

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about what action you should take it is recommended that you immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

If you have sold or otherwise transferred your shares in the Company, please forward this document together with the accompanying documents, as soon as possible, to the purchaser or transferee or to the person through whom the sale or transfer was effected so that they can pass these documents to the person who now holds the shares.

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**John Lewis plc**

*(incorporated and registered in England and Wales with registered number 00233462)*

**Proposal for the cancellation and repayment of the  
two classes of preference shares in John Lewis plc**

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Notices of a General Meeting and of Separate Class Meetings are set out at the end of this document. Shareholders will find enclosed the relevant Forms of Proxy for use at the General Meeting and/or the Separate Class Meeting(s) (as appropriate).

To be valid for use at the General Meeting and the Separate Class Meetings, a Form of Proxy must be completed and returned by post or by hand (during normal business hours) to the Company's Company Secretariat or the Company's registrars (as applicable), so as to arrive no later than 10:00 am in respect of the General Meeting, 10:10 am in respect of the Separate Class Meeting of the holders of the 5% First Cumulative Preference Stock and 10:20 am in respect of the Separate Class Meeting of the holders of the 7% Cumulative Preference Stock in each case on 7 October 2016.

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**Expected Timetable\***

Latest time and date for receipt of Forms of Proxy	10:00 am in respect of the General Meeting, 10:10 am in respect of the Separate Class Meeting of the holders of the 5% First Cumulative Preference Stock and 10:20 am in respect of the Separate Class Meeting of the holders of the 7% Cumulative Preference Stock, on 7 October 2016
General Meeting and Separate Class Meetings	10:00 am, 10:10 am and 10:20 am respectively on 11 October 2016
Final Hearing confirming the Repayment	2 November 2016
Existing Preference Shares registers closed and the Preference Shares disabled in CREST	4 November 2016
Repayment record date	5.00pm on 4 November 2016
Cancellation of trading of Preference Shares	5.00pm on 4 November 2016
Date when the Repayment becomes effective	On or around 4 November 2016
Date for dispatch of cheques and CREST accounts credited in respect of repayment of the Preference Shares and dispatch of cheques and transfer via BACS in respect of accrued dividends to the Effective Date	On or around 18 November 2016

\*These dates are provisional only and may be subject to change, for example, on the direction of the High Court.

### Definitions

<b>"5% First Cumulative Preference Stock"</b>	the 1,457,500 issued 5% cumulative preference stock of one pound each in the share capital of the Company;
<b>"7% Cumulative Preference Stock"</b>	the 750,000 issued 7% cumulative preference stock of one pound each in the share capital of the Company;
<b>"Act"</b>	the Companies Act 2006, as amended from time to time;
<b>"Articles"</b>	the articles of association of the Company;
<b>"Company"</b>	John Lewis plc, a company incorporated and registered in England and Wales with registered number 00233462 and registered address 171 Victoria Street, London SW1E 5NN;
<b>"Court"</b>	the High Court of Justice in England and Wales;
<b>"Court Hearing"</b>	the final hearing in the High Court (Chancery Division) to approve the Repayment;
<b>"Directors" or "Board"</b>	the board of directors of the Company;
<b>"Effective Date"</b>	the date on which the Repayment becomes effective, expected to be 4 November 2016;
<b>"Form of Proxy"</b>	the form(s) of proxy accompanying this document for use in connection with the General Meeting and/ or the Separate Class Meetings (as appropriate);
<b>"General Meeting"</b>	the general meeting of the Company to be held at 10:00 am on 11 October 2016;
<b>"Group"</b>	the Company and its subsidiaries;
<b>"Ordinary Shareholders"</b>	holders of Ordinary Shares;
<b>"Ordinary Shares"</b>	the 6,750,000 ordinary shares of one pound each in the share capital of the Company;
<b>"Preference Shareholders"</b>	holders of Preference Shares;
<b>"Preference Shares"</b>	the 5% First Cumulative Preference Stock and 7% Cumulative Preference Stock;
<b>"Proposal"</b>	the proposal for the Repayment;

<b>"Repayment"</b>	the proposed cancellation and repayment of the Preference Shares;
<b>"Resolutions"</b>	the resolutions to be proposed at the General Meeting and the Separate Class Meetings relating to the Proposal;
<b>"Separate Class Meetings"</b>	the separate class meetings of the holders of the 5% First Cumulative Preference Stock and the 7% Cumulative Preference Stock to be held sequentially as soon as practicable after the General Meeting shall have been concluded or adjourned; and
<b>"Shareholder"</b>	a holder of Ordinary Shares and/or Preference Shares.

