Arcadia Group Limited

(the “Company”)

Minutes of a meeting of the board of directors of the Company held at 70 Berners Street, London W1T 3NL on 4 March 2015, at 10 am.

Present:  
Lord Grabiner QC (by telephone)  
Ivan Grabiner  
Paul Budge  
Chris Harris  
Sir Philip Green  

In attendance: Adam Goldman (Secretary), Karren Brady (by telephone), David Shepherd (by telephone), Siobhan Forey

1. CHAIRMAN, NOTICE AND QUORUM

The Chairman noted that proper notice of the meeting had been given in accordance with the Company’s articles of association and that a quorum was present. Accordingly, the Chairman declared the meeting open.

2. BUSINESS OF THE MEETING

Sir Philip updated the board on the progress of negotiations between the Company’s parent company, Taveta Investments (No. 2) Ltd, and a prospective purchaser of Bhs Group Ltd and its subsidiaries (“Bhs”) ("the Proposed Sale"). Sir Philip reminded the board that the Company had provided funding to Bhs for a number of years since it was acquired in 2009, in the form of an inter-company loan. The amount outstanding from Bhs to the Company in this regard was presently c£237m.

Sir Philip asked the board to consider, as a contingency in the event that the Proposed Sale did not proceed to completion, the circumstances in which the Company would be prepared to continue providing financial support to Bhs. It was pointed out that the present inter-company loan was unsecured and likely to be unrecoverable in the event of completion of the Proposed Sale.

3. RESOLUTION

After due and careful consideration by the Board, IT WAS RESOLVED THAT:

In the event that the Proposed Sale was not completed successfully, in which case the ongoing solvency of Bhs Group Ltd and / or any of its subsidiary companies would depend on continuing financial support from the Company, it would be in the best interests of the Company to provide additional support going forwards only if and to the extent that adequate security was provided in the form of a fixed charge over Bhs assets.
4. CLOSE

There being no further business the Chairman declared the meeting closed.

A. Cold

P.P. Lord Crabiner

Chairman