

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your shares in Next plc (the **Company**), please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

NEXT PLC

(Incorporated in England and Wales with registered no. 04412362)

Proposed Related Party Transaction and Notice of General Meeting

Sponsor

UBS

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 5 to 6 of this document and the recommendation in respect of the Resolution to be proposed at the General Meeting referred to below.

Notice of a general meeting of Next plc to be held at 9.00 a.m. on 10 February 2016 at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD is set out on page 17 of this document. Details of the action you are recommended to take are set out on page 6 of this document. Whether or not you plan to attend the General Meeting, please complete the enclosed Form of Proxy and return it in accordance with the instructions printed on it as soon as possible, but in any event so as to be received by the Company's registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, by no later than 9.00 a.m. on 8 February 2016 (or, in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Alternatively, if you hold Ordinary Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual ensuring that it is received by Equiniti by no later than 9.00 a.m. on 8 February 2016 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy or using the CREST electronic proxy appointment service will not prevent you from attending, speaking and voting at the General Meeting, or at any adjournment of such meeting, in person should you wish to do so.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any subsequent time.

UBS Limited (**UBS**), which is authorised by the Prudential Regulation Authority (the **PRA**) and regulated by the Financial Conduct Authority (the **FCA**) and the PRA in the United Kingdom, is acting solely for the Company in relation to the matters set out in this document (the **Transaction**) and nobody else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of UBS nor for providing advice in relation to the Transaction or any other matter referred to in this document. Apart from the responsibilities and liabilities, if any, which may be imposed upon UBS by the Financial Services and Markets Act 2000, as amended (**FSMA**) or the regulatory regime established thereunder, UBS does not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Transaction and nothing in this document is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. UBS accordingly disclaims, to the fullest extent permitted by law, all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to in this document) which it might otherwise have in respect of this document or any such statement.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<u>Time and Date</u>
Publication of this document	18 January 2016
Latest time for receipt of individual Forms of Proxy for General Meeting . . .	9.00 a.m. 8 February 2016
Voting record date	6.00 p.m. 8 February 2016
General Meeting	9.00 a.m. 10 February 2016

Future times and dates are indicative only and are subject to change by the Company. If the expected timetable of events changes from the above, the Company will release an announcement to this effect.

References to time in this document are to London time.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	John Barton (<i>Chairman</i>) Lord Wolfson of Aspley Guise (<i>Chief Executive</i>) Steve Barber (<i>Independent Non-Executive Director</i>) Caroline Goodall (<i>Independent Non-Executive Director</i>) Amanda James (<i>Group Finance Director</i>) Michael Law (<i>Group Operations Director</i>) Francis Salway (<i>Senior Independent Non-Executive Director</i>) Jane Shields (<i>Group Sales and Marketing Director</i>) Dame Dianne Thompson (<i>Independent Non-Executive Director</i>)
Company Secretary	Seonna Anderson
Sponsor	UBS Limited 1 Finsbury Avenue London EC2M 2PP
Lawyers	Allen & Overy LLP One Bishops Square London E1 6AD
Registrars	Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA

PART I — LETTER FROM THE CHAIRMAN

(Incorporated in England and Wales, with registered no. 04412362)

Directors:
John Barton
Lord Wolfson of Aspley Guise
Steve Barber
Caroline Goodall
Amanda James
Michael Law
Francis Salway
Jane Shields
Dame Dianne Thompson

Next plc
Registered Office:
Desford Road
Enderby
Leicester
LE19 4AT

18 January 2016

Dear Shareholder,

Notice of General Meeting and Proposed Related Party Transaction

1. Introduction

The Board has become aware of a technical issue in respect of the payment of the special interim dividend of 50 pence per Ordinary Share paid on 3 February 2014, the ordinary interim dividend of 50 pence per Ordinary Share paid on 2 January 2015, the special interim dividend of 50 pence per Ordinary Share paid on 2 February 2015 and the special interim dividend of 60 pence per Ordinary Share paid on 2 November 2015 (together, the **Relevant Distributions**).

The Act provides that a public company may pay a dividend out of its distributable profits as shown in the last accounts circulated to members or, if interim accounts are used, those that have been filed at Companies House. The requirement for the relevant accounts to have been filed applies even if the Company in question has sufficient distributable profits at the relevant time.

The Company has always filed its statutory accounts on time in accordance with the requirements of the Act, and at all times had sufficient profits and other distributable reserves to pay the Relevant Distributions as shown by the accounts at the relevant time. However, the Company did not file interim accounts at Companies House to satisfy the procedural requirements of the Act before making the Relevant Distributions. Therefore, regrettably, the Relevant Distributions were made otherwise than in accordance with the Act.

The purpose of this document is to convene a General Meeting to propose the Resolution, which will, if passed, give the Board authority to enter the deeds of release described in Part II of this document and put all potentially affected parties so far as possible in the position in which they were always intended to be had the Relevant Distributions been made in accordance with the procedural requirements of the Act regarding the filing of interim accounts.

The Company has been advised that, as a consequence of the Relevant Distributions having been made otherwise than in accordance with the Act, it may have claims against past and present shareholders who were recipients of the Relevant Distributions and against persons who were directors of the Company at the time of payment of the Relevant Distributions. It is therefore proposed that the Company enter into the Shareholders' Deed of Release and the Directors' Deed of Release. The consequence of the entry into these deeds by the Company is that the Company will be unable to make any claims against:

- (a) past and present shareholders of the Company who were recipients of the Relevant Distributions; and
- (b) the Directors and Former Directors,

in each case in respect of the payment of the Relevant Distributions otherwise than in accordance with the Act.

The entry by the Company into the Directors' Deed of Release constitutes a related party transaction (as defined in the Listing Rules). Therefore, the Resolution will also seek the specific approval of the Company's shareholders for the entry into the Directors' Deed of Release as a related party transaction, in accordance with the requirements of the Listing Rules.

Further details and an explanation of the business of the General Meeting and the related party transaction are set out in Part II of this document.

