



PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS OF

WH Smith PLC

(Registered in England with number 471941)

Passed on 2 August 2006

At an Extraordinary General Meeting of the Company duly convened and held at Allen & Overy LLP, One New Change, London EC4M 9QQ on 2 August 2006 at 11.45 a.m. the following resolutions were passed.

Special Resolution

1. That:

- (a) the Scheme of Arrangement dated 7 July 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the **Scheme**) proposed to be made between the Company and the Scheme Shareholders (as defined in the Scheme) and contained in the circular sent to shareholders on or around 7 July 2006 (the **Scheme Circular**) be and is hereby approved and the directors of the Company be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect:
- (b) for the purpose of giving effect to the Scheme:
 - (i) the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme);
 - (ii) subject to and forthwith upon such reduction of capital taking effect:
 - (A) the authorised share capital of the Company be increased to its former amount by the creation of such number of ordinary shares of 2 ¹³/₃₁ pence each in the capital of the Company (**New Shares**) as shall be of an aggregate nominal amount of the Scheme Shares (as defined in the Scheme) cancelled pursuant to subparagraph (b)(i) of this resolution;
 - (B) the Company shall apply the credit arising in its books of account on such reduction of capital in paying up, in full at par, the New Shares which shall be allotted and issued, credited as fully paid, to Smiths News (as defined in the Scheme) and/or its nominee or nominees; and
 - (C) the directors of the Company be and are hereby generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985, to allot the New Shares provided that (I) the maximum aggregate nominal amount of the said New Shares which may be allotted hereunder shall be the aggregate nominal amount of the said New Shares created pursuant to subparagraph (A) above, (II) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or on 1 August 2007 (if earlier), and (III) this authority shall be in addition to any

subsisting authority conferred on the directors of the Company pursuant to the said section 80; and

- (iii) the issued share capital of the Company be reduced by cancelling and extinguishing the WH Smith B Shares and WH Smith C Shares (each as defined in the Scheme);
- (c) conditional on the Scheme becoming effective, the WH Smith Ordinary Shares (as defined in the Scheme), the WH Smith B Shares and WH Smith C Shares be de-listed from the Official List of the United Kingdom Listing Authority.
- (d) the articles of association of the Company be amended by the adoption and inclusion of the following new article as Article 138:

"Scheme of Arrangement

- (A) For the purpose of this Article 138, references to the Scheme are to the scheme of arrangement between the Company and the Scheme Shareholders (as defined therein) dated 7 July 2006 under section 425 of the Act in its original form or with or subject to any modification, addition or condition approved or imposed by the Court. Terms defined in the Scheme shall, save as herein otherwise provided, have the same meanings in this Article. For the purposes of this Article, **circular** means the circular of the Company and sent to shareholders of the Company on or around 7 July 2006 in connection with the Scheme.
- (B) Notwithstanding any other provisions of these Articles, if any WH Smith Ordinary Shares are allotted and issued to any person (a **new member**) other than Smiths News and/or its nominee on or after the adoption of this Article and prior to the confirmation by the Court of the reduction of capital provided for under the Scheme, such shares shall be allotted and issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the new member, and any subsequent holder other than Smiths News and/or its nominee or nominees, shall be bound by the terms of the Scheme.
- (C) Subject to the Scheme becoming effective, if any WH Smith Ordinary Shares are allotted or issued to any new member (other than Smiths News and/or any subsidiary undertaking of Smiths News or anyone acting on behalf of Smiths News) after the Scheme Effective Time but prior to the Demerger Effective Time, such shares (the **Scheme Disposal Shares**) shall be immediately transferred to Smiths News in consideration for the allotment and issue to the new member of an equivalent number of ordinary shares in Smiths News (the **Smiths News Shares**).
- (D) Subject to the Scheme becoming effective, if any WH Smith Ordinary Shares are allotted or issued to any new member (other than New WH Smith and/or any subsidiary undertaking of New WH Smith or anyone acting on behalf of New WH Smith or any subsidiary undertaking of New WH Smith) after the Demerger Effective Time, such shares (the **Demerger Disposal Shares**) shall immediately be transferred to New WH Smith in consideration for the allotment and issue to the new member of an equivalent number of ordinary shares in New WH Smith (the **New WH Smith Shares**).
- (E) The Smiths News Shares or the New WH Smith Shares issued to the new member pursuant to paragraphs (C) and (D) of this Article shall be credited as fully paid and rank *pari passu* in all respects with all other Smiths News Shares or New WH Smith Shares (as the case may be) in issue at the time (other than as regards any dividend

or other distribution payable by reference to a record time preceding the date of acquisition by the new member of the Scheme Disposal Shares or the Demerger Disposal Shares) and be subject to the memorandum and articles of association of Smiths News or New WH Smith (as the case may be).

