

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. Part 2 (*Explanatory Statement*) of this Document comprises an explanatory statement in compliance with section 897 of the Companies Act 2006. This Document relates to an Acquisition which, if implemented, will result in the cancellation of the listing of French Connection Shares on the Official List and of trading of French Connection Shares on the London Stock Exchange.

If you are in any doubt about the Acquisition or the contents of this Document or what action you should take, you are recommended to seek your own personal financial, tax and legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly 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 in the relevant jurisdiction if you are taking advice in a territory outside of the United Kingdom..

If you sell or have sold or otherwise transfer or have transferred all of your French Connection Shares, please send this Document, together with any accompanying documents (but not any accompanying personalised documents), at once 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. However, such documents should not be forwarded, distributed or transmitted (in whole or in part) in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction.

If you sell or have sold or otherwise transfer or have transferred only part of your holding of French Connection Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale was effected.

If you have recently purchased or otherwise acquired French Connection Shares, notwithstanding receipt of this Document and any accompanying documents from the transferor, you should contact Link Group to obtain personalised Forms of Proxy.

The release, publication or distribution of this Document and the accompanying documents in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession these documents come should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, French Connection and MIP disclaim any responsibility or liability for the violation of such restrictions by such persons.

Neither this Document nor any of the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

Recommended acquisition of
French Connection Group PLC
by
MIP Holdings Ltd
a newly incorporated entity directly owned and controlled by
Apinder Singh Ghura, Amarjit Singh Grewal and KJR Brothers Limited
to be effected by means of a
scheme of arrangement under Part 26 of
the Companies Act 2006

French Connection Shareholders should read carefully the whole of this Document (and any information incorporated into this Document by reference to another source) and the accompanying Forms of Proxy. Your attention is drawn to the letter from the Chairman of French Connection in Part 1 (*Letter from the Chairman of French Connection Group PLC*) of this Document, which contains the unanimous recommendation of the French Connection Directors that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolutions to be proposed at the General Meeting. A letter from WH Ireland explaining the Scheme in greater detail is set out in Part 2 (*Explanatory Statement*) of this Document.

Notices of the Court Meeting and the General Meeting, both of which are to be held at the offices of WH Ireland at 24 Martin Lane, London, EC4R 0DR on 1 November 2021, are set out at the end of this Document. The Court Meeting will start at 10:30 a.m. and the General Meeting will start at 10:45 a.m. (or as soon thereafter as the Court Meeting has been concluded or adjourned).

The action to be taken by French Connection Shareholders in respect of the Court Meeting and General Meeting is set out on pages 7 to 9 and at paragraph 14 of Part 2 (*Explanatory Statement*) of this Document. Whether or not you intend to be present at the Court Meeting and/or the General Meeting, please complete and sign both Forms of Proxy accompanying this Document, BLUE for the Court Meeting and YELLOW for the General Meeting, in accordance with the instructions set out in Part 9 (*Notice of Court Meeting*) and Part 10 (*Notice of General Meeting*) of this Document and return them to French Connection's Registrars, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible, and in any event by 10:30 a.m. on 28 October 2021 in respect of the Court Meeting and by 10:45 a.m. on 28 October 2021 in respect of the General Meeting. Alternatively, Forms of Proxy for the Court Meeting (but not the General Meeting) may be handed to the Chairman of the Court Meeting before the start of that meeting. You can also submit your proxy electronically at French Connection's Registrars' website, www.signalshares.com, so as to be received by not later than 10:30 a.m. on 28 October 2021 in respect of the Court Meeting and by 10:45 a.m. on 28 October 2021 in respect of the General Meeting. French Connection Shareholders who hold French Connection Shares in CREST may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on pages 8 to 9 of this Document. The return of a completed Form of Proxy, the electronic appointment of a proxy or the submission of a proxy via CREST will not prevent you from attending the Court Meeting and/or the General Meeting and voting in person if you so wish and if you are entitled to do so.

This Document (and any information incorporated into it by reference to another source) will be available, subject to any restrictions relating to persons resident in certain jurisdictions, on French Connection's website at www.frenchconnection.com promptly and in any event by no later than 12 noon on 11 October 2021. The content of the website referred to in this Document is not incorporated into and does not form part of this Document.