2. Notice of General Meeting

Enclosed with this letter is a notice of General Meeting of the Company which will be held at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD at 9.00 a.m. on 10 February 2016. The Notice can be found in Part V of this document.

You are advised to read the whole of this document, including the Notice, and not to rely solely on the information contained in this letter.

3. Proxy voting

Whether or not you will be attending the General Meeting, I would urge you to complete, sign and return the accompanying Form of Proxy to the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA as soon as possible and, in any event, so as to arrive by no later than 9.00 a.m. on 8 February 2016. Alternatively, you can register your proxy electronically in accordance with the instructions on the Form of Proxy. Further details are given in the notes to the Notice set out on pages 18 to 19 of this document. Completion and return of the Form of Proxy will not preclude shareholders from attending and voting in person at the General Meeting, should they so wish. The attention of corporate shareholders wishing to appoint more than one corporate representative is drawn to note 11 to the Notice set out on page 19 of this document.

This letter is also being sent to those who have been nominated to receive information rights under section 146 of the Act who do not themselves have a right to appoint a proxy or proxies. The attention of such nominated persons is drawn to note 12 to the Notice set out on page 19 of this document.

4. Recommendation

Given the interests of the Board in the Resolution, and as required by the Listing Rules:

- (a) the Board has not considered whether the Resolution is in the best interests of the Company. Accordingly, the Board cannot recommend that shareholders vote in favour of the Resolution, but recommends that shareholders vote on it. However, the Board has been advised by UBS, in its capacity as the Company's sponsor, that (i) the waiver of claims against the Directors and Former Directors pursuant to the Resolution and (ii) the entry into the Directors' Deed of Release are fair and reasonable so far as the shareholders of the Company are concerned; and
- (b) each of the Directors and the Former Directors and their associates are precluded from voting on the Resolution. Therefore, the Directors and the Former Directors have undertaken to abstain, and to take all reasonable steps to ensure that their associates abstain, from voting on the Resolution. As at 15 January 2016 (being the latest practicable date before the publication of this document), the Directors and the Former Directors were recorded in the Company's register of members as holding a total of 1,874,837 Ordinary Shares in the capital of the Company representing approximately 1.24 per cent. of the Company's existing ordinary share capital.

In accordance with current best practice and to ensure voting accurately reflects the views of shareholders, it will be proposed at the General Meeting that voting on the Resolution will be conducted by poll vote rather than by a show of hands and the relevant procedures will be explained at the meeting.

The Board has taken steps to ensure that, in future, the issues referred to in this document do not arise in relation to the payment of dividends. We are grateful for shareholders' understanding in respect of the issues set out in this document.

On behalf of the Board, thank you for your continued support of the Company.

Yours sincerely



John Barton
Chairman

PART II — BUSINESS OF THE GENERAL MEETING

1. The Relevant Distributions

The Board has become aware of a technical issue in respect of the Company's procedures for the payment of certain dividends in the financial years commencing 26 January 2014 and 25 January 2015. This issue, which is described in Part I of this document, resulted in the Relevant Distributions being made otherwise than in accordance with the Act.

These issues only affected the Relevant Distributions and did not affect any other distributions made by the Company in the relevant financial years.

2. The consequences of Relevant Distributions having been made otherwise than in accordance with the Act

The Company has been advised that, as a consequence of the Relevant Distributions having been made otherwise than in accordance with the Act, it may have claims against past and present shareholders who were recipients of the Relevant Distributions and against persons who were directors of the Company at the time of payment of the Relevant Distributions.

The Board notes, however, that the Company has no intention of bringing any such claims.

The Company has been independently advised by Allen & Overy LLP.

3. Shareholder Resolution

In order to remedy the potential consequences of the Relevant Distributions having been made otherwise than in accordance with the Act and to put all potentially affected parties so far as possible in the position in which they were always intended to be had the Relevant Distributions been made in accordance with the requirements of the Act, the Company is proposing the Resolution, the full text of which is set out in the Notice in Part V of this document.

If passed, the effect of the Resolution, which will be proposed as a special resolution, will be to:

- authorise the appropriation of the distributable profits of the Company to the payment of each of the Relevant Distributions and together having a total value of £311,157,827.10;
- waive any and all claims which the Company has or may have in respect of the payment of the Relevant Distributions against its shareholders who appeared on the register of shareholders on the relevant record date for each Relevant Distribution (or the personal representatives and their successors in title of the estate of any deceased shareholders), such waiver to be effected by way of the entry by the Company into the Shareholders' Deed of Release; and
- waive any and all claims which the Company may have against its Directors and Former Directors and the personal representatives (and their successors in title) of the estate of any deceased Directors and Former Directors, such waiver to be effected by way of the entry by the Company into the Directors' Deed of Release.

The approach that the Company is proposing by way of the Resolution is consistent with the approach taken by other UK incorporated companies whose shares are admitted to the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange and that have also made corporate distributions otherwise than in accordance with the Act, having failed to comply with the procedural requirement to file interim accounts specifically prepared for the purposes of the payment of a dividend or other distributions.

4. The authorisation of the appropriation of the Company's distributable profits and the Shareholders' Deed of Release

The approach that the Company is proposing involves the authorisation of the appropriation of the distributable profits of the Company to the payment of each of the Relevant Distributions. As a matter of common law, it is necessary for the appropriation of distributable profits to be approved by shareholders.

The Company has been advised that it is also preferable for shareholders to approve the Company's entry into the Shareholders' Deed of Release, since the release of those past and present shareholders who appeared on the register of members on the record date for each of the Relevant Distributions (or their personal representatives (and their successors in title) if they are deceased) from any and all claims which

the Company has or may have in respect of the payment of the Relevant Distributions will, insofar as those persons remain shareholders of the Company, comprise a shareholder distribution.

The proposed authorisation of the appropriation of the Company's distributable profits to the payment of each of the Relevant Distributions and the entry by the Company into the Shareholders' Deed of Release will not, however, have any effect on the Company's financial position. This is because the aggregate amount of the Relevant Distributions is equal to and offset by the release of each Recipient Shareholder from the liability to repay the amount already paid, and the Company will not be required to make any further payments to shareholders in respect of the Relevant Distributions.