- (F) If any reorganisation of or material alteration to the share capital of the Company, Smiths News or New WH Smith (except for the Demerger) occurs after the Scheme Effective Time, the number of Smiths News Shares or New WH Smith Shares (as the case may be) to be issued to any new member under paragraph (C) or (D) of this Article after the time of such reorganisation or alteration shall be the number required by these provisions multiplied by such factor as the directors of Smiths News or New WH Smith (as the case may be) from time to time determine to be appropriate to reflect the terms of the reorganisation or alteration.
- (G) No fractions of a Smiths News Share or New WH Smith Share shall be allotted to a new member pursuant to this Article, but the entitlement of each new member who would otherwise have been entitled to a fraction of a Smiths News Share or New WH Smith Share (as the case may be) shall be rounded down to the nearest whole number.
- (H) In order to give effect to any transfer of the Scheme Disposal Shares or Demerger Disposal Shares (as the case may be), the Company may appoint any person to execute and deliver a form or instructions of transfer on behalf of the new member in favour of Smiths News or New WH Smith (as the case may be). Pending the registration of Smiths News or New WH Smith (as the case may be) as a holder of any Scheme Disposal Shares or Demerger Disposal Shares (as the case may be), Smiths News or New WH Smith (as the case may be) shall be empowered to appoint a person nominated by the directors to act as attorney on behalf of any holder of such share in accordance with such directions as Smiths News or New WH Smith (as the case may be) may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and if a person is so appointed to act as attorney, the new member shall not be entitled to exercise any rights attaching thereto except:
 - (a) to the extent that the person to act as attorney fails to act in accordance with the directions of Smiths News or New WH Smith (as the case may be); and
 - (b) in accordance with the direction of Smiths News or New WH Smith (as the case may be).
- (I) In connection with the Scheme, if, in respect of any holder of Scheme Shares with a registered address outside the United Kingdom or who the Company reasonably believes is a citizen, resident or national of a jurisdiction outside the United Kingdom, the Company is advised that the allotment and issue of the Smiths News Shares pursuant to Clause 2 of the Scheme would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require the Company or Smiths News to observe any governmental or other consent or any registration, filing or other formality with which the Company or Smiths News cannot comply or compliance with which the Company or Smiths News considers unduly onerous, the Company shall (unless such shareholder satisfies the Company that no such infringement or requirement would apply) be entitled to appoint any person to execute as transferor an instrument of transfer transferring, prior to the Scheme Record Time, the Scheme Shares held by such holder to a nominee to hold such

Scheme Shares on trust for that holder, on terms that the nominee shall, subject to Article 138(K) and (L) below, sell:

- (a) the Scheme Shares prior to the Scheme Effective Time; or
- (b) if it does not sell the Scheme Shares, sell:
 - (i) the Smiths News Shares, if any, that it receives pursuant to the Scheme in respect of such shares as soon as practicable following the Scheme Effective Time; and
 - (ii) the New WH Smith Shares, if any, that it receives in respect of the Smiths News Shares referred to in (i) as soon as practicable following the Demerger Effective Time;

in each case at the best price which can reasonably be obtained at the time of sale and that (subject to instructions from Smiths News in relation to Smiths News' obligations pursuant to Clause 3 of the Scheme) the proceeds of such sale (net of the expenses of sale including commissions and value added tax) shall be paid to such shareholder by delivering a cheque to, or crediting the CREST account of, such shareholder in accordance with the provisions of Clause 4 of the Scheme.