You may request a hard copy of this Document (and any information incorporated into it by reference to another source) by contacting the Company's registrar, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or between 9:00 a.m. and 5:30 p.m. Monday to Friday (except UK public holidays) on 0371 664 0300 from within the UK (or on +44 (0) 371 664 0300 if calling from outside the UK) with an address to which the hard copy may be sent. Calls from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Capitalised words and phrases used in this Document shall have the meanings given to them in Part 8 (*Definitions*) of this Document.

If you have any questions about this Document, the Court Meeting or the General Meeting or are in any doubt as to how to complete the Forms of Proxy, please call Link Group between 9:00 a.m. and 5:30 p.m. Monday to Friday (except UK public holidays) on 0371 664 0300 from within the UK (or on +44 (0) 371 664 0300 if calling from outside the UK). Link Group cannot provide advice on the merits of the Acquisition or give any financial, legal or tax advice. Calls to Link Group from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

WH Ireland, which is authorised and regulated in the UK by the FCA, is acting as financial adviser and broker exclusively for French Connection and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to the matters in this Document and will not be responsible to anyone other than French Connection for providing the protections afforded to clients of WH Ireland, nor for providing advice in relation to any matter referred to herein.

Singer Capital Markets is acting exclusively as financial adviser to 1903 Partners, LLC and Aurelius Finance Company Limited (lenders to MIP) and no-one else in connection with the Acquisition and will not be responsible to anyone other than 1903 Partners, LLC and Aurelius Finance Company Limited for providing the protections offered to clients of Singer Capital Markets or for providing advice in relation to the Acquisition, the contents of this Document or any matter referred to in this Document. Singer Capital

Markets is authorised and regulated in the United Kingdom by the Financial Conduct Authority in respect of regulated activities. Singer Capital Markets can be contacted at its principal office: One, Bartholomew Lane, London EC2N 2AX. Singer Capital Markets is also providing the cash confirmation statement for the purposes of the Takeover Code as set out in Part 6 (*Additional Information*) of this Document.

IMPORTANT NOTICE

This Document has been prepared in accordance with English law, the Takeover Code and the Listing Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The statements contained in this Document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this Document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

No person has been authorised to make any representations on behalf of Apinder Singh Ghura, Amarjit Singh Grewal, KJR Brothers Limited, MIP, French Connection or the French Connection Group concerning the Acquisition or the Scheme which are inconsistent with the statements contained in this Document and any such representations, if made, may not be relied upon as having been so authorised.

The statements contained in this Document are made as at the date of this Document, unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set out in this Document since such date. Nothing contained in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of French Connection or the French Connection Group except where otherwise expressly stated. Neither French Connection, Apinder Singh Ghura, Amarjit Singh Grewal, KJR Brothers Limited nor MIP nor any member of the French Connection Group intends, or undertakes any obligation, to update information contained in this Document, except as required by applicable law, the Takeover Code or other regulation.

If the Scheme is approved at the Court Meeting and the General Meeting, an application will be made to the London Stock Exchange for the French Connection Shares to cease to be admitted to trading on the Main Market of the London Stock Exchange.

Information for Overseas Shareholders

Unless otherwise determined by MIP and French Connection or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or form within any jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Document and all other documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This Document and the accompanying documents have been prepared in connection with a proposal in relation to a scheme of arrangement pursuant to, and for the purpose of complying with, English law, the Takeover Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if these documents had been prepared in accordance with the laws of jurisdictions outside the UK. Nothing in this Document or the accompanying documents should be relied upon for any other purpose.

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under the law of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act of 1934 (the “**US Exchange Act**”). Accordingly, the Scheme will be subject to disclosure requirements

and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Document has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP. US GAAP differs in certain significant respects from the International Financial Reporting Standards. None of the financial information in this Document has been audited in accordance with auditing standards generally accepted in the US or the auditing standards of the Public Company Accounting Oversight Board (United States). If MIP were to elect to implement the Acquisition by means of an Offer and determines to extend such Offer into the US, such Offer would be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such an Offer would be made in the United States by MIP and no one else.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its French Connection Shares pursuant to the Scheme will likely be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each French Connection Shareholder is urged to consult his independent legal, tax and financial advisers immediately regarding the tax consequences of the Acquisition applicable to him/her, including under applicable US state and local, as well as foreign and other, tax laws.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws in connection with the Acquisition, since MIP and French Connection are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In the event that the Acquisition is implemented by way of an Offer, in compliance with applicable UK laws, MIP, its dealer manager (and their advisors or affiliates), or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of French Connection other than pursuant to such Offer during the period in which such Offer would remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Neither the Acquisition nor this Document have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities approved or disapproved or passed judgement upon the fairness or the merits of the Acquisition, or determined if the information contained in this Document is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the United States.

