

BHS LIMITED (the "Company")
Registered Number: 00229606

**Minutes of a meeting of the board of directors (the "Board") of the Company
held at Marylebone House, 129-137 Marylebone Road, London, NW1 5QD
at 11.00 am on Thursday 21 April 2016**

- PRESENT:** Dominic Chappell (DC1), Chairman
Dominic Chandler (DC2)
Darren Topp (DT)
Lennart Henningson (LH)
- IN ATTENDANCE:** Emma Reid (ER), Secretary
Keith Smith (KS)
Michael Morris (MM)
Aidan Treacy (AT), shareholder representative
Adam Plainer (AP), Weil, Gotshal & Manges ("Weil")
Linton Bloomberg (LB), Weil
Philip Duffy (PD), Duff & Phelps ("D&P")
Benjamin Wiles (BW), D&P

1 OPENING OF MEETING

The Board agreed that DC1 would chair the meeting. It was noted that a quorum was present and that all directors had received notice of the meeting and of the matters to be discussed.

2 PURPOSE OF MEETING

The purpose of the meeting was to:

- 3.1** Consider the current financial position of the Company
- 3.2** Consider whether to file for administration and if so whether to appoint PD and BW from D&P as Administrators.

3 CURRENT FINANCIAL POSITION

- 3.1** AP confirmed that, as per previous advice, Directors should be mindful of their duties to creditors. As of yesterday, all efforts of the Directors, which had been considerable, in order to find the financing required pursuant to the CVA had been finally exhausted. AP understood that DC1, DC2 and DT had attended a meeting with Arcadia Group Limited ("Arcadia"), the qualifying floating charge holder, on 20 April 2016, whereby Arcadia reviewed the future cash flow forecast of the Company and concluded that they were not prepared to support the business going forward whether by the provision of letters of credit facilities for delivering of essential supply in September 2016 or otherwise. Additionally, the facilities offered by Gordon Brothers, which the Directors had worked hard to put in place, were inadequate given the cashflow requirements of the Company.
- 3.2** AP understood that additionally the Company had received a seven day winding up notice from HMRC on 15 April 2016, the balance of which outstanding was £2,671,808 which the

Company could not meet. Given this, together with the fact that there was no likelihood of future financing being available to the Company, there appeared to be no reasonable prospect of the Company avoiding insolvent liquidation. The Directors, however, should take their own views. If the Directors agreed then they should take steps to put the Company into administration in short order. AP invited any Director who disagreed with the above, or wished to make any further comments, to do so. No Director had any comments.

4 RESOLUTION

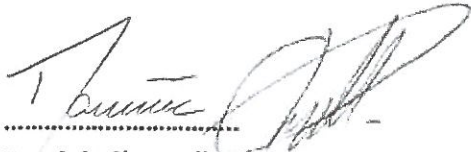
The Board considered the above and unanimously agreed to pass the following resolutions.

It was resolved THAT

1. the Company should file for administration;
2. PD and BW of D&P be appointed as the administrators of the Company;
3. DC1, or DC2 in the alternative, be authorised to take such action as is necessary to appoint administrators of the Company including signing the Notice of Intention to Appoint and the signing of Notice of Appointment of Administrators and to file the relevant forms at Court.

5 CLOSE

There being no further business, the meeting was brought to a close.



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Dominic Chappell

Director

Date 21.4.16