- (J) *The instrument of transfer executed by an appointee of the Company pursuant to Article 138 (I) above shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to the Scheme Shares to which such instrument relates and the title of the transferee shall not be affected to any irregularity or invalidity in the proceedings relating thereto.*
 - (K) Any sale pursuant to Article 138(I)(b)(i) above will be delayed until after the admission of the Smiths News Shares to the Official List of the Financial Services Authority acting in its capacity as United Kingdom Listing Authority and to trading on London Stock Exchange PLC's market for listed securities.
 - (L) Any sale pursuant to Article 138(I)(b)(ii) above will be delayed until after the admission of the New WH Smith Shares to the Official List of the Financial Services Authority acting in its capacity as United Kingdom Listing Authority and to trading on London Stock Exchange plc's market for listed securities.
 - (M) In the absence of bad faith or wilful default, neither the Company, Smiths News, New WH Smith nor any nominee appointed by the Company pursuant to Article 138 (H) or 138 (I) above shall be responsible for any loss or damage to any person arising from any transaction pursuant to this Article or for any alleged insufficiencies of the terms or the timing of such sale.
 - (N) in the case of Scheme Shares held in uncertificated form through CREST, the provisions of Article 138 (I) above are subject to any restrictions applicable under the Uncertificated Securities Regulations 2001".
- (e) one authorised but unissued ordinary share of the Company be reclassified as a Deferred Share of 2 ¹³/₈₁ pence, such Deferred Share to have all the rights of an Ordinary Share as set out in the Articles of Association of the Company, save that:
- (i) the holder of the Deferred Share shall not be entitled to receive a dividend nor to have any other right of participation in the profits of the Company;

- (ii) the holder of the Deferred Share shall have no right to attend or vote at any general meeting of the Company;
 - (iii) on a return of capital on the winding-up of the Company or otherwise, the holder of the Deferred Share shall be entitled, subject to the payment to the holders of all other classes of shares of the amount paid up on such shares, to a repayment of the capital paid up on the Deferred Share, but shall have no further rights of participation in the assets of the Company; and
- (f) the directors be generally and unconditionally authorised for the purposes of section 80 of the Act to allot the said Deferred Share provided that (1) this authority shall expire on 1 August 2007 and (2) this authority shall be in addition and without prejudice to any subsisting authority pursuant to the said section 80;
- (g) the Smiths News Reduction of Capital as described in the circular sent to shareholders on or around 7 July 2006 (the **Scheme Circular**), be and is hereby approved and the directors of the Company and of Smiths News PLC be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying such reduction of capital into effect;
- (h) subject to and conditional upon the Scheme and the Smiths News Reduction of Capital (as described in the Scheme Circular) becoming effective, payment pursuant to a resolution of the board of directors (or a duly constituted committee thereof) of Smiths News be and is hereby approved of a dividend on the Smiths News Shares (as defined in the Scheme Circular) equal to the sum of the book value (as at the date of payment of such dividend) of Smiths News's shareholding in the Company to the holders of Smiths News Shares whose names appear in the register of members at 6.00 p.m. on 31 August 2006 (or such later time and/or date as such board of directors or such committee may determine) and the directors of Smiths News be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying such dividend payment into effect, such dividend to be satisfied by the transfer of Smiths News's shareholding in the Company to New WH Smith PLC in return for the issue by New WH Smith PLC to such holders of one New WH Smith Share (as defined in the Scheme Circular), credited as fully paid, for each Smiths News Share held provided that if, in respect of any holder of Smiths News Shares who has a registered address in a jurisdiction outside the United Kingdom, or who is a citizen, resident or national of a jurisdiction outside the United Kingdom, New WH Smith PLC is advised that the allotment and issue of New WH Smith Shares pursuant to the Demerger (as described in the Scheme Circular) would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require New WH Smith PLC to observe any governmental or other consent or any registration, filing or other formality with which New WH Smith PLC cannot comply or compliance with which New WH Smith PLC considers unduly onerous, New WH Smith PLC may determine that such New WH Smith Shares shall be sold, in which event the New WH Smith Shares shall be issued to such shareholder and New WH Smith PLC shall appoint a person to act and such person shall be authorised on behalf of such shareholder to procure that any shares in respect of which New WH Smith (as defined in the Scheme Circular) has made such a determination shall, as soon as practicable following the Demerger Effective Time (as defined in the Scheme Circular), be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) shall be paid to such shareholder by sending a cheque or warrant to such shareholder and to give effect to any such sale, the person so appointed shall be authorised on behalf of such shareholder to execute and deliver a form of transfer and to give such instructions and do all such things which he may consider necessary or expedient in connection with such sale and, in the absence of bad faith or wilful default, none of

