

PART V

SCHEME OF ARRANGEMENT

**IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT**

No. 5694 of 2008

IN THE MATTER OF SIGNET GROUP PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

SIGNET GROUP PLC

- and -

THE HOLDERS OF SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

Articles	the articles of association of the Company
business day	a day on which London Stock Exchange plc is open for the transaction of business
Capital Reduction	the reduction of the share capital of the Company under section 135 of the Companies Act 1985 by cancelling and extinguishing the Scheme Shares in accordance with clause 1 of this Scheme
certificated or in certificated form	not in uncertificated form (that is, not in CREST)
Companies Act	the Companies Act 2006 (to the extent it is in force at the date of publication of this document)
Company	Signet Group plc, a public limited company incorporated in England and Wales with registered number 477692
Court	the High Court of Justice in England and Wales
Court Meeting	the meeting or meetings of the Scheme Shareholders to be convened by order of the Court under Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme, notice of which is set out at Part IX of the Scheme Circular, including any adjournment of the such meeting
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK in accordance with the CREST Regulations
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time
Depository Interest	a depository interest representing an underlying Signet Jewelers Limited Share
DI Depository	Capita IRG Trustees Limited
Effective Date	the date on which this Scheme becomes effective in accordance with its terms

Euroclear UK	Euroclear UK & Ireland Limited, the central securities depository for the United Kingdom, Republic of Ireland, Isle of Man, Jersey and Guernsey
holder	a registered holder, including any person(s) entitled by transmission
New Signet Shares	the new ordinary shares of US\$0.009 each in the capital of the Company to be issued credited as fully paid to Signet Jewelers Limited in accordance with the terms of this Scheme
Overseas Shareholders	Signet Shareholders resident in, or citizens or nationals of, or who have a registered address in, jurisdictions other than the United Kingdom or United States
Reduction Court Order	the order of the Court confirming the Capital Reduction
Reduction Record Time	6.00 p.m. on the business day immediately prior to the date of the Second Court Hearing
Registrar	the Registrar of Companies in England and Wales
Scheme	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Signet Jewelers Limited
Scheme Circular	the circular to be sent by the Company to Signet Shareholders containing, inter alia, details of the Scheme, the notice of the Court Meeting and the notice of a general meeting of the Company to approve certain resolutions in connection with the Scheme
Scheme Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
Scheme Record Time	5.00 p.m. on the business day immediately prior to the date of the Effective Date
Scheme Shares	<ul style="list-style-type: none"> (i) the Signet Shares in issue at the date of this Scheme; (ii) any Signet Shares issued after the date of this Scheme and before the Voting Record Time; and (iii) any Signet Shares issued at or after the Voting Record Time and before the Reduction Record Time either on terms that the original or any subsequent holders of such shares are to be bound by the Scheme, or in respect of which their holders are, or have agreed in writing to be, bound by the Scheme
Scheme Shareholders	the holders of Scheme Shares
Second Court Hearing	the hearing of the Court for the confirmation of the Capital Reduction provided for in clause 1 of this Scheme
Share Capital Consolidation	the consolidation of every twenty common shares of par value US\$0.009 each in the capital of Signet Jewelers Limited into one common share of par value US\$0.18 in the capital of Signet Jewelers Limited, which is expected to take place after this Scheme becomes effective
Signet Jewelers Limited	Signet Jewelers Limited, a company incorporated in Bermuda with registered number 42069
Signet Jewelers Limited Bye-laws	the new bye-laws of Signet Jewelers Limited to be adopted immediately following the Scheme becoming effective
Signet Jewelers Limited Shares	common shares of par value US\$0.009 each in the capital of Signet Jewelers Limited or, following the Share Capital Consolidation, common shares of par value US\$0.18 each in the capital of Signet Jewelers Limited (as the context requires)

Signet Shareholders	persons registered in the Company's register of members as holders of Signet Shares
Signet Shares	ordinary shares of US\$0.009 each in the capital of the Company
Subscriber	Pembroke Company Limited, the existing holder of one Signet Jewelers Limited Share, which took such share as subscriber on the incorporation of Signet Jewelers Limited
uncertificated or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
US or United States	the United States of America including each state therein, the District of Columbia, Puerto Rico, the United States Virgin Islands and each of the other territories and possessions of the United States of America
Voting Record Time	6.00 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the date of such adjourned meeting

and references to clauses and sub-clauses are to clauses and sub-clauses of this Scheme.