Forward-looking statements

This Document, including information included or incorporated by reference in this Document, may contain certain "forward looking statements" regarding the financial position, business strategy or plans for future operations of the Wider MIP Group and the Wider French Connection Group. All statements other than statements of historical fact included in any document may be forward-looking statements. Forward-looking statements also often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. By their nature, forward looking statements involve risk and uncertainty that could cause actual results to differ materially from those suggested by them. Much of the risk and uncertainty relates to factors that are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements which speak only as at the date of this Document. Neither the Wider MIP Group nor French Connection nor any member of the Wider French Connection Group assume any obligation to, and do not intend to, revise or update these forward looking statements, except as required pursuant to applicable law or regulation.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash)

must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3:30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3:30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Electronic Communications

Please be aware that addresses, electronic addresses and certain information provided by French Connection Shareholders, persons with information rights and other relevant persons for the receipt of communications from French Connection may be provided to MIP during the Offer Period as requested under section 4 of Appendix 4 to the Takeover Code.

Rounding

Certain figures included in this Document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Date

This Document is published on 9 October 2021.

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ACTION TO BE TAKEN

The French Connection Directors, who have been so advised by WH Ireland as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the French Connection Directors, WH Ireland has taken into account the commercial assessments of the French Connection Directors. WH Ireland is providing independent financial advice to the French Connection Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, in order to implement the Acquisition, the French Connection Board unanimously recommends that you vote in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting. Stephen Marks, being the only French Connection Director who holds French Connection Shares, has irrevocably undertaken to vote in favour of the Scheme and the Special Resolutions in respect of his own beneficial holding of French Connection Shares.

In addition, MIP has received irrevocable undertakings from Candice Marks, from Nicole Farhi and from the trustees of the discretionary trusts established for the benefit of certain of Stephen Marks' children to vote in favour of the Scheme at the Court Meeting and the Special Resolutions at the General Meeting.

Further details of these irrevocable undertakings are set out in paragraph 7 of Part 6 (*Additional Information*) of this Document.

The Court Meeting and the General Meeting will be held at the offices of WH Ireland at 24 Martin Lane, London, EC4R 0DR, on 1 November 2021 at 10:30 a.m. and 10:45 a.m., respectively (or, in the case of the General Meeting, as soon thereafter as the Court Meeting has been concluded or adjourned). The Acquisition requires approval at both of these meetings. The notices of the Court Meeting and the General Meeting are at the end of this Document.

Please check you have received the following with this Document:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 1 November 2021; and
- a YELLOW Form of Proxy for use in respect of the General Meeting on 1 November 2021.

If you have not received these documents, please contact French Connection's Registrars, Link Group on the number referred to below.

Voting at the Court Meeting and the General Meeting

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of French Connection Scheme Shareholders. You are therefore strongly urged to complete, sign and return your Forms of Proxy (or appoint a proxy online or through the CREST electronic proxy appointment service) as soon as possible.

Therefore, whether or not you plan to attend the French Connection Shareholder Meetings, please complete and sign both the enclosed BLUE and YELLOW Forms of Proxy and return them in accordance with the instructions provided thereon as soon as possible but in any event so as to be received by:

- **no later than 10:30 a.m. on 28 October 2021 in the case of the Court Meeting (BLUE form); and**
- **by no later than 10:45 a.m. on 28 October 2021 in the case of the General Meeting (YELLOW form),**

(or, in the case of any adjournment, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). Forms of Proxy returned by fax will not be accepted. This will enable your votes to be counted at the French Connection Shareholder Meetings in the event of your absence. If the BLUE Form of Proxy for use at the Court Meeting is not lodged by 10:30 a.m. on 28 October 2021, it may be handed to the Chairman of the Court Meeting before the start of that meeting. However, in the case of the General Meeting, unless the YELLOW Form of Proxy is lodged so as to be received by the time mentioned above, it will be invalid.

(a) Sending Forms of Proxy by post or by hand

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them, either (i) by post or, (ii) during normal business hours only, by hand, to French Connection's

Registrars, Link Group, at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to be received as soon as possible and in any event not later than the relevant time set out below:

BLUE Forms of Proxy for the Court Meeting
YELLOW Forms of Proxy for the General Meeting

10:30 a.m. on 28 October 2021
10:45 a.m. on 28 October 2021

or, if either of the French Connection Shareholder Meetings is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding non-working days) before the time fixed for such adjourned French Connection Shareholder Meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned by such time, it may be handed to a representative of French Connection's Registrars, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting. However, in the case of the General Meeting, the YELLOW Form of Proxy must be received by French Connection's Registrars by the time mentioned above, or it will be invalid.

