TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
         Sir Philip Green
         Christopher Coles
         Brett Palos
         Ian Grabiner
         Paul Budge
         Paul Coackley

In attendance: Adam Goldman (Secretary)

WELCOME

The Chairman welcomed Mr Coles and Mr Palos to the board of directors.

CHIEF OPERATING OFFICER'S REVIEW
SERVICE AND BRAND FUNCTION REPORTS

PENSIONS

Mr Budge circulated a paper summarising the Group's objectives in relation to its pension schemes. Mr Coackley explained that there were two pressing issues:

1. 

2. Confirmation of the technical provisions in the Bhs recovery plans.

It was proposed and agreed that Jack McVitie and his team from LEBC Group be engaged to address these forthwith.
ANY OTHER BUSINESS

CLOSE OF MEETING

There being no further business, the meeting closed.

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Chairman
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Christopher Coles (Chairman)
         Sir Philip Green (by telephone)
         Ian Grabiner
         Paul Budge
         Paul Coackley

In attendance: Adam Goldman (Secretary)

BOARD MINUTES

Minutes of the board meeting held on 10 December 2009 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
PENSIONS

Mr Coackley commented that he would be seeing the Bhs pension trustees the following week to discuss the recovery plan for the shortfall in its schemes. The current deficit was £135m and a contribution needed to be agreed with trustees to make this good. The Bhs schemes had been closed to future accrual and the company was presently paying some £7m per annum.

CLOSE OF MEETING

There being no further business, the meeting closed.

........................................
Chairman
Bhs Group

Finalisation of the 2009 actuarial valuation

PwC, the company's investment adviser, met with the Trustees on the 30th November to outline their role in finalising the 2009 valuation and in helping to establish an aligned investment strategy.

Subsequently, the company agreed to the actuarial assumptions underlying the valuation, which has resulted in a funding deficit of £135m across the 2 schemes.

The next Trustee meeting is scheduled for the 16th February, when the company will table the recovery plan proposals.
The schemes' investment committee has informed PwC of certain changes it proposes to make to the investment strategy. The Trustees would prefer to adopt a more cautious position but recognise that self-sufficiency cannot be attained without taking some investment risk. Accordingly the Trustees plan to:

- move to a 35% UK and 65% global equity split;
- increase currency hedging against 50% of the global equity exposure;
- invest more in credit through corporate bonds; and
- make an allocation to emerging market debt.

The Senior Manager Scheme, which is a more mature scheme and comparatively better funded than the main scheme, will adopt a more risk-averse approach by reducing its equity exposure and investing more in credit.
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
Sir Philip Green
Christopher Coles
Ian Grabiner
Paul Budge
Paul Coackley

In attendance: Adam Goldman (Secretary)

BOARD MINUTES

Minutes of the board meeting held on 28 January 2010 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
PENSIONS

Mr Coackley reported that discussions had been continuing with the trustees of the Bhs pension schemes regarding the recovery plan. The initial proposal had been for a 20 year recovery period, but this had now moved to 15 years. It was likely that payments would be £4.5m in the first year, £5.5m in the second and £7.5m in the third, with a 13 year recovery period to make up the £135m shortfall. Mr Coackley had explained to the trustees that no security was available. It was hoped that agreement would be reached the following week.

ANY OTHER BUSINESS

CLOSE OF MEETING

There being no further business, the meeting closed.

.............................
Chairman
Bhs Group

Finalisation of the 2009 actuarial valuation

A working party, representing the trustee boards, met recently with the company to hear its proposals regarding a future deficit recovery plan.

Against a backdrop of difficult trading conditions and tight cash constraints, the company offered the following contribution plan as affordable:

<table>
<thead>
<tr>
<th>Full Year</th>
<th>Deficit Contribution £'m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>4.0</td>
</tr>
<tr>
<td>2010/11</td>
<td>5.0</td>
</tr>
<tr>
<td>2011/12</td>
<td>6.0</td>
</tr>
<tr>
<td>2012/13</td>
<td>7.5</td>
</tr>
<tr>
<td>2013 onwards</td>
<td>10% compound increase</td>
</tr>
</tbody>
</table>

The above proposal should remove the schemes’ aggregate actuarial deficit, of £135m, within 18 years.

The company re-iterated its position that it was unable to underpin the employer covenant by offering security over assets held elsewhere within the Taveta group.