**Letter from the Chairman**

John Lewis plc

*(incorporated in England and Wales with registered number 00233462)***Directors:**

Tracey Killen  
Patrick Lewis  
Charlie Mayfield  
Bérangère Michel  
Andy Street

**Registered Office:**

171 Victoria Street  
London  
SW1E 5NN

16 September 2016

Dear Shareholders,

**PROPOSAL CONCERNING THE REDUCTION OF THE SHARE CAPITAL OF THE COMPANY****Introduction**

Your Board is seeking approval for the cancellation and repayment of the 5% First Cumulative Preference Stock and the 7% Cumulative Preference Stock such that, subject to the confirmation of the Court, the issued share capital of the Company be reduced from £8,957,500 to £6,750,000.

The purpose of this document is to explain the reasons for the Proposal.

**Reasons for the Proposal**

The Board has determined that the Preference Shares are an inefficient form of finance in a low interest environment. Accordingly, the Company wishes to cancel and repay the Preference Shares.

**Repayment of Share Capital**

The Board proposes to reduce the Company's share capital from £8,957,500 to £6,750,000 by cancelling and repaying the entirety of the 5% First Cumulative Preference Stock and the 7% Cumulative Preference Stock. It is the Board's intention to cancel the listing of the Preference Shares as part of this process.

Under the Act, a company may reduce its share capital provided that its articles of association do not prohibit a reduction, if (1) it obtains the approval by special resolution of its shareholders in general meeting; (2) the Court confirms the reduction (including, in this case, the Repayment); and (3) the order of the Court is delivered to the Registrar of Companies and registered by him. The Articles permit a reduction of capital and the Board is seeking the approval of Shareholders for the Repayment.

The Repayment must be confirmed by the Court. If approved by Shareholders, the Board expects that the Court will grant this confirmation at a hearing on 2 November 2016. In order for the Repayment to become effective, the Court order confirming it must then be registered at Companies House, which is likely to be completed within

two days of the date of the hearing. The Company expects to effect the payment to Preference Shareholders shortly thereafter (see further “**Settlement**” below).

### **Voting at the General Meeting and class meetings**

The Repayment requires the approval of Shareholders in General Meeting and Preference Shareholders at separate class meetings in respect of the reduction of their own class of capital. In each case, the resolutions require the approval of 75% of the relevant Shareholders present and voting in person or by proxy.

The holders of Ordinary Shares, 5% First Cumulative Preference Stock and 7% Cumulative Preference Stock are entitled to vote at the General Meeting. Shareholders have one vote per member present in person or by proxy on a show of hands and one vote per share on a poll.

The holders of the 5% First Cumulative Preference Stock are entitled to vote at the separate class meeting of the 5% First Cumulative Preference Stock holders and the holders of the 7% Cumulative Preference Stock are entitled to vote at the separate class meeting of the 7% Cumulative Preference Stock holders. In each case, the relevant Shareholders have one vote per member present in person or by proxy on a show of hands and one vote per share on a poll.

John Lewis Partnership plc holds 6,749,997 Ordinary Shares, 1,214,387 5% First Cumulative Preference Shares and 566,654 7% Cumulative Preference Stock and has confirmed that it will vote in favour of the resolutions at the General Meeting and at the class meetings. John Lewis Partnership plc has also informed the Company that it has agreed with two other members that they will together call a poll in accordance with the Articles on any resolution which is not passed on a show of hands. The resolutions will be passed on a poll given John Lewis Partnership plc’s holdings of Ordinary Shares and Preference Shares.