In addition, the Company has not recorded or disclosed the potential right to make claims against Recipient Shareholders as an asset or a contingent asset in its financial statements. Under the Company's IFRS accounting policies, it could only record such a right as an asset when an inflow of economic benefits in favour of the Company as a result of such claim or claims being brought was virtually certain. The value of any economic benefit which the Company may derive from bringing claims against the Recipient Shareholders is uncertain (and, in any case, incapable of reliable estimation) on the basis that it may be possible for the Recipient Shareholders to establish defences to any such claims and there can be no certainty as to the amounts which could be recovered by the Company.

In addition, under IFRS, a contingent asset is required to be disclosed only when an inflow of economic benefits in favour of the Company is probable. The directors of the Company have concluded that any inflow of economic benefits as a result of such claims is less than probable.

Accordingly, the Company's entry into the Shareholders' Deed of Release will not result in any decrease in the Company's net assets or the level of its distributable reserves.

5. The Directors' Deed of Release

Under the Company's articles of association, it is necessary for shareholders to approve the Company's waiver of any rights of the Company to make claims against the Directors, the Former Directors and the personal representatives (and their successors in title) of any deceased Directors or Former Directors in respect of the Relevant Distributions, since the Board would itself have a potential conflict of interest in approving such a waiver. This is because the members of the Board are named as beneficiaries of the waiver.

In addition, the entry by the Company into the Directors' Deed of Release and consequential waiver of any rights of the Company to make claims against the Directors, the Former Directors and the personal representatives (and their successors in title) of any deceased Directors or Former Directors in respect of the Relevant Distributions, constitutes a related party transaction (as defined in the Listing Rules) as each of the Directors is a related party for the purposes of the Listing Rules. As a result, the Resolution must be approved by the Company's shareholders who are not interested related parties. Accordingly, each of the Directors and Former Directors and their associates are precluded from voting on the Resolution and the Directors and Former Directors have undertaken to abstain, and to take all reasonable steps to ensure that their associates abstain, from voting on the Resolution.

The entry by the Company into the Directors' Deed of Release will not have any effect on the Company's financial position because, as with the position in relation to the Relevant Distributions and potential claims against past and present shareholders, the Company has not recorded or disclosed its right potentially to make claims against past and present directors in respect of the Relevant Distributions as an asset or contingent asset of the Company.

Again, under the Company's IFRS accounting policies, it could only record such a right as an asset when an inflow of economic benefits in favour of the Company as a result of such claim or claims being brought was virtually certain. The value of any economic benefit which the Company may derive from bringing claims against past and present directors is uncertain (and, in any case, incapable of reliable estimation) on the basis that past and present directors would be entitled to seek the court's relief against such claims and there can be no certainty as to the amounts (if any) which could be recovered by the Company.

In addition, under IFRS, a contingent asset is required to be disclosed only when an inflow of economic benefits in favour of the Company is probable. The directors of the Company have concluded that any inflow of economic benefits as a result of such claims is less than probable.

Therefore, the Company's entry into the Directors' Deed of Release does not involve the disposition of any recognised asset or contingent asset by the Company in favour of past or present directors.

As explained above, the entry by the Company into the Directors' Deed of Release constitutes a related party transaction (as defined in the Listing Rules). Therefore, the Resolution will also seek the specific approval of the Company's shareholders of the entry into the Directors' Deed of Release as a related party transaction, in accordance with the requirements of the Listing Rules.

6. The tax position of UK shareholders

The Company has drawn the attention of HM Revenue & Customs (**HMRC**) to the circumstances surrounding the payment of the Relevant Distributions and to the steps that are now proposed to address the position. HMRC has confirmed that the tax position of UK shareholders is not affected by any procedural irregularity in the Relevant Distributions. Therefore, based on HMRC's current understanding, the passing of the Resolution should have no effect on the UK tax position of such persons.

If any UK resident shareholder has any doubts about his or her tax position, he or she should consult with an independent professional adviser.

7. The tax position of non-UK shareholders

It is similarly not expected that the passing of the Resolution should have an effect on the tax position of US shareholders although the Company has not and does not intend to seek similar confirmation from the Internal Revenue Service as it has done from HMRC.

If any US or other non-UK resident shareholder has any doubts about his or her tax position, he or she should consult with an independent professional adviser.

8. Other information

The share capital of the Company as at 15 January 2016 (being the latest practicable date before the publication of this document) comprises 151,491,045 Ordinary Shares.

For information, as at 15 January 2016 (being the latest practicable date before the publication of this document), options to subscribe for shares in respect of a maximum 5,223,160 Ordinary Shares in the Company were outstanding which, if exercised, would represent approximately 3.4 per cent. of the Company's issued ordinary share capital at the relevant date.

Copies of the final forms of the Shareholders' Deed of Release and the Directors' Deed of Release are at the end of this document and available on the Company's website www.nextplc.co.uk/investors/shareholder-information/company-meetings and in hard copy during normal business hours on any weekday (except for Saturdays, Sundays and public holidays) at the registered office of the Company and at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD up to the time of the General Meeting. Copies will also be available at the place of the General Meeting until the conclusion of the General Meeting.

PART III — ADDITIONAL INFORMATION

1. The Company

The Company was incorporated and registered in England and Wales on 9 April 2002 with registered number 04412362 as a public company limited by shares under the name Bronzejasper Public Limited Company.

On 11 September 2002, the Company changed its name to Next Group plc, and on 22 November 2002 the Company changed its name to Next plc.

The Company's registered office is Desford Road, Enderby, Leicester, LE19 4AT (tel. +44 (0)333 777 4577).

The principal legislation under which the Company operates is the laws of England and Wales.