Smiths News, New WH Smith PLC or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale; and

- (i) the New WH Smith plc Reduction of Capital (as described in the Scheme Circular), be and is hereby approved and the directors of the Company and of New WH Smith PLC be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying such reduction of capital into effect.

Ordinary Resolutions

2. That, conditional on the Scheme becoming effective, the rules of the WH Smith Executive Share Option Scheme (the **WH Smith Option Scheme**), the main features of which are summarised in paragraph 8 of Part VIII (Additional Information) of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of New WH Smith, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the WH Smith Option Scheme into effect (including making any amendments required to the approved part of the WH Smith Option Scheme or in order to obtain the approval of Her Majesty's Revenue and Customs), and the directors of New WH Smith or a duly authorised committee of them, be authorised to establish any schedule to the WH Smith Option Scheme they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of New WH Smith made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the WH Smith Option Scheme.
3. That, conditional on the Scheme becoming effective, the rules of the WH Smith LTIP, the main features of which are summarised in paragraph 8 of Part VIII (Additional Information) of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of New WH Smith, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the WH Smith LTIP into effect, and the directors of new WH Smith PLC or a duly authorised committee of them, be authorised to establish any schedule to the WH Smith LTIP as they may consider necessary in relation to any employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of New WH Smith made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the WH Smith LTIP.
4. That, conditional on the Scheme becoming effective the rules of the WH Smith Sharesave Scheme, the main features of which are summarised in paragraph 8 of Part VIII (Additional Information) of the Scheme Circular and a copy of which is produced to the meeting and intialled by the Chairman for the purposes of identification, be approved and the directors of New WH Smith, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the WH Smith Sharesave Scheme into effect (including making any amendments required to the rules in order to obtain the approval to them of Her Majesty's Revenue and Customs), and the directors of New WH Smith, or a duly authorised committee of them, be authorised to establish any schedule to the WH Smith Sharesave Scheme they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange controls and tax legislation, provided that any ordinary shares in the capital of New WH Smith made available under any schedules are treated as counting against the relevant limits on individual and overall participation in the WH Smith Sharesave Scheme.

5. That, conditional on the Scheme becoming effective, the rules of the Smiths News Executive Share Option Scheme (the Smiths News Option Scheme), the main features of which are summarised in paragraph 8 of Part VIII (Additional Information) of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Smiths News, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Smiths News Option Scheme into effect (including making any amendments required to the approved part of the Smiths News Option Scheme in order to obtain the approval of Her Majesty's Revenue and Customs), and the directors of Smiths News or a duly authorised committee of them, be authorised to establish any schedule to the Smiths News Option Scheme they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Smiths News made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Smiths News Option Scheme.
6. That, conditional on the Scheme becoming effective, the rules of the Smiths News LTIP, the main features of which are summarised in paragraph 8 of Part VIII (Additional Information) of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Smiths News, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Smiths News LTIP into effect, and the directors of Smiths News or a duly authorised committee of them, be authorised to establish any schedule to the Smiths News LTIP as they may consider necessary in relation to any employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Smiths News made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Smiths News LTIP.
7. That, conditional on the Scheme becoming effective, the rules of the Smiths News Sharesave Scheme, the main features of which are summarised in paragraph 8 of Part VIII of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be approved and the directors of Smiths News, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Smiths News Sharesave Scheme into effect (including making any amendments required to the rules in order to obtain the approval to them of Her Majesty's Revenue and Customs), and the directors of Smiths News, or a duly authorised committee of them, be authorised to establish any schedule to the Smiths News Sharesave Scheme they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange controls and tax legislation, provided that any ordinary shares in the capital of Smiths News made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Smiths News Sharesave Scheme.

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Chairman

2 August 2006