### **Amounts payable on cancellation**

The repayment amount includes all amounts due pursuant to the rights attaching to the shares as set out in the Articles and is set out below.

Holders of the 5% First Cumulative Preference Stock will receive the par value of their stock (i.e. £1 for every £1 of First 5% Cumulative Preference Stock held).

Holders of the 7% Cumulative Preference Stock will receive the par value of their stock (i.e. £1 for every £1 of 7% Cumulative Preference Stock held).

In addition to the amounts set out above, each Preference Shareholder will receive accrued dividend payments from 1 August 2016 to the Effective Date.

### **Settlement**

If the requisite approvals are obtained, cheques for the amount due on cancellation (as set out in **Amounts payable on cancellation** above) are expected to be posted on or around 18 November 2016 to the Preference Shareholders on the Register of Members at the Repayment record date who held the Preference Shares in certificated form (i.e. not in CREST), at their risk, to their respective addresses (or, in the case of joint holders, to the address of the first named holder). For Preference Shareholders who hold their Preference Shares through CREST, sums due will be paid through CREST on or around 18 November 2016.

The Preference Shares will be cancelled on the date the order cancelling the Preference Shares is registered with and accepted by the Registrar of Companies. Once cancelled certificates for the Preference Shares will cease to have effect.

## **Taxation**

The tax consequences of the Proposal will depend on the jurisdiction in which the relevant Preference Shareholder is resident for tax purposes. A summary of the United Kingdom tax consequences of the Proposal for Preference Shareholders resident in the United Kingdom for United Kingdom tax purposes is set out in Schedule 1. **Preference Shareholders who are in any doubt as to their tax position should consult their own independent professional adviser.**

## **General Meeting and Separate Class Meetings**

You will find on pages 8, 12 and 15 of this document notices convening a General Meeting and two Separate Class Meetings of the Company to be held from 10:00 am on 11 October 2016.

All Resolutions are proposed as special resolutions to approve the reduction of the Company's share capital.

Shareholders will find the relevant Forms of Proxy for use at the General Meeting and Separate Class Meetings enclosed with this document. Whether or not you propose to attend, you are requested to complete and return the relevant Form(s) of Proxy by post or by hand (during normal business hours) to:

- (i) in the case of Form(s) of Proxy in relation to the Preference Shares, the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
- (ii) in the case of the Form of Proxy in relation to the Ordinary Shares, the Company's Company Secretariat at Partnership House, Carlisle Place, London SW1P 1BX,

as soon as possible and, in any event, so as to arrive no later than 10:00 am in respect of the General Meeting, 10:10 am in respect of the Separate Class Meeting of the holders of the 5% First Cumulative Preference Stock and 10:20 am in respect of the Separate Class Meeting of the holders of the 7% Cumulative Preference Stock in each case on 7 October 2016.

Completion and return of a Form of Proxy will not preclude you from attending the General Meeting and/or Separate Class Meetings (as applicable) and voting in person should you wish to do so.

## **Recommendation**

The Board believes that the Proposal is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting and the Separate Class Meetings.

Yours sincerely



Charlie Mayfield  
(Chairman)

## **Schedule 1 – Tax implications for United Kingdom-resident Shareholders**

### **Tax implications for United Kingdom-resident Shareholders**

*The following comments do not constitute tax advice and are intended only as a guide to current United Kingdom law (or in the case of paragraph 2 below, proposed UK law) and HM Revenue & Customs' published practice (both of which are subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders and are intended to apply only to Shareholders who are resident in the United Kingdom for United Kingdom tax purposes, who hold, and will hold, the Preference Shares as investments (other than under a pension arrangement or in an individual savings account) and who are the absolute beneficial owner of the Preference Shares. They may not apply to certain categories of Preference Shareholders, such as dealers in securities, insurance companies and collective investment schemes, Preference Shareholders who are exempt from taxation and Preference Shareholders who have (or are deemed to have) acquired their Preference Shares by virtue of an office or employment. Such persons may be subject to special rules.*

**Preference Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom should consult an appropriate independent professional adviser.**

#### **1. The Repayment**

The cancellation and repayment of the 5% First Cumulative Preference Stock and 7% Cumulative Preference Stock should be treated as a disposal of those shares by the relevant Preference Shareholders for United Kingdom tax purposes. This may, subject to the Preference Shareholder's individual circumstances and any available exemption of relief (including, for individuals, the annual exempt amount of £11,100 described below), give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom capital gains tax ("CGT").