2. Directors' and Former Directors' interests

The interests of the Directors and Former Directors who are related parties in the Ordinary Shares as at 15 January 2016 (being the latest practicable date before the date of this document) are as follows:

2.1 Directors' and Former Directors' shareholdings:

<u>Name</u>	<u>Number of Ordinary Shares⁽¹⁾</u>	<u>Percentage of voting rights⁽²⁾</u>
John Barton	14,000	0.009%
Lord Wolfson of Aspley Guise	1,515,136	1.000%
Christos Angelides	29,920	0.020%
Steve Barber	5,000	0.003%
Christine Cross	Nil	-
Jonathan Dawson	5,000	0.003%
Caroline Goodall	Nil	-
Amanda James	14,192	0.009%
David Keens	206,085	0.136%
Michael Law	24,233	0.016%
Francis Salway	7,790	0.005%
Jane Shields	53,481	0.035%
Dame Dianne Thompson	Nil	-

(1) Including shares held by connected persons.

(2) On the basis that the total number of voting rights as at 15 January 2016 (being the latest practicable date before the publication of this document) is 151,491,045.

2.2 Directors' and Former Directors' interests under the LTIP⁽¹⁾:

<u>Name</u>	<u>Date of award</u>	<u>Market price at award date⁽²⁾</u>	<u>Vesting Date⁽³⁾</u>	<u>Maximum Number of Ordinary Shares under award</u>	<u>Exercise price</u>
Lord Wolfson of Aspley Guise	Sep 2012	£30.83	Jan 2016	17,613	Nil
	Mar 2013	£37.39	Jan 2016	19,492	Nil
	Sep 2013	£46.36	Jul 2016	15,720	Nil
	Mar 2014	£56.37	Jan 2017	13,187	Nil
	Sep 2014	£65.09	Jul 2017	11,421	Nil
	Mar 2015	£66.66	Jan 2018	11,263	Nil
	Sep 2015	£74.29	Jul 2018	10,106	Nil
Amanda James	Mar 2013	£37.39	Jan 2016	2,783	Nil
	Sep 2013	£46.36	Jul 2016	2,244	Nil
	Mar 2014	£56.37	Jan 2017	2,342	Nil
	Sep 2014	£65.09	Jul 2017	2,765	Nil
	Mar 2015	£66.66	Jan 2018	4,545	Nil
	Sep 2015	£74.29	Jul 2018	4,079	Nil
David Keens	Mar 2013	£37.39	Jan 2016	6,990	Nil
	Sep 2013	£46.36	Jul 2016	4,381	Nil
Michael Law	Mar 2013	£37.39	Jan 2016	4,814	Nil
	Sep 2013	£46.36	Jul 2016	4,853	Nil
	Mar 2014	£56.37	Jan 2017	5,428	Nil
	Sep 2014	£65.09	Jul 2017	6,145	Nil
	Mar 2015	£66.66	Jan 2018	6,061	Nil
	Sep 2015	£74.29	Jul 2018	5,438	Nil
Jane Shields	Mar 2013	£37.39	Jan 2016	4,814	Nil
	Sep 2013	£46.36	Jul 2016	4,853	Nil
	Mar 2014	£56.37	Jan 2017	5,428	Nil
	Sep 2014	£65.09	Jul 2017	6,145	Nil
	Mar 2015	£66.66	Jan 2018	6,061	Nil
	Sep 2015	£74.29	Jul 2018	5,438	Nil

- (1) LTIP awards are made bi-annually and have a three year performance period. The maximum number of shares that may be awarded to each director is a percentage of each director's base salary at the date of each grant, divided by Next plc's average share price over the three months before the start of the performance period. The actual number of awards that vest is determined by the relative Total Shareholder Return performance of Next plc compared with a comparator group of around 20 other retailers over the performance period. For LTIPs with performance periods ending in the financial year to January 2016, the maximum value of LTIP awards that vest is capped at £2.5 million for each director.
- (2) The market price at award date is the average share price over the three months before the start of the performance period.
- (3) The vesting date shown in this column is the end of the three year performance period. Actual vesting will be on the date thereafter on which the Remuneration Committee determines whether any performance condition has been satisfied.

2.3 Directors' and Former Directors' interests in Deferred Bonus Shares:

<u>Name</u>	<u>Vesting Date</u>	<u>Number of Ordinary Shares under award</u>	<u>Exercise price</u>
Lord Wolfson of Aspley Guise	April 2016	5,752	N/A
	April 2017	5,180	N/A

Note: Any annual bonus in excess of 100% of base salary payable to the Chief Executive is payable in shares and deferred for a period of two years and subject to forfeiture if he voluntarily resigns before the end of that period. There are no further performance conditions.

2.4 Directors' and Former Directors' interests under the Company's Share Matching Plan:

<u>Name</u>	<u>Date from which exercisable</u>	<u>Number of Ordinary Shares under award</u>	<u>Exercise price</u>
Lord Wolfson of Aspley Guise	April 2016	9,204	Nil
Amanda James	April 2016 April 2017	1,618 1,418	Nil Nil
David Keens	April 2016	4,731	Nil
Michael Law	April 2016	2,468	Nil
Jane Shields	April 2016	2,466	Nil

2.5 Directors' and Former Directors' interests under the Company's Sharesave scheme:

<u>Name</u>	<u>Date from which exercisable</u>	<u>Number of Ordinary Shares under award</u>	<u>Exercise price</u>
Lord Wolfson of Aspley Guise	Dec 2018	364	£41.12
Amanda James	Dec 2016 Dec 2018	198 264	£20.84 £41.12
Michael Law	Dec 2017	163	£54.92
Jane Shields	Dec 2018 Dec 2019	299 49	£41.12 £54.92

Note: Options under the Company's Sharesave scheme are not subject to performance conditions as they are made under a UK HMRC tax approved scheme.

3. Service agreements

3.1 General terms

The annual salaries of the Executive Directors for the financial year to January 2016 are set out in the table below. The salaries will be reviewed each year.