The working party agreed to revert to the company shortly. A meeting is scheduled with the trustees for the 16th February.
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
         Sir Philip Green
         Brett Palos
         Ian Grabiner
         Paul Budge
         Paul Coackley

In attendance: Adam Goldman (Secretary)

BOARD MINUTES

Minutes of the board meeting held on 18 February 2010 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
Turning to pensions, it was reported that a deficit recovery plan for the Bhs scheme had now been agreed, over a 12.5 year period.

FINANCE DIRECTOR'S REVIEW
ANY OTHER BUSINESS

CLOSE OF MEETING

There being no further business, the meeting closed.
Chairman
Pensions

BHS trustees and the company have now agreed on the future deficit recovery plan which will be spread over 12.5 years. An update on both schemes will be given at the meeting.
Pension Schemes Update

Bhs Group

Finalisation of the 2009 actuarial valuation
Following further meetings between the Trustees and the company the two parties have
now reached agreement on the assumptions underlying the 31 March 2009 valuation and
the profile of the future deficit recovery plan.

With regard to the assumptions, the company has recognised the Trustees concerns
over the pre-retirement discount rate and has consented to a reduction from 6.9% to
6.1%. This increases the deficit at the valuation date to £165m, but by taking into
account post-valuation investment gains, the deficit that requires funding is unchanged
at £135m.

The company has also provided the Trustees with profit and cashflow projections for
the current financial year. Against this backdrop the Trustees have recognised the
company's concerns over short-term affordability and have accepted the deficit
recovery plan that is back end loaded. The Trustees have also accepted that, in light of
the schemes' strategic asset allocations, it would be reasonable to allow for an additional
0.5% of investment return, during the recovery period, over that assumed within the
technical provisions.

A combination of the above factors generates a recovery plan of approx. 12.5 years
duration, with the following contribution profile:

<table>
<thead>
<tr>
<th></th>
<th>£'m</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009/10</td>
<td>4.5</td>
</tr>
<tr>
<td>FY 2010/11</td>
<td>5.5</td>
</tr>
<tr>
<td>FY 2011/12</td>
<td>7.5</td>
</tr>
<tr>
<td>FY 2012/13</td>
<td>10.0</td>
</tr>
<tr>
<td>2013 onwards</td>
<td></td>
</tr>
</tbody>
</table>
   10 % increase thereafter |
In aggregate, the above plan will see the company contributing an extra £3m over the next 3 years beyond its current annual rate of contribution.

The Trustees have accepted that, at the present time, the company is unwilling to provide any additional security to underwrite its obligations to the schemes.

**Investment performance**
The market value of the schemes’ investments fell by £4m during the month as equities gave back some of their recent gains. A further £1.45m was drawn down to fund benefit payments.

At 28 February 2010 the schemes were invested in the following asset classes:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>£'000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK equities</td>
<td>79,362</td>
<td>20</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>107,406</td>
<td>27</td>
</tr>
<tr>
<td>Index-linked Gilts</td>
<td>16,305</td>
<td>4</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>9,789</td>
<td>3</td>
</tr>
<tr>
<td>High Alpha bonds</td>
<td>106,819</td>
<td>25</td>
</tr>
<tr>
<td>Property</td>
<td>69,919</td>
<td>17</td>
</tr>
<tr>
<td>Cash</td>
<td>16,580</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>406,180</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Bhs Group

With the 31 March 2009 triennial valuation virtually at an end, Ian Allkins has stepped down as a trustee of the schemes.

With the recovery plan now agreed, the Company has made a one-off payment of £1.167m to back-date the higher rate of contribution to 1 September 2009, the start of the deficit recovery period. For the remainder of the financial year monthly contributions will increase from £208k to £375k.
The pension project progress report for each of the segments of work is summarised on the page opposite.

Key developments since the last Board are as follows:-

4) Bhs scheme triennial valuation. The company and the trustees formally approved the schemes' Schedule of Contributions and Recovery Plans, which were duly certified by the actuary. To finalise the 2009 Actuarial Valuation process the relevant documentation needs to be submitted to the Pensions Regulator.
Pension Update: 11 May 2010

BHS - valuation and recovery plan
- Completed / agreed with the Trustees
Pension Schemes Update

Bhs Group

Triennial valuation
All documentation associated with the 31st March 2009 actuarial valuation has been submitted to the Pensions Regulator, ahead of the 30th June deadline.
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
          Sir Philip Green
          Karren Brady
          Brett Palos
          Chris Coles
          Ian Grabiner
          Paul Budge
          Siobhan Forey
          David Shepherd

In attendance: Adam Goldman (Secretary)

BOARD MINUTES

Minutes of the board meeting held on 31 May 2012 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
ANY OTHER BUSINESS

Sir Philip commented that there were two potential US buyers for the Bhs business. He was arranging for a pack of information to be provided.