#### **Individuals**

The amount of CGT, if any, payable by a Preference Shareholder who is an individual as a consequence of the Repayment will depend on his own personal tax position. No tax will be payable on any gain realised on the Repayment if the amount of the net chargeable gains realised by a Preference Shareholder, when aggregated with other net gains realised by that Preference Shareholder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exemption (£11,100 for 2016/2017). Broadly, any gains in excess of this amount will be taxed at a rate of 10% for a basic rate income taxpayer and 20% for a higher rate income taxpayer. Where the gains of a basic rate income taxpayer subject to CGT exceed the basic rate band, that excess is subject to tax at the 20% rate.

#### **Companies**

A corporate Preference Shareholder is normally subject to United Kingdom corporation tax on all of its chargeable gains, subject to any reliefs and exemptions. Indexation allowance may reduce the amount of any chargeable gain for these purposes but may not create or increase any allowable loss.

#### **Stamp duty and stamp duty reserve tax ("SDRT")**

No stamp duty or SDRT should be payable on the Repayment.

## 2. Receipt of accrued dividend payments

Receipt by the Preference Shareholders of accrued dividend payments from 1 August 2016 to the Effective Date should be subject to United Kingdom income tax or United Kingdom corporation tax on income under the rules applicable to dividends, in the same way as for normal dividends paid on the Preference Shares. Accordingly, that tax treatment will follow the current tax treatment of dividends, which is as summarised below.

### General

There is no United Kingdom withholding tax on dividends paid by the Company.

### Individual Preference Shareholders subject to United Kingdom income tax

Provisions announced in the United Kingdom Summer Budget 2015 and contained in the Finance Bill as approved by the House of Commons on 6 September 2016 (the “**Finance Bill provisions**”) will, if enacted, change the treatment of dividends in the hands of Preference Shareholders who are individuals where a dividend (including the accrued dividends) is paid on or after 6 April 2016.

Assuming that the Finance Bill provisions are duly enacted, the tax treatment of the accrued dividends paid to Preference Shareholders will be as follows:

- The accrued dividends will not carry any United Kingdom tax credit (previously equal to one-ninth of the dividend received);
- All dividends received by an individual Preference Shareholder from the Company (or from other sources) will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividends from tax, form part of the Preference Shareholder’s total income for income tax purposes and will represent the highest part of that income; and
- New rates of tax on dividends will apply: 0% for the first £5,000 of taxable dividend income (the “**nil rate amount**”) and, where a Preference Shareholder’s taxable dividend income exceeds the nil rate amount, the excess amount (the “**relevant dividend income**”) will be subject to tax at: 7.5% of relevant dividend income within the basic rate band, 32.5% for relevant dividend income within the higher rate band and 38.1% for relevant dividend income within the additional rate band. Dividends within the nil rate band that would otherwise have been subject to the 7.5% or 32.5% rates will use up a portion of the relevant Preference Shareholder’s basic rate or higher rate band, respectively.

In determining whether and, if so, to what extent the relevant dividend income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the Preference Shareholder’s total taxable dividend income for the tax year in question (including the part within the nil rate amount) will, as noted above, be treated as the highest part of the Preference Shareholder’s total income for income tax purposes.

### Corporate Preference Shareholders within the charge to United Kingdom corporation tax

Preference Shareholders within the charge to United Kingdom corporation tax which are “small companies” (for the purposes of United Kingdom taxation of dividends) will not generally be subject to tax on receipt of the accrued dividends.

Other Preference Shareholders within the charge to United Kingdom corporation tax will not be subject to tax on the accrued dividends so long as the accrued dividends fall within an exempt class and certain conditions are met.