<u>Name</u>	<u>Position</u>	<u>Effective date of service agreement</u>	<u>Annual salary</u>
Lord Wolfson of Aspley Guise . .	Chief Executive	14 March 2013	£750,800
Amanda James	Group Finance Director	1 April 2015	£303,000
Michael Law	Group Operations Director	1 July 2013	£404,000
Jane Shields	Group Sales and Marketing Director	1 July 2013	£404,000

The current annual fees of the Non-Executive Directors are set out in the table below.

<u>Name</u>	<u>Position</u>	<u>Annual fees</u>
John Barton	Chairman	£262,701
Steve Barber	Non-Executive Director	£ 64,903
Caroline Goodall	Non-Executive Director	£ 64,903
Francis Salway	Non-Executive Director	£ 64,903
Dame Dianne Thompson	Non-Executive Director	£ 54,086

The Executive Directors are expected to devote the whole of their time, attention and abilities to the performance of their duties during their agreed working hours and in return the Executive Directors will receive the following benefits under the terms of their service agreements:

- entitlements to a discretionary annual bonus;
- entitlements to participate in certain of the Company's incentive share plans when offered and subject to the rules of the schemes;

- the option to join the Company's pension arrangements;
- a salary supplement of 15 per cent. of base salary paid in lieu of pension provision to each of Lord Wolfson of Aspley Guise, Michael Law and Jane Shields, after these directors became deferred members of the defined benefit section of the Next Group pension plan;
- entitlements to a company car or a discretionary car allowance in accordance with the Company's company car policy;
- entitlements to participate in a private medical cover scheme;
- entitlements to a 25% discount and an annual allowance on Company merchandise;
- 25 working days' annual leave per annum (which increases with length of service to a maximum of 31 days);
- reasonable expenses incurred by the Executive Directors in the proper performance of their duties will be reimbursed by the Company, subject to receipts or other evidence being provided; and
- entitlements to executive Company sick pay during any period(s) of absence on medical grounds up to a maximum of 26 weeks in any period of 12 months.

3.2 Termination provisions

Executive Directors

Each of the Executive Directors has a rolling service contract. The contract is terminable by the Company giving one year's notice and by the Executive Director giving six months' notice. Each of the Executive Directors may be put on garden leave during this time. This will not affect the Executive Director's entitlement to receive his/her normal salary and contractual benefits.

The Company may terminate the Executive Director's employment immediately by notice in certain circumstances, including where the Executive Director has committed any serious breach or repeated or continued (after warning) breach of his/her obligations under his/her service agreement, been guilty of conduct tending to bring him/her or the Company or any Next Group company into disrepute, become bankrupt, failed to perform his/her duties to a satisfactory standard, been convicted of an offence under any legal provision (other than a motoring offence for which no custodial sentence is given), refused or neglected to comply with any reasonable order or direction given to him/her by the Company, by reason of illness or other incapacity has been unable to perform his/her duties for six consecutive months in any period of 12 months or becomes of unsound mind or is or becomes a patient for any purpose of any statute relating to mental health.

The Executive Directors' service agreements also contain post-termination restrictions including: (i) in the course of any business concern which is in competition with the business of the Company or any Next Group companies offering to employ or engage or otherwise endeavouring to entice away from the Company any key employee; (ii) soliciting or endeavouring to entice away from the Company the business or custom of certain customers with a view to providing goods or services in competition with any Next Group company; (iii) soliciting or endeavouring to entice away from the Company the business or custom of certain prospective customers with a view to providing goods or services in competition with certain businesses of the Company and Next Group companies; (iv) providing goods or services to or otherwise having any business dealings with certain customers in the course of any business concern which is in competition with any businesses of the Company or the Next Group companies; (v) providing goods or services to or otherwise having any business dealings with certain prospective customers in the course of any business concern which is in competition with any business of the Company or any Next Group company; (vi) interfering or endeavouring to interfere with the supply of goods and/or services by certain suppliers to the Company or any Next Group company; and (vii) during any period of garden leave being engaged or concerned in any capacity in any business concern which is competition in any country in the world where the Company or any Next Group company has certain business interests. Each of the restrictions at (i) to (vi) apply for a period of 12 months.

The Company reserves the right to withhold payment under each of the annual bonus scheme, LTIP and Share Matching Plan schemes if an Executive Director is no longer employed or is under notice of termination for any reason at the due date for payment.

The Company reserves the right to reduce conditional awards granted to reduce sums payable to or recover sums paid to an Executive Director under each of the annual bonus, LTIP and Share Matching Plan schemes, subject to various claw-back provisions.

The Company reserves the right to terminate the service agreement of an Executive Director when that Executive Director reaches the Company's normal retirement age of 65 years.

Non-Executive Directors

The Non-Executive Directors do not have service agreements, although they each have letters of appointment reflecting their responsibilities and commitments. The appointments are not for fixed term periods; however, they are appointed in the expectation that they will serve for a minimum of six years.

The letter of appointment of John Barton (*Chairman and Non-Executive Director*) can be terminated by his giving the Company not less than six months' written notice and by the Company giving him not less than 12 months' written notice. The continuation of John Barton's letter of appointment is contingent on his satisfactory performance as Chairman of the Board and his annual re-election at the Annual General Meetings of the Company.

The letters of appointment for the Independent Non-Executive Directors (with the exception of John Barton) can be terminated by either party giving the other not less than one month's written notice. The continuation of an Independent Non-Executive Director's letter of appointment is contingent on his/her satisfactory performance as an Independent Non-Executive Director and his/her annual re-election at the Annual General Meetings of the Company.

3.3 Incentive arrangements on termination of employment

The following sets out the treatment of outstanding elements of remuneration that would normally apply to directors upon termination of their employment.

Executive Directors

The Company has reserved the right to make a payment in lieu of notice on termination of an Executive Director's contract equal to their base salary and contractual benefits (excluding performance-related pay).

If notice of termination is given immediately following a change of control of the Company, the Executive Director may request immediate termination of his/her contract, and payment of liquidated damages equal to the value of his/her base salary and contractual benefits.