- (B) The authorised share capital of the Company at the date of this Scheme is US\$53,368,866.17 and £50,000.00 divided into 5,929,874,019 ordinary shares of US\$0.009 each and 50,000 deferred sterling shares of £1 each. As at the close of business on 20 July 2008 (being the last practicable date prior to the posting of the Scheme Circular), 1,705,541,827 ordinary shares and 50,000 deferred sterling shares had been issued and were credited as fully paid, and the remainder of the ordinary shares were unissued.
- (C) Signet Jewelers Limited was incorporated on 25 June 2008 under the laws of Bermuda as an exempted company under the name Signet Limited, and changed its name to Signet Jewelers Limited on 4 July 2008. The authorised share capital of Signet Jewelers Limited at the date of this Scheme is US\$95,000,000 divided into 10,000,000,000 common shares of par value US\$0.009 each and 500,000,000 undesignated preference shares of par value US\$0.01 each. One common share of par value US\$0.009 has, at the date of this Scheme, been issued to the Subscriber and is credited as fully paid.
- (D) The purpose of this Scheme is to provide for the cancelling and extinguishing of the Scheme Shares and the issue of the New Signet Shares by the Company, in consideration for the issue by Signet Jewelers Limited of Signet Jewelers Limited Shares to Scheme Shareholders on the register of the Company as at the Scheme Record Time.
- (E) Signet Jewelers Limited has agreed to appear by Counsel at the hearing to sanction this Scheme and the hearing to confirm the Capital Reduction and to be bound by, and to undertake to the Court to be bound by, the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1 Cancellation of the Scheme Shares

- 1.1 The capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares.
- 1.2 Forthwith and contingently upon the said Capital Reduction referred to in sub-clause 1.1 taking effect (and notwithstanding anything to the contrary in the Articles):
 - 1.2.1 the authorised share capital of the Company shall be increased to an amount equal to that of the Company immediately prior to the Capital Reduction by the creation of such number of New Signet Shares as shall be equal to the number of Scheme Shares cancelled pursuant to sub-clause 1.1; and
 - 1.2.2 the reserve arising in the books of account of the Company as a result of the said Capital Reduction shall be capitalised and applied in paying up in full at par the New Signet Shares created pursuant to sub-clause 1.2.1, which shall be allotted and issued credited as fully paid (free from all liens, charges, encumbrances, rights of pre-emption and any third party rights whatsoever) to Signet Jewelers Limited or its nominee(s) in consideration for the allotment and issue of Signet Jewelers Limited Shares as set out in clause 2.

2 Consideration for cancellation of the Scheme Shares

- 2.1 In consideration for the cancellation of the Scheme Shares and the allotment and issue of the New Signet Shares to Signet Jewelers Limited or its nominee(s) as provided in clause 1, Signet Jewelers Limited shall (subject as hereinafter provided) allot and issue to Scheme Shareholders (as appearing in the register of members of the Company at the Scheme Record Time) one Signet Jewelers Limited Share, credited as fully paid at par, for every Scheme Share held by them at the Scheme Record Time.
- 2.2 The Signet Jewelers Limited Shares to be issued pursuant to sub-clause 2.1 of this Scheme shall rank pari passu in all respects and in full for all dividends or distributions made, paid or declared after the Effective Date, in accordance with the Signet Jewelers Limited Bye-laws, on the share capital of Signet Jewelers Limited. Signet Jewelers Limited Shares issued pursuant to sub-clause 2.1 of this Scheme shall be issued with the rights and subject to the restrictions set out in the Signet Jewelers Limited Bye-laws.

3 Overseas Shareholders

- 3.1 The provisions of clause 2 shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares who is (or whom the Company or Signet Jewelers Limited reasonably believes to be) an Overseas Shareholder, the Company or Signet Jewelers Limited is advised that the allotment and/or issue of Signet Jewelers Limited Shares pursuant to clause 2 would or might infringe the laws of any jurisdiction outside the United Kingdom or the United States or would or might require the Company or Signet Jewelers Limited to comply with any governmental or other consent or any registration, filing or other formality with which the Company or Signet Jewelers Limited is unable to comply with or compliance with which the Company or Signet Jewelers Limited regards as unduly onerous, the Company or Signet Jewelers Limited shall (unless such 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 this Scheme in respect of such Scheme Shares as soon as practicable following the Effective Date.
- 3.2 Any sale of Signet Jewelers Limited Shares under sub-clause 3.1 shall 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 sub-clause 3.1, have been entitled to receive such Signet Jewelers Limited Shares in accordance with this Scheme. To give effect to any sale under sub-clause 3.1, the person appointed by the Company or Signet Jewelers Limited in accordance with sub-clause 3.1 shall be authorised as attorney and/or agent on behalf of the holder concerned to execute and deliver as transferor an instrument or instruction of transfer and to give such instructions and to do all other things which he may consider necessary or

expedient in connection with such sale. In the absence of bad faith or wilful default, none of the Company, Signet Jewelers Limited or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale or for any alleged insufficiencies of the terms or timing of such sale arising.