French Connection Shareholders are entitled to appoint a proxy in respect of some or all of their French Connection Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a difference share or shares held by such holder.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you wish and are entitled to do so. A proxy need not be a French Connection Shareholder.

(b) Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website www.signalshares.com and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by French Connection's Registrars not later than the relevant time set out below:

BLUE Forms of Proxy for the Court Meeting
YELLOW Forms of Proxy for the General Meeting

10:30 a.m. on 28 October 2021
10:45 a.m. on 28 October 2021

or, if in the case that either of the French Connection Shareholder Meetings are adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding non-working days) before the time fixed for such adjourned French Connection Shareholder Meeting.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the BLUE Form of Proxy and hand it to a representative of French Connection's Registrars or the Chairman of the Court Meeting, before the start of the Court Meeting.

(c) Electronic appointment of proxies through CREST

If you hold French Connection Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the French Connection Shareholder Meetings (or any adjourned French Connection Shareholder Meeting) by using the CREST electronic proxy appointment for service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the French Connection Shareholder Meetings set out in Part 9 (*Notice of Court Meeting*) and Part 10 (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any 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.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear 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 Link Group (ID RA10) not less than 48 hours (excluding non-working days) before the time fixed for the Court Meeting or General Meeting (or such adjourned French Connection Shareholder Meeting), as applicable. 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 Application Host) from which

Link Group 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.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitation 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 any voting service provider(s), to procure that his/her CREST sponsor or voting service providers(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by an particular time. CREST member and, where applicable, their 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.

French Connection may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Regulations.

Multiple proxy voting instructions

French Connection Shareholders who wish to appoint more than one proxy in respect of their holding of French Connection Shares should contact Link Group on the number referred to below for further Forms of Proxy or photocopy the Forms of Proxy as required.

If you want to appoint more than one proxy electronically then please call Link Group on the number set out below.

Further information about proxies and voting

Further information in relation to the appointment of proxies for and voting at the French Connection Shareholder Meetings is set out in paragraph 14 of Part 2 (*Explanatory Statement*) of this Document, in the notice of the Court Meeting set out in Part 9 (*Notice of Court Meeting*) of this Document, in the notes to the notice of the General Meeting set out in Part 10 (*Notice of General Meeting*) of this Document, and in the instructions printed on the Forms of Proxy.

If you hold French Connection Shares indirectly, you must rely on the procedures of the bank, broker, financial institution, share plan administrator or share plan nominee or other securities intermediary through which you hold French Connection Shares. You should contact such intermediary for further instructions on how you can instruct that intermediary to vote on your behalf at the French Connection Shareholder Meetings and the date by which you must provide such instructions to the intermediary.

General

If the Scheme becomes Effective, it will be binding on all French Connection Scheme Shareholders, including any French Connection Scheme Shareholders who did not vote to approve Scheme or who voted against Scheme at the Court Meeting.

Link Group

If you have any queries, please call Link Group between 9:00 a.m. and 5:30 p.m. Monday to Friday (except UK public holidays) on 0371 664 0300 from within the UK (or on +44 (0) 371 664 0300 if calling from outside the UK). Calls from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Link Group cannot provide advice on the merits of the Acquisition or give any financial, legal or tax advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All references in this Document to times are to times in London (unless otherwise stated).

All times and dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and the date on which the Conditions are satisfied or, if capable of waiver, waived. The timetable is also dependent on the date on which the Court Order sanctioning the Scheme is delivered to the Registrar of Companies. French Connection will give notice of the change(s) by issuing an announcement through a Regulatory Information Service and, if required by the Panel, post notice of the change(s) to French Connection Shareholders and persons with information rights. Copies of any such announcements will be made available on French Connection's website at www.frenchconnection.com.