CLOSE OF MEETING

There being no further business, the meeting closed.

............................
Chairman
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
         Sir Philip Green
         Chris Coles
         Karren Brady
         Ian Grabiner
         Paul Budge
         Siobhan Forey
         Chris Harris

In attendance: Adam Goldman (Secretary)

BOARD MINUTES

Minutes of the board meeting held on 29 November 2012 were approved.

CHIEF EXECUTIVE OFFICER’S REVIEW
BRAND AND SERVICE FUNCTION REPORTS

Pensions
Sir Philip reported that Ms Forey and Mr Budge had been looking at the challenges presented by the Group's closed, final salary pension schemes. He emphasised the need to improve the investment strategy and increase the yield from c3.7% to 5.6%. Ms Forey explained that a meeting would be taking place with PwC, Linklaters and Jack McVitie next week with a view to focussing, over the coming six months, on all the issues including valuations and underlying assumptions. Mr Budge added that an analysis of scheme members may suggest different approaches that could be taken in relation to, perhaps, four or five specific groups or categories. The Chairman asked about the prospects for a buy-out of the pension schemes and Ms Brady suggested that the shortfalls were too large at present. She agreed with focussing on the investments and the categorisation of members. The Chairman offered to provide contact details at the Prudential and at Phoenix if that would be helpful.
FINANCE DIRECTOR'S REVIEW

ANY OTHER BUSINESS

CLOSE OF MEETING

There being no further business, the meeting closed.

.................................
Chairman
TAVETA INVESTMENTS LIMITED
MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
Karren Brady
Ian Grabiner
Paul Budge
Siobhan Forey
Chris Harris
David Shepherd

In attendance: Adam Goldman (Secretary)

BOARD MINUTES

Minutes of the board meeting held on 28 February 2013 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
Ms Brady asked what Richard Price's strategy was for Bhs, and Mr Grabiner explained that his focus was on product. Mr Shepherd added that a lot of work had also been done
on Bhs sourcing. Mr Grabiner raised the possibility of finding a buyer for the Bhs business and Mr Budge emphasised the importance of addressing the closed final salary pension schemes in this context. Ms Forey commented that, if there was a sale of Bhs, Sir Philip would seek to transfer the pension scheme liabilities with the business.
BRAND AND SERVICE FUNCTION REPORTS

Pensions

Different solutions were also being worked on for the Bhs pension schemes.

FINANCE DIRECTOR’S REVIEW

CLOSE OF MEETING

There being no further business, the meeting closed.

..............................
Chairman
2. **Bhs Valuation**

The March 2012 valuation for the Bhs Scheme and Bhs Senior Managers Scheme has been agreed with the Trustees. The schemes have a combined deficit of £150m compared to £135m at March 2009. The agreed funding plan allows for £10m per annum, which is a recovery period of 22 years and 8 months.

<table>
<thead>
<tr>
<th>Agreed Valuation at March 2012 compared to March 2009</th>
<th>Bhs Pension Scheme</th>
<th>Bhs SMS</th>
<th>Total Bhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>344</td>
<td>279</td>
<td>86</td>
</tr>
<tr>
<td>Funding Liabilities</td>
<td>(555)</td>
<td>(424)</td>
<td>(108)</td>
</tr>
<tr>
<td>Shortfall</td>
<td>(211)</td>
<td>(145)</td>
<td>(22)</td>
</tr>
<tr>
<td>Allowance for Future Market Changes</td>
<td>66</td>
<td>25</td>
<td>17</td>
</tr>
<tr>
<td>Funding Deficit</td>
<td>(145)</td>
<td>(120)</td>
<td>(5)</td>
</tr>
<tr>
<td>Funding %</td>
<td>70%</td>
<td>70%</td>
<td>94%</td>
</tr>
</tbody>
</table>
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present:    Lord Grabiner (Chairman)
            Sir Philip Green
            Karren Brady
            Ian Grabiner
            Paul Budge
            Siobhan Forey
            Chris Harris
            David Shepherd

In attendance:    Adam Goldman (Secretary)
                  Brandon Green

BOARD MINUTES

Minutes of the board meeting held on 26 September 2013 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
Sir Philip referred to recent press speculation about a sale of Bhs to a South African entrepreneur. He confirmed that some initial conversations were taking place but there was no substantive deal on the table at this stage. He was, however, continuing to have discussions about the sale of food in Bhs stores, including with [REDACTED]. Deloitte was also looking at options for the Bhs business.

