vest in the event of a takeover, amalgamation, court sanctioned compromise or arrangement resulting in a change of control of Signet Jewelers Limited or winding-up of Signet Jewelers Limited (other than an internal reorganisation) but only to the extent that the Signet Jewelers Limited 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 Signet Jewelers Limited 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) Signet Jewelers Limited UK and Irish sharesave plans

The Signet Jewelers Limited Sharesave Plan 2008 for UK employees will be submitted for approval by HMRC and the Signet Jewelers Limited Irish Sharesave Plan 2008 for Irish resident employees may be submitted for approval by the Office of Revenue Commissioners in Dublin. The plans are constituted by rules which provide for the grant of options over Signet Jewelers Limited Shares to be purchased out of the proceeds of a linked SAYE savings account with a recognised savings provider.

(i) Eligibility

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

(ii) Grant price

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

(iii) 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 3 or 5 years.

(iv) Grant period

Invitations for the grant of options will normally only be issued within the 42 day period following Signet Jewelers Limited'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.

(v) Leaving employment

Normally, options lapse on leaving employment. However, if a participant ceases employment with any company in the Signet Group by reason of death, injury or disability, redundancy, retirement or on the sale of the employing company or business out of the Signet 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).

(vi) Corporate events

Options may be exercised in the event of a takeover, amalgamation, scheme of arrangement or winding-up of Signet Jewelers Limited, 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 Signet Jewelers Limited, 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) Signet Jewelers Limited US Employee Stock Savings Plan 2008

Signet Jewelers Limited has established a US Employee Stock Savings Plan which will be submitted for approval by the Subscriber as the sole shareholder and which is intended to provide for US resident employees a similar savings plan to acquire Signet Jewelers Limited 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) Signet Jewelers Limited share option plans

Signet Jewelers Limited has established three share option plans: the Signet Jewelers Limited International Share Option Plan 2008, the Signet Jewelers Limited US Stock Option Plan 2008 (which will be submitted for approval by the Subscriber as the sole shareholder) and the Signet Jewelers Limited UK Approved Share Option Plan 2008.

(i) Eligibility

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

(ii) 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.

(iii) Grant price

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

(iv) Performance conditions

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

(v) Grant period

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

(vi) Leaving employment

Normally, options lapse on leaving employment. However, if a participant ceases employment with any company in the Signet Group by reason of death, injury or disability, redundancy, retirement or on the sale of their employing company or business out of the Signet 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.

(vii) Corporate events

Options may be exercised in the event of a takeover, amalgamation, scheme of arrangement or winding-up of Signet Jewelers Limited, 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 Signet Jewelers Limited, 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 Signet Jewelers Limited Share Plans

(i) Relevant shares

All awards and options under the Signet Jewelers Limited Share Plans will be over Signet Jewelers Limited Shares which may be new issue, treasury shares or purchased by trustees in the market.

(ii) Non-executive directors

Non-executive directors are ineligible to participate in any of the Signet Jewelers Limited Share Plans.

(iii) Non-pensionable benefits

All of the benefits under the Signet Jewelers Limited Share Plans are non-pensionable.

(iv) 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).

(v) Rights attaching to shares

Signet Jewelers Limited common shares to be issued and allotted under the Signet Jewelers Limited Share Plans will rank equally with all other Signet Jewelers Limited Shares then in issue, but will not qualify for dividends or other rights arising by reference to a prior record date.

(vi) Variations of share capital

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

(vii) Alterations to the schemes

The board of directors of Signet Jewelers Limited may amend the Signet Jewelers Limited Share 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 Signet Jewelers Limited Shares, or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, Signet Jewelers Limited Shares or cash provided under the Signet Jewelers Limited Share 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.