In normal circumstances, Executive Directors have no entitlement in respect of loss of performance bonuses and all share awards would lapse following resignation. However, under certain circumstances (for example, "good leaver" or change in control), and solely at the Next plc Remuneration Committee's discretion, annual bonus payments may be made and would ordinarily be calculated up to the date of termination only. In addition, awards made under the LTIP and SMP would, in those circumstances, generally be time pro-rated and remain subject to the application of the performance conditions at the normal measurement date. The Remuneration Committee also has a standard discretion to vary the application of time pro-rating in such cases. "Good leaver" treatments are applied in exceptional cases only.

In the event of any termination payment being made to an Executive Director (including any performance-related pay elements), the Next plc Remuneration Committee will take full account of that Executive Director's duty to mitigate any loss and, where appropriate, may seek independent professional advice and consider the views of shareholders as expressed in published guidance prior to authorising such payment.

Consistent with market practice, in the event of removal from office of an Executive Director, the Company may pay a contribution towards the individual's legal fees and fees for outplacement services as part of a negotiated settlement and such other amounts as the Next plc Remuneration Committee considers to be necessary, having taken legal advice, in settlement of potential claims. The Next plc Remuneration Committee has the right, if necessary, to authorise additional payments in respect of such professional fees if not ascertained at the time of reporting such termination arrangements up to a maximum of £10,000.

A departing gift may be provided up to a value of £1,000 (plus related taxes) per Executive Director.

Non-Executive Directors

On termination, the Non-Executive Directors are only entitled to such fees and expenses as have accrued at the date of termination. Non-Executive Directors receive a staff discount on Company merchandise but do not participate in any of the bonus, pension, share option or other incentive schemes.

Save as set out in this document, none of the Former Directors are party to any agreement with the Company.

4. Major shareholders

In so far as is known to the Company, as at 15 January 2016 (being the latest practicable date before the publication of this document), the following persons were interested, directly or indirectly, in three per cent. or more of the voting rights attaching to the Ordinary Shares:

<u>Name</u>	<u>Number of Ordinary Shares at date of notification</u>	<u>Percentage of voting rights⁽¹⁾</u>	<u>Date of notification</u>
FMR LLC	20,250,185	13.37%	3 Dec 2015
BlackRock, Inc.	15,449,829	10.20%	8 Jan 2014

(1) On the basis that the total number of voting rights as at 15 January 2016 (being the latest practicable date before the publication of this document) is 151,491,045.

5. Related party transactions

Save as set out in this document, the Company has not entered into any related party transactions with any of the Directors or Former Directors.

6. Material contracts

There are no material contracts to which the Company or any member of the Next Group is a party which contain information that shareholders of the Company would reasonably require to make a properly informed assessment of how to vote.

7. Significant change

There has been no significant change in the financial or trading position of the Next Group since 25 July 2015, the date to which the results for the half year ended July 2015, being the last interim financial information for the Next Group, were prepared.

8. Consent

UBS has given and has not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they are given.

9. Documents on display

In addition to this document, copies of the following documents will be available for inspection at the Company's registered office at Desford Road, Enderby, Leicester, LE19 4AT and at the London office of the Company's legal advisers, Allen & Overy LLP, at One Bishops Square, London, E1 6AD during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document up to and including the date of the General Meeting:

- (a) the Company's articles of association;
- (b) the Shareholders' Deed of Release;
- (c) the Directors' Deed of Release; and
- (d) the written consent referred to in paragraph 8 of this Part III.

PART IV — DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

Act means the Companies Act 2006;

Board or **Directors** means the board of directors of the Company;

Company means Next plc;

CREST means the paperless settlement procedure operated by Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;

CREST Manual means the rules governing the operation of CREST as published by Euroclear;

Directors' Deed of Release means a deed of release by which the Company waives any rights to make claims against Former Directors and Directors in respect of the Relevant Distributions;

Executive Directors means the executive directors of the Company, being Lord Wolfson of Aspley Guise, Amanda James, Michael Law and Jane Shields;

FCA Handbook means the FCA's Handbook of Rules and Guidance;

Financial Conduct Authority or **FCA** means the Financial Conduct Authority of the United Kingdom;

Form of Proxy means the form of proxy enclosed with this document for use by shareholders in connection with the General Meeting;

Former Directors means Christos Angelides, Christine Cross, Jonathan Dawson and David Keens;

FSMA means the Financial Services and Markets Act 2000, as amended;

General Meeting means the general meeting of the Company, to be held at 9.00 a.m. on 10 February 2016 at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD, or any adjournment thereof, notice of which is set out in Part V of this document;

HMRC means Her Majesty's Revenue & Customs;

IFRS means the International Financial Reporting Standards promulgated by the International Accounting Standards Board (which includes standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards issued under previous constitutions), together with its pronouncements thereon from time to time, as adopted by the European Union;

Listing Rules means the listing rules made by the FCA under Part VI of FSMA (as set out in the FCA Handbook), as amended;

LTIP means the Company's Long Term Incentive Plan adopted in 2006 and renewed by shareholders on 14 May 2015;

Next Group means Next plc and each of its subsidiaries and subsidiary undertakings;

Non-Executive Directors means the non-executive directors of the Company, being John Barton, Steve Barber, Caroline Goodall, Francis Salway and Dame Dianne Thompson;

Notice means the Notice of General Meeting set out in Part V of this document;

Ordinary Shares means ordinary shares of 10 pence each in the capital of the Company;

Recipient Shareholder means a shareholder of the Company who has received one or more of the Relevant Distributions;

Relevant Distributions means the special interim dividend of 50 pence per Ordinary Share paid on 3 February 2014, the ordinary interim dividend of 50 pence per Ordinary Share paid on 2 January 2015, the special interim dividend of 50 pence per Ordinary Share paid on 2 February 2015 and the special interim dividend of 60 pence per Ordinary Share paid on 2 November 2015;

Resolution means the resolution to be proposed at the General Meeting, the full text of which is set out in the notice of General Meeting set out in Part V of this document;

Shareholders' Deed of Release means a deed of release in favour of all shareholders who appeared on the register of members on the record date for each of the Relevant Distributions from any and all claims which the Company has or may have in respect of the payment of those Relevant Distributions;

Share Matching Plan or **SMP** means the Company's share matching plan adopted in May 2010;

Total Shareholder Return means the growth in the Company's share price added to the total dividend yield; and

UBS means UBS Limited.