CLOSE OF MEETING

There being no further business, the meeting closed.

[Signature]
Chairman

30.1.2014
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present:  Lord Grabiner (Chairman)
          Sir Philip Green
          Karren Brady
          Ian Grabiner
          Paul Budge
          Siobhan Forey
          Chris Harris
          David Shepherd

In attendance:  Adam Goldman (Secretary)
                Brandon Green

BOARD MINUTES

Minutes of the board meeting held on 28 November 2013 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
BRAND AND SERVICE FUNCTION REPORTS

Pensions

Proposals had also been received recently from professional advisers in relation to the Bhs pension schemes, where a new trustee chairman had been appointed.

FINANCE DIRECTOR'S REVIEW

ANY OTHER BUSINESS

CLOSE OF MEETING

There being no further business, the meeting closed.
<table>
<thead>
<tr>
<th>HELD AT</th>
<th>ON</th>
<th>TIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chairman

6, III, 2017
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Karren Brady (Chairman)
Sir Philip Green
Brett Palos
Ian Grabiner
Siobhan Forsey
Chris Harris
David Shepherd

In attendance: Adam Goldman (Secretary)
Brandon Green
Gillian Hague

BOARD MINUTES

Minutes of the board meeting held on 30 January 2014 were approved.

ACTION POINTS ARISING
BRAND AND SERVICE FUNCTION REPORTS

Pensions

A project had also commenced to address the Bhs pension schemes. Sir Philip referred to a plan prepared by Deloitte in this regard.

FINANCE DIRECTOR'S REVIEW
CLOSE OF MEETING

There being no further business, the meeting closed.

[Signature]
Chairman
Project Thor

The Company's proposal has been presented to the Chairman of the Trustees. Company Advisors are currently considering the initial questions raised by the Trustees. The Trustees have appointed KMPG to conduct a financial review of the proposal.
Pensions Update

Pensions - BHS

• The BHS project has commenced. The trustees are being pragmatic but inevitably they have engaged advisors to ensure that the right process is being followed as this is a major change as far as the BHS pension schemes are concerned.
Project Thor

- Principles of the project have been agreed with the Trustees. A copy of the correspondence will be issued at the Board Meeting.
- The respective legal and actuarial advisors are working on the detailed proposal.
- KPMG have commenced their financial review of the proposal.
- A draft timeline will be issued at the Board Meeting.
Chief Executive Officer's
Review
Project Thor

An update will be given at the Board Meeting. KPMG are currently doing due diligence on behalf of the trustees, who have responded pragmatically to the BHS restructuring proposal.

Impact on Pensions due to the Budget changes

ii. The "no questions asked" trivial commutation limit has increased from £2,000 to £10,000 - particularly significant for BHS members.

iv. It is currently unclear if the £30,000 limit extends to Wind Up Lump Sums (WULS). Deloitte/Nabarro are reviewing to assess potential impact on Thor as this point is key. Timing may not be until April 2015.
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present:  Lord Grabiner (Chairman)
          Sir Philip Green
          Brett Palos
          Ian Grabiner
          Paul Budge
          Siobhan Forey
          Chris Harris

In attendance:  Adam Goldman (Secretary)
                Brandon Green

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BOARD MINUTES

Minutes of the board meeting held on 27 March 2014 were approved.

ACTION POINTS ARISING

CHIEF EXECUTIVE OFFICER'S REVIEW
Pension Schemes
5. Project Thor

Neville Khan and Tony Claire from Deloitte met with Sir Philip on 20th May to review the project. Key discussion and action points were:

- Sir Philip understood the tactics and the numbers presented on Deloitte’s slide pack. E.g. total Company input into Thor could be write off of £200m intercompany debt and circa £100m in two tranches to the Pension Scheme (circa £50m to achieve a derisked sustainable scheme and a further circa £50m to achieve a full buy out of the restructured scheme).
- Heads of terms to be issued to the Trustees.
- Sir Philip agreed in principle that Thor embark on the same derisked investment strategy as Arcadia.
- Recovery Plan for Thor - Sir Philip to attend Property meeting with Neville Khan and Chris Harris next Wednesday morning.
- Sir Philip requested further review of the Thor Business Plan - especially systems / Logistics changes to make the business more efficient.
The Pensions Regulator has requested a meeting with the Thor Trustees as part of their review of the 2012 triennial valuation and agreed recovery plan. This is due to take place on 7 July. The meeting will involve discussions regarding the future of the Thor Schemes. The Company and the Trustees are therefore working on an agreed presentation of the Scheme restructure and business recovery plans to present jointly to the Regulator in advance of this meeting.