John Lewis plc

**Notice of General Meeting**

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of John Lewis plc (the "**Company**") will be held at 10:00 am on 11 October 2016 at One Bunhill Row, London EC1Y 8YY, for the purpose of considering and, if thought fit, passing the resolutions set out below as special resolutions:

Resolution 1

THAT, the issued share capital of the Company be reduced by cancelling, extinguishing and repaying the issued 5% First Cumulative Preference Stock of £1 each in the Company, such repayment to be on terms that the holder of each unit of the said stock shall be paid (i) 5% preferential dividends accruing on such stock from 1 August 2016 until the effective date of the repayment, and (ii) the nominal amount of such stock (£1).

Resolution 2

THAT, the issued share capital of the Company be reduced by cancelling, extinguishing and repaying the issued 7% Cumulative Preference Stock of £1 each in the Company, such repayment to be on terms that the holder of each unit of the said stock shall be paid (i) 7% preferential dividends accruing on such stock from 1 August 2016 until the effective date of the repayment, and (ii) the nominal amount of such stock (£1).

By Order of the Board



**Keith Hubber**  
*Company Secretary*

16 September 2016

**Entitlement to attend and vote**

1. The holders of the Ordinary Shares, the 5% First Cumulative Preference Stock and the 7% Cumulative Preference Stock have one vote per shareholder present in person or by proxy on a show of hands and one vote per share on a poll in respect of Resolution 1 and Resolution 2.
2. In accordance with applicable law the Company has specified that only those Shareholders registered in the Register of Members of the Company by close of business on 10 October 2016 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after close of business on 10 October 2016 will be disregarded in determining the rights of any person to attend or vote at the General Meeting.
3. Any Shareholder entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak, vote on a show of hands and vote on a poll at the General Meeting. To be effective, Forms of Proxy must be lodged:

- (i) in the case of Form(s) of Proxy in relation to the Preference Shares, with the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
- (ii) in the case of the Form of Proxy in relation to the Ordinary Shares, with the Company's Company Secretariat at Partnership House, Carlisle Place, London SW1P 1BX,

as soon as possible and, in any event, so as to arrive no later than 10:00 am on 7 October 2016.

- 4. Corporate Preference Shareholders and corporate Ordinary Shareholders may appoint one or more corporate representative(s).

#### **Website giving information regarding the General Meeting**

- 5. Information regarding the General Meeting, including the information required by section 311A of the Act, is available from <http://www.johnlewispartnership.co.uk>.

#### **Appointment of proxies**

- 6. If you are a member of the Company, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the General Meeting and you should have received a Form of Proxy with this notice of General Meeting. You can only appoint a proxy/proxies using the procedures set out in these notes and the notes to the Form of Proxy.
- 7. The proxy must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy.
- 8. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together.
- 9. CREST members may appoint a proxy through the CREST system. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita (ID RA10) not later than 48 hours before the time fixed for the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita is able to retrieve the message by enquiry to CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages and normal system timings and limitations will apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. 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.

10. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
11. Whether or not you propose to attend the General Meeting, you are requested to complete and return the Form of Proxy by post or by hand (during normal business hours) to the Company's registrars or the Company's Company Secretariat (as applicable), as set out in paragraph 3 above, or, in the case of CREST members who wish to appoint a proxy through CREST, as set out in paragraph 9 above, as soon as possible and, in any event, so as to arrive no later than 10:00 am on 7 October 2016.

#### **Appointment of proxy by joint members**

12. 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. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### **Changing proxy instructions**

13. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
14. Where you have appointed a proxy and would like to change the instructions, please contact:
  - (i) in the case of form(s) of Proxy in relation to the Preference Shares, the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; and
  - (ii) in the case of the form of Proxy in relation to the Ordinary Shares, the Company's Company Secretariat at Partnership House, Carlisle Place, London SW1P 1BX.
15. 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.