Event	Expected time/date
Publication of this Document	9 October 2021
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE Form of Proxy)	10:30 a.m. on 28 October 2021 ⁽¹⁾
General Meeting (YELLOW Form of Proxy)	10:45 a.m. on 28 October 2021 ⁽²⁾
Voting Record Time	6:00 p.m. on 28 October 2021 ⁽³⁾
Court Meeting	10:30 a.m. on 1 November 2021
General Meeting	10:45 a.m. on 1 November 2021⁽⁴⁾
<i>Certain of the following dates are subject to change (please see the note above):</i>	
Court Hearing to sanction the Scheme	5 November 2021
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, French Connection Shares	5 November 2021
Suspension of listing of, and dealings in, French Connection Shares	6:00 p.m. on 5 November 2021
Scheme Record Time	6:00 p.m. on 5 November 2021
Scheme Effective Date	8 November 2021 ⁽⁵⁾
Cancellation of listing of French Connection Shares on the premium segment of the Main Market of the London Stock Exchange	By 8:00 a.m. on 8 November 2021
Re-registration of French Connection as a private limited company	8 November 2021 ⁽⁶⁾
Latest date for despatch of cheques and for settlement through CREST or other form of payment in respect of cash consideration due under the Scheme	22 November 2021
Long-Stop Date	11:59 p.m. on 28 February 2022 ⁽⁷⁾

The Court Meeting and the General Meeting will each be held at the offices of WH Ireland at 24 Martin Lane, London, EC4R 0DR

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- (1) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged before 10:30 a.m. on 28 October 2021 or, if the Court Meeting is adjourned, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting. However, BLUE Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting.
 - (2) YELLOW Forms of Proxy for the General Meeting must be lodged before 10:45 a.m. on 28 October 2021 in order for it to be valid or, if the General Meeting is adjourned, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the holding of the adjourned meeting. YELLOW Forms of Proxy cannot be handed to the Chairman of the General Meeting at that meeting.
 - (3) If either of the French Connection Shareholder Meetings is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6:00 p.m. on the date two calendar days (excluding any part of a day that is not a working day) before the date set for the relevant adjourned meeting.
 - (4) Or as soon thereafter as the Court Meeting has been concluded or adjourned.
 - (5) Scheme to become Effective by 8:00 a.m. and before the subsequent events set out in the timetable.
 - (6) An application will be made to the Registrar of Companies for re-registration to be effected as soon as possible.
 - (7) This is the latest date by which the Scheme may become Effective unless French Connection and MIP agree, and (if required) the Court and the Panel allow.

PART 1

LETTER FROM THE CHAIRMAN OF FRENCH CONNECTION GROUP PLC

(incorporated in England and Wales with registered number 01410568 with registered address First Floor, Centro 1, 39 Plender Street, London NW1 0DT)

Directors:

Stephen Marks	Chairman and Chief Executive
Neil Williams	Chief Operating Officer
Lee Williams	Chief Financial Officer
Sarah Curran	Independent Non-Executive Director
Neil Page	Independent Non-Executive Director

9 October 2021

To all French Connection Shareholders and, for information only, persons with information rights.

Dear Shareholder

RECOMMENDED CASH ACQUISITION OF FRENCH CONNECTION GROUP PLC (“FRENCH CONNECTION”) BY MIP HOLDINGS LTD “MIP”

1. INTRODUCTION

On 4 October 2021, the boards of French Connection and MIP, a company formed at the direction of Apinder Singh Ghura, Amarjit Singh Grewal and KJR Brothers Limited, announced that they had agreed the terms of a recommended acquisition under which MIP will acquire the entire issued and to be issued ordinary share capital of French Connection not currently owned by Apinder Singh Ghura, to be implemented by way of a Court-sanctioned scheme of arrangement of French Connection under Part 26 of the Companies Act 2006, which requires the approval of French Connection Shareholders and the sanction of the Court (the “**Acquisition**”).

Apinder Singh Ghura beneficially owns 24,518,465 French Connection Shares (representing approximately 25.4 per cent. of the issued share capital of French Connection on 6 October 2021 (being the Latest Practicable Date)). These French Connection Shares will be acquired by MIP pursuant to the Conditional Sale Agreement at a price of 30 pence per French Connection Share conditional upon the Acquisition becoming Effective.

I am writing to you on behalf of the French Connection Board to explain the background to, and reasons for, the Acquisition and to describe the action you should now take. For the reasons set out below, the French Connection Board supports the Acquisition and unanimously recommends that you vote in favour of the resolutions required to effect the Scheme at the Court Meeting and at the General Meeting as I, being the only French Connection Director who holds French Connection Shares, have irrevocably undertaken to do in respect of my own beneficial holdings totalling 37,812,690 French Connection Shares, representing approximately 39.14 per cent. of French Connection’s share capital.

I would also draw your attention to the letter from WH Ireland set out in Part 2 (*Explanatory Statement*) of this Document