A full communications strategy (employees, suppliers, landlords, Press, the Pension Regular, PPF and HMRC) will be required prior to this date. This will also give consideration to the implications of the Court case for Paddington which will be happening at the same time.
BRAND AND SERVICE FUNCTION REPORTS

Pensions
Mr Budge updated the board on pensions, in relation to which a lot of work was continuing to take place.
FINANCE DIRECTOR'S REVIEW

CLOSE OF MEETING

There being no further business, the meeting closed.


Chairman
Pensions Update
Project Thor

An update will be given at the Board Meeting.
TAYETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
         Sir Philip Green
         Baroness Brady
         Ian Grabiner
         Paul Budge
         Siobhan Forey
         Chris Harris
         David Shepherd

In attendance: Adam Goldman (Secretary)
               Brandon Green

BOARD MINUTES

Minutes of the board meeting held on 29 May 2014 were approved.

CHIEF EXECUTIVE OFFICER'S REVIEW
Considerable work had been undertaken on Project Thor, the Bhs pensions / restructuring initiative. This had been paused for the Christmas peak period, although a draft clearance application had been filed with the Pensions Regulator.
CLOSE OF MEETING

There being no further business, the meeting closed.

[Signature]
Chairman

30 x '14
**Project Thor**

Work on Project Thor has been put on hold till January 2015 and this has been communicated to the Trustees. We are awaiting their feedback. Whilst the Trustees understand the Company position, they were concerned that the Pensions Regulator may query this as Draft Clearance papers have already been submitted to the Regulator.

The performance of the business will be monitored over the peak trading period and all options will be reviewed in January 2015.
Project Thor

Work on Project Thor has been put on hold till January 2015 and this has been communicated to the Trustees. Whilst the Trustees understand the Company position, they were concerned that the Pensions Regulator may query this as Draft Clearance papers have already been submitted to the Regulator. The performance of the business will be monitored over the peak trading period and all options will be reviewed in January 2015.
TAVETA INVESTMENTS LIMITED

MEETING OF THE BOARD OF DIRECTORS

Present: Lord Grabiner (Chairman)
         Sir Philip Green
         Baroness Brady
         Ian Grabiner
         Paul Budge
         Siobhan Furey
         Chris Harris

In attendance: Adam Goldman (Secretary)

BOARD MINUTES

Minutes of the board meeting held on 18 September 2014 were approved.

ACTION POINTS ARISING

CHIEF EXECUTIVE OFFICER'S REVIEW

CHAIRMAN'S
INITIALS

A.S.
ANY OTHER BUSINESS

Pension Projects

Bhs
Sir Philip explained that, in the absence of a significant improvement in performance in the Bhs business, a restructure of Bhs and its pension schemes would be required in the first quarter of 2015. Deloitte had been engaged to analyse the options. Mr Budge confirmed that work was ongoing on Project Thor, in relation to the property aspects, and a positive meeting had also taken place with Chris Martin, the pension trustee chairman.

CLOSE OF MEETING

There being no further business, the meeting closed.

Chairman

29-1-15
Pensions Update

Project Thor

Project Thor is ongoing, with the Trustees implementing a derisked investment strategy for BHS following conversations with the company. A full update will be given at the Board.
Pension Schemes

Project Thor - BHS Scheme

As discussed at the last Board meeting, this continues to be progress in terms of the property restructure analysis. The pension part of the project has been progressed as far as possible at this stage and is on hold until early 2015.
Pensions Update

Project Thor (BHS Schemes)

Project Thor is ongoing, with the Trustees implementing a derisked investment strategy for the BHS pension funds, moving from risky equities into more secure bonds. A full update will be given at the Board.
Pension Schemes Update
4. Project Thor

Pension aspects of Project Thor are currently on hold. An update will be given at the Board meeting.