PART V — NOTICE OF GENERAL MEETING

NEXT PLC

Notice is given that a general meeting of Next plc (the **Company**) will be held at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD on 10 February 2016 at 9.00 a.m. to consider and, if thought fit, pass the following resolution as a special resolution (requiring a 75 per cent. majority). Voting on this resolution will be by way of poll.

SPECIAL BUSINESS

1. THAT:

- 1.1 the appropriations of distributable profits of the Company (as shown in the interim accounts of the Company made up to 24 October 2015 and filed with the Registrar of Companies on 30 November 2015) to the payment of each of the special interim dividend of 50 pence per Ordinary Share paid on 3 February 2014, the ordinary interim dividend of 50 pence per Ordinary Share paid on 2 January 2015, the special interim dividend of 50 pence per Ordinary Share paid on 2 February 2015 and the special interim dividend of 60 pence per Ordinary Share paid on 2 November 2015 (each a **Relevant Distribution** and together the **Relevant Distributions**) and together having a total value of £311,157,827.10 be and are authorised, each by reference to the same record date as the original accounting entries for the Relevant Distributions;
- 1.2 any and all claims which the Company has or may have arising out of or in connection with the payment of the Relevant Distributions against its shareholders who appeared on the register of shareholders on the relevant record date for each Relevant Distribution (or the personal representatives and their successors in title (as appropriate) of a shareholder's estate if he or she is deceased) be waived and released, and a deed of release in favour of such shareholders (or the personal representatives and their successors in title (as appropriate) of a shareholder's estate if he or she is deceased) be entered into by the Company in the form produced to the General Meeting and initialled by the Chairman for the purposes of identification and any Director in the presence of a witness, any two Directors or any Director and the Company Secretary be authorised to execute the same as a Deed Poll for and on behalf of the Company; and
- 1.3 any and all claims which the Company has or may have against each of its Directors and Former Directors or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director or Former Director is deceased, arising out of or in connection with the approval, declaration or payment of the Relevant Distributions be waived and released and that a deed of release in favour of each of such Directors and Former Directors (or the personal representatives and their successors in title of his or her estate if such Director or Former Director is deceased), be entered into by the Company in the form produced to the General Meeting and initialled by the Chairman for purposes of identification and any Director in the presence of a witness, any two Directors or any Director and the Company Secretary be authorised to execute the same as a Deed Poll for and on behalf of the Company.

BY ORDER OF THE BOARD

Seonna Anderson
COMPANY SECRETARY
18 January 2016

Registered Office: Desford Road, Enderby, Leicester, LE19 4AT

Registered in England and Wales No. 04412362

NOTES:

1. Members are entitled to appoint a proxy/proxies to exercise all or any of the rights to attend, speak and vote on their behalf at the General Meeting. A proxy need not also be a shareholder of the Company and may vote on any other business which may properly come before the General Meeting. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. A person who appoints as their proxy someone other than the Chairman is responsible for ensuring that the proxy attends the General Meeting and is aware of the voting intention of the member. If no voting instruction is given, the proxy has discretion on whether and how to vote. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted, the senior holder being the first named of the joint holders to appear in the Company's share register.
2. To be valid, the form of proxy must be completed and lodged with Equiniti not later than 9.00 a.m. on 8 February 2016 (or 48 hours before any adjourned meeting). If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. A proxy should either be submitted by post on the enclosed form of proxy which is pre-paid or via the internet at www.sharevote.co.uk where full instructions are given. This address is given only for the filing of proxies for the General Meeting and not for any other purpose. If you choose to appoint a proxy electronically, you will require your unique Voting ID, Task ID and Shareholder Reference Number as printed on the proxy card. Return of a completed proxy form, internet proxy or any CREST proxy instruction (as described below) will not prevent a member attending the General Meeting and voting in person if he/she wishes to do so. The use by members of the electronic proxy appointment service will be governed by the terms and conditions of use which appear on the website. Electronic proxies must be completed and lodged in accordance with the instructions on the website by no later than 48 hours before the General Meeting. Further details relating to proxies are set out in the notes on the enclosed form of proxy.
3. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic appointment service may do so for the General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
4. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK and Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of General Meeting. For this purpose, the time of receipt shall be taken as the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
5. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by a particular time. In this connection, CREST members and, where applicable, CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
6. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
7. The Company specifies that in order to have the right to attend and vote at the General Meeting (and in accordance with the Company's articles of association and pursuant to Regulation 41 of the

Uncertificated Securities Regulations 2001) and also for the purpose of determining how many votes a person entitled to attend and vote may cast, a person must be entered on the register of members of the Company at 6.00 p.m. on 8 February 2016 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned General Meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.

8. All of the Ordinary Shares carry one vote each and there are no shares held in treasury. On a vote by a show of hands every member who is present has one vote and every proxy present who has been duly appointed by a member entitled to vote has one vote. On a poll vote every member who is present in person or by proxy has one vote for every Ordinary Share they hold.
9. Members wishing to attend the General Meeting in person should sign their attendance card and hand it in on arrival. The registration desk will open at 8.45 a.m.
10. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or good order of the General Meeting that the question be answered.
11. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share. It is no longer necessary to nominate a designated corporate representative.
12. The right to appoint proxies does not apply to persons nominated to receive information rights under section 146 of the Companies Act 2006. Persons nominated to receive information rights under that section who have been sent a copy of this Notice are informed that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for the purposes of this General Meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member on the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.
13. The total issued share capital of the Company as at 15 January 2016 (being the last practicable day before the publication of this Notice) was 151,491,045 Ordinary Shares carrying one vote each. On 15 January 2016 the Company held no shares in treasury.
14. Copies of the final forms of the Shareholders' Deed of Release and the Directors' Deed of Release are available on the Company's website www.nextplc.co.uk/investors/shareholder-information/company-meetings or in hard copy during normal business hours on any weekday (except for Saturdays, Sundays and public holidays) at the registered office of the Company and at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AD up to the time of the General Meeting. Copies will also be available at the place of the General Meeting until the conclusion of the General Meeting.
15. The Chairman will propose that voting on the resolution at the General Meeting will be conducted by poll vote rather than by a show of hands, ensuring that every vote is recognised and giving a more accurate reflection of the views of members. The relevant procedures will be explained at the General Meeting.
16. The contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting, the total voting rights that members are entitled to exercise at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.nextplc.co.uk/investors/shareholder-information/company-meetings.
17. Shareholders are advised that unless otherwise specified, the telephone numbers, website and email addresses set out in this Notice or proxy forms are not to be used for the purpose of serving information or documents on the Company, including the service of documents or information relating to proceedings at the Company's General Meeting.
18. The results of the General Meeting will be posted on the Company's website (www.nextplc.co.uk/investors/shareholder-information/company-meetings) after the General Meeting.