#### **Issued shares and total voting rights**

16. At the date of this notice, the Company's issued share capital comprised the Ordinary Shares and the Preference Shares. At the date of this notice, the total number of issued Ordinary Shares is 6,750,000, the total number of issued 5% First Cumulative Preference Stock is 1,457,500 and the total number of issued 7% Cumulative Preference Stock is 750,000. The Ordinary Shares and the Preference Shares carry one vote each on a poll. Therefore, the total number of votes exercisable at the date of this notice is 8,957,500.

**Nominated persons**

17. If you are a person who has been nominated under the Act to enjoy information rights (a “**Nominated Person**”):
- a. You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (the “**Relevant Member**”) to be appointed or to have someone else appointed as a proxy for the General Meeting.
  - b. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
  - c. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

**John Lewis plc****Notice of Separate Class Meeting of the holders of the 5% First Cumulative Preference Stock**

NOTICE IS HEREBY GIVEN that a SEPARATE CLASS MEETING of the holders of the 5% First Cumulative Preference Stock of £1 each in the capital of John Lewis plc (the "Company") will be held at 10:10 am on 11 October 2016 (or as soon thereafter on that date as the General Meeting of the Company of the same day and place shall have been concluded or adjourned) at One Bunhill Row, London EC1Y 8YY, for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

THAT, the issued share capital of the Company be reduced by cancelling, extinguishing and repaying the issued 5% Cumulative Preference Stock of £1 each in the Company, such repayment to be on terms that the holder of each unit of the said stock shall be paid (i) 5% preferential dividends accruing on such stock from 1 August 2016 until the effective date of the repayment, and (ii) the nominal amount of such stock (£1).

By Order of the Board



**Keith Hubber**  
*Company Secretary*

16 September 2016

**Entitlement to attend and vote**

1. In accordance with applicable law the Company has specified that only those holders of the 5% First Cumulative Preference Stock registered in the Register of Members of the Company by close of business on 10 October 2016 shall be entitled to attend or vote at the Separate Class Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after close of business on 10 October 2016 will be disregarded in determining the rights of any person to attend or vote at the Separate Class Meeting.
2. Any Member entitled to attend and vote at the Separate Class Meeting may appoint one or more proxies to attend the meeting, speak, vote on a show of hands and vote on a poll, on his behalf at the Separate Class Meeting. To be effective, Forms of Proxy must be lodged with the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to arrive no later than 10:10 am on 7 October 2016.
3. Corporate Preference Shareholders may appoint one or more corporate representative(s).

**Website giving information regarding the General Meeting**

4. Information regarding the Separate Class Meeting, including the information required by section 311A of the Act is available from <http://www.johnlewispartnership.co.uk>.

### Appointment of proxies

5. If you are a member of the Company, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Separate Class Meeting and you should have received a Form of Proxy with this notice of Separate Class Meeting. You can only appoint a proxy/ proxies using the procedures set out in these notes and the notes to the Form of Proxy.
6. The proxy must attend the Separate Class Meeting to represent you. Details of how to appoint the Chairman of the Separate Class Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together.
8. CREST members may appoint a proxy through the CREST system. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita (ID RA10) not later than 48 hours before the time fixed for the Separate Class Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita is able to retrieve the message by enquiry to CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages and normal system timings and limitations will apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. 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.
9. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Separate Class Meeting.
10. Whether or not you propose to attend the Separate Class Meeting, you are requested to complete and return the Form of Proxy by post or by hand (during normal business hours) to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or, in the case of CREST members who wish to appoint a proxy through CREST, as set out in paragraph 8 above, as soon as possible and, in any event, so as to arrive no later than 10:10 am on 7 October 2016.

### Appointment of proxy by joint members

11. 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. Seniority is determined by the order in

which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### Changing proxy instructions

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
13. Where you have appointed a proxy and would like to change the instructions, please contact Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
14. 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.

### Issued shares and total voting rights

15. At the date of this notice, the total number of issued 5% First Cumulative Preference Shares is 1,457,500. The 5% First Cumulative Preference Shares carry one vote each on a poll. Therefore, the total number of votes exercisable at the Separate Class Meeting at the date of this notice is 1,457,500.