(viii) Limits on the issue of shares

In any ten year period Signet Jewelers Limited may not issue under the Signet Jewelers Limited Share Plans and any other employee share plan adopted by Signet Jewelers Limited, Signet Jewelers Limited common shares equal to more than 10 per cent of the issued common share capital of Signet Jewelers Limited. In addition, Signet Jewelers Limited may not issue under the Signet Jewelers Limited Long Term Incentive Plan 2008 and any other discretionary employee share plan adopted by Signet Jewelers Limited, Signet Jewelers Limited common shares equal to more than five per cent of the issued common share capital of Signet Jewelers Limited. 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.

(ix) Extension of the schemes overseas

The terms of each of the Signet Jewelers Limited Share Plans provide the board of directors of Signet Jewelers Limited 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 Signet Jewelers Limited Shares under the Signet Jewelers Limited Share Plans and will not provide participants with benefits greater than those provided under those schemes.

(x) Termination

None of the Signet Jewelers Limited Share Plans will be operated more than ten years after adoption without the approval of the Signet Jewelers Limited Shareholders, and the Signet Jewelers Limited Remuneration Committee or the board of Signet Jewelers Limited, as appropriate, will regularly review the operation of the Signet Jewelers Limited Share Plans.

15 Action to be taken

Implementation of the Scheme will require the approval of Scheme Shareholders at the Court Meeting which has been convened by order of the Court and which is to be held at Café Royal, 68 Regent Street, London W1B 5EL at 11.30 a.m. on 19 August 2008. The Scheme will also require the approval of Signet Shareholders at the Scheme GM to be held at Café Royal, 68 Regent Street, London W1B 5EL at 11.45 a.m. on the same day (or as soon thereafter as the Court Meeting shall have concluded or been adjourned). **If the Scheme becomes effective, it will be binding on all Scheme Shareholders, including any Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme.**

Signet Shareholders will find enclosed different coloured forms of proxy to be used in connection with the Court Meeting and the Scheme GM (as detailed on page 4 of this document under the heading "Enclosures"). **Whether or not Signet Shareholders intend to attend these meetings, they are requested to complete and sign each form of proxy enclosed with this document and return them in accordance with the instructions printed thereon to Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive as soon as possible and in any event at least 48 hours prior to the relevant meeting.** If the BLUE forms of proxy relating to the Court Meeting are not lodged by then, they may be handed to the chairman of the Court Meeting before the start of that meeting. However, in the case of the Scheme GM, unless the WHITE form of proxy is lodged so as to be received by the time mentioned in the instructions on that form of proxy, it will be invalid.

The completion and return of the BLUE form of proxy for the Court Meeting will not preclude Signet Shareholders from attending the Court Meeting and voting in person, if they so wish. The completion and return of the WHITE form of proxy will not preclude Signet Shareholders from attending the Scheme GM and voting in person, if they so wish.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Signet Shareholder opinion. You are therefore strongly urged to sign and return both forms of proxy as soon as possible.

Signet ADS holders should read paragraph 10 of this Part II, which contains further important information which is relevant to them. Signet ADS holders are strongly urged to sign and return the ADS Voting Instruction Card as soon as possible.

Participants in Signet Share Plans should read paragraphs 13 and 14 of this Part II, which contains further important information which is relevant to them.

If you are in any doubt as to the action to be taken, please contact one of the helplines shown below.

For Signet Shareholders:

For callers dialling from within the UK, the helpline number is 0871 664 0440.

For callers dialling from outside the UK, the helpline number is +44 20 8639 3443.

Calls to the Capita Registrars' 0871 664 0440 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars' +44 20 8639 3443 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.

For Signet ADS Holders:

For callers dialling from within the US, the toll free helpline number is (866) 249-2593.

For callers dialling from outside the US, the toll collect helpline number is + 1 (718) 921-8137.

16 Further information

The text of the Scheme is set out in full in Part V of this document. Details of documents available for inspection are given in paragraph 10 of Part VII of this document.

Yours faithfully,

William Rucker / Paul Gismondi
Managing Directors
Lazard & Co., Limited