FORM OF SHAREHOLDERS' DEED OF RELEASE

DEED POLL

THIS DEED POLL is made on [●] 2016

BY NEXT PLC (registered number 04412362) whose registered office is at Desford Road, Enderby, Leicester, LE19 4AT (the **Company**) in favour of the Recipient Shareholders (as defined below).

WHEREAS:

- (A) As explained in the Notice of General Meeting addressed to the shareholders of the Company dated 18 January 2016 that is appended to this deed poll (the **GM Notice**), the board of directors of the Company has become aware of a technical issue in respect of the Company's procedures for the payment of the special interim dividend paid on 3 February 2014, the ordinary interim dividend paid on 2 January 2015, the special interim dividend paid on 2 February 2015 and the special interim dividend paid on 2 November 2015 (collectively, the **Relevant Distributions**).
- (B) The Company has been advised that, as a consequence of the Relevant Distributions having been made otherwise than in accordance with the Companies Act 2006, it may have claims against past and present shareholders who were recipients of one or more of the Relevant Distributions (or their personal representatives (and their successors in title) if they are deceased) (the **Recipient Shareholders**).
- (C) Pursuant to the Resolution set out in the GM Notice and duly passed by the Company's shareholders in a general meeting on 10 February 2016, the Company proposes to waive and release any and all claims which it has or may have in respect of the Relevant Distributions against the Recipient Shareholders and wishes to enter into this deed poll in favour of the Recipient Shareholders in order to effect the same.

THIS DEED POLL WITNESSES as follows:

1. RELEASE

The Company unconditionally and irrevocably waives and releases each of the Recipient Shareholders from any and all liability that any such Recipient Shareholder has or may have to the Company and all claims and demands the Company has or may have against each of them in connection with receipt by them of all or part of the Relevant Distributions.

2. GOVERNING LAW

This deed poll is governed by English law. Any non-contractual obligations arising out of or in connection with this deed poll shall be governed by English law.

IN WITNESS of which this deed poll has been executed and has been delivered on the date which appears first on page 1.

EXECUTED as a deed poll by **NEXT PLC**)
acting by _____,)
a director) Director
)
[and acting by _____,) [
a director / the Company Secretary]) Director / Company Secretary]

[OR]

[in the presence of:

Witness's Signature _____

Name: _____

Address: _____

_____]

FORM OF DIRECTORS' DEED OF RELEASE

DEED POLL

THIS DEED POLL is made on [●] 2016

BY NEXT PLC (registered number 04412362) whose registered office is at Desford Road, Enderby, Leicester, LE19 4AT (the **Company**) in favour of each of the current and certain former directors of the Company, whose names are set out in the schedule to this deed (the **Directors**) (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased).

WHEREAS:

- (A) As explained in the Notice of General Meeting addressed to the shareholders of the Company dated 18 January 2016 that is appended to this deed poll (the **GM Notice**), the board of directors of the Company has become aware of a technical issue in respect of the Company's procedures for the payment of the special interim dividend paid on 3 February 2014, the ordinary interim dividend paid on 2 January 2015, the special interim dividend paid on 2 February 2015 and the special interim dividend paid on 2 November 2015 (collectively, the **Relevant Distributions**).
- (B) The Company has been advised that, as a consequence of the Relevant Distributions having been made otherwise than in accordance with the Companies Act 2006, it may have claims against each of the Directors (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased).
- (C) Pursuant to the Resolution set out in the GM Notice and duly passed by the Company's shareholders in a general meeting on 10 February 2016, the Company proposes to waive and release any and all claims which it has or may have in respect of the Relevant Distributions against each of the Directors (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased) and wishes to enter into this deed poll in favour of the Directors and the personal representatives and their successors in title of the estate of any deceased Directors in order to effect the same.

THIS DEED POLL WITNESSES as follows:

1. RELEASE

The Company unconditionally and irrevocably waives and releases each of the Directors or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased from any and all liability that any of them has or may have to the Company and all claims and demands the Company has or may have against each of them, including, without limitation, any derivative action from or on behalf of shareholders of the Company, in connection with the making of all or part of the Relevant Distributions.

2. GOVERNING LAW

This deed poll is governed by English law. Any non-contractual obligations arising out of or in connection with this deed poll shall be governed by English law.

IN WITNESS of which this deed poll has been executed and has been delivered on the date which appears first on page 1.

EXECUTED as a deed poll by **NEXT PLC**)
acting by _____,)
a director) Director
)
[and acting by _____,) [
a director / the Company Secretary]) Director / Company Secretary]

[OR]

[in the presence of:

Witness's Signature _____

Name: _____

Address: _____

_____]

SCHEDULE 1

Current Directors

John Barton
Lord Wolfson of Aspley Guise
Steve Barber
Caroline Goodall
Amanda James
Michael Law
Francis Salway
Jane Shields
Dame Dianne Thompson

Former Directors

Christos Angelides
Christine Cross
Jonathan Dawson
David Keens

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