### Nominated persons

16. If you are a person who has been nominated under the Act to enjoy information rights (a "**Nominated Person**"):
  - a. You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (the "**Relevant Member**") to be appointed or to have someone else appointed as a proxy for the Separate Class Meeting.
  - b. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
  - c. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

**John Lewis plc****Notice of Separate Class Meeting of the holders of the 7% Cumulative Preference Stock**

NOTICE IS HEREBY GIVEN that a SEPARATE CLASS MEETING of the holders of the 7% Cumulative Preference Stock of £1 each in the capital of John Lewis plc (the "Company") will be held at 10:20 am on 11 October 2016 (or as soon thereafter on that date as the General Meeting and the Separate Class Meeting of the holders of the 5% First Cumulative Preference Stock of the Company of the same day and place shall have been concluded or adjourned) at One Bunhill Row, London EC1Y 8YY, for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

THAT, the issued share capital of the Company be reduced by cancelling, extinguishing and repaying the issued 7% Cumulative Preference Stock of £1 each in the Company, such repayment to be on terms that the holder of each unit of the said stock shall be paid (i) 7% preferential dividends accruing on such stock from 1 August 2016 until the effective date of the repayment, and (ii) the nominal amount of such stock (£1).

By Order of the Board



**Keith Hubber**  
*Company Secretary*

**Entitlement to attend and vote**

1. In accordance with applicable law the Company has specified that only those holders of the 7% Cumulative Preference Stock registered in the Register of Members of the Company by close of business on 10 October 2016 shall be entitled to attend or vote at the Separate Class Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after close of business on 10 October 2016 will be disregarded in determining the rights of any person to attend or vote at the Separate Class Meeting.
2. Any Member entitled to attend and vote at the Separate Class Meeting may appoint one or more proxies to attend the meeting, speak, vote on a show of hands and vote on a poll, on his behalf at the Separate Class Meeting. It is recommended that a proxy be a member of the Company, but it is not a requirement. To be effective, Forms of Proxy must be lodged with the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible and, in any event, so as to arrive no later than 10:20 am on 10 October 2016.
3. Corporate Preference Shareholders may appoint one or more corporate representative.

**Website giving information regarding the General Meeting**

4. Information regarding the Separate Class Meeting, including the information required by section 311A of the Act is available from <http://www.johnlewispartnership.co.uk>.

### Appointment of proxies

5. If you are a member of the Company, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote at the Separate Class Meeting and you should have received a Form of Proxy with this notice of Separate Class Meeting. You can only appoint a proxy/ proxies using the procedures set out in these notes and the notes to the Form of Proxy.
6. The proxy must attend the Separate Class Meeting to represent you. Details of how to appoint the Chairman of the Separate Class Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please photocopy the Form of Proxy. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together.
8. CREST members may appoint a proxy through the CREST system. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Capita (ID RA10) not later than 48 hours before the time fixed for the Separate Class Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita is able to retrieve the message by enquiry to CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages and normal system timings and limitations will apply in relation to the input of a CREST Proxy Instruction. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. 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.
9. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Separate Class Meeting.
10. Whether or not you propose to attend the Separate Class Meeting, you are requested to complete and return the Form of Proxy by post or by hand (during normal business hours) to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or, in the case of CREST members who wish to appoint a proxy through CREST, as set out in paragraph 8 above, as soon as possible and, in any event, so as to arrive no later than 10:20 am on 7 October 2016.

### Appointment of proxy by joint members

11. 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. Seniority is determined by the order in

which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### Changing proxy instructions

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.
13. Where you have appointed a proxy and would like to change the instructions, please contact Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.
14. 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.

### Issued shares and total voting rights

15. At the date of this notice, the total number of issued 7% Cumulative Preference Shares is 750,000. The 7% Cumulative Preference Shares carry one vote each on a poll. Therefore, the total number of votes exercisable at the Separate Class Meeting at the date of this notice is 750,000.

### Nominated persons

16. If you are a person who has been nominated under the Act to enjoy information rights (a "**Nominated Person**"):
  - a. You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (the "**Relevant Member**") to be appointed or to have someone else appointed as a proxy for the Separate Class Meeting.
  - b. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
  - c. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.