4 Issue of Signet Jewelers Limited Shares

On the Effective Date, Signet Jewelers Limited will allot and issue the Signet Jewelers Limited Shares to be allotted and issued pursuant to sub-clause 2.1 to the relevant Scheme Shareholders as appearing in the register of members of the Company at the Scheme Record Time and will make the requisite entries in the register of members of Signet Jewelers Limited to reflect the allotment and issue of such shares.

5 Settlement

5.1 Contingently upon the allotment and issue of Signet Jewelers Limited Shares pursuant to clause 4 and the requisite entries having been made in the register of members of Signet Jewelers Limited, settlement of the Signet Jewelers Limited Shares shall be effected as follows:

5.1.1 if the Share Capital Consolidation has not been effected by 6.00 p.m. on the date three business days after the Effective Date, all of the Signet Jewelers Limited Shares will be settled in certificated form in the manner set out in sub-clause 5.3; and

5.1.2 if the Share Capital Consolidation has been effected by 6.00 p.m. on the date three business days after the Effective Date, the Signet Jewelers Limited Shares will be settled as set out in sub-clause 5.2.

5.2 Where Signet Jewelers Limited Shares are to be settled pursuant to sub-clause 5.1.2 it shall be on the basis of one Signet Jewelers Limited Share for every twenty Signet Jewelers Limited Shares issued under clause 4 and, therefore, for every twenty Scheme Shares and:

5.2.1 in the case of Scheme Shares which at the Scheme Record Time are in certificated form, Signet Jewelers Limited shall, not later than ten business days after the Effective Date, send by post to the allottees of the Signet Jewelers Limited Shares, share certificates in respect of such shares;

5.2.2 in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, the relevant amount of Depositary Interests will be credited to the CREST stock accounts of the holders of such Scheme Shares or the CREST stock accounts of their nominees by the DI Depositary on or about the Effective Date; and

5.2.3 any fractional entitlements arising as a result of the Share Capital Consolidation will be aggregated and sold in the market and the net proceeds of sale will be paid to the relevant holders in due proportions by cheque in accordance with sub-clause 5.5 on or as soon as reasonably practicable after, and in any event within 14 days of, the Effective Date,

provided that, in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form Signet Jewelers Limited reserves the right to settle all or part of the relevant Signet Jewelers Limited Shares in the manner set out in sub-clause 5.2.1 if, for any reason, it wishes to do so.

5.3 Where Signet Jewelers Limited Shares are to be settled in accordance with sub-clause 5.1.1, Signet Jewelers Limited shall not later than ten business days after the Effective Date, send by post to the allottees of the Signet Jewelers Limited Shares, share certificates in respect of such shares.

5.4 All deliveries of notifications, statements, certificates or cheques shall be effected by sending the same by first class post in prepaid envelopes addressed to the persons respectively entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register at the Scheme Record Time (except, in either case, as otherwise directed in writing) or in accordance with any special instructions regarding communications, and none of Signet Jewelers Limited, the Company or the person appointed by Signet Jewelers Limited in accordance with sub-clause 3.1 shall be responsible for any loss or delay in the transmission of any notifications, statements, certificates or cheques sent in accordance with this sub-clause 5.4, which shall be sent at the risk of the persons entitled thereto.

5.5 All cheques shall be made payable to the persons respectively entitled to the moneys represented thereby (or, in the case of joint holders, to all joint holders whose names stand in the register of

members of the Company in respect of such joint holding at the Scheme Record Time) and the encashment of any such cheque shall be a complete discharge to the Company for the moneys represented thereby.

5.6 The provisions of this clause 5 shall be subject to any prohibition or condition imposed by law.

6 Certificates and cancellations

With effect from and including the Effective Date:

- 6.1 all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of Signet Jewelers Limited to deliver up the same to Signet Jewelers Limited or as it may direct or to destroy the same; and
- 6.2 Euroclear UK shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form.

7 Mandates and other instructions

All instructions to the Company in force at the Scheme Record Time relating to the Scheme Shares shall, and unless and until otherwise revoked or amended, be deemed as from the Effective Date to be valid and effective mandates and instructions to Signet Jewelers Limited in relation to the Signet Jewelers Limited Shares issued in respect thereof.

8 Effective Date

- 8.1 This Scheme shall become effective as soon as office copies of the Scheme Court Order and the Reduction Court Order shall have been delivered to the Registrar for registration and, in the case of the Reduction Court Order, has been registered by the Registrar.
- 8.2 Unless this Scheme shall become effective on or before 31 December 2008, or such later date, if any, as the Company and Signet Jewelers Limited may agree and the Court may allow, this Scheme shall never become effective.

9 Modification

The Company and Signet Jewelers Limited may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

Dated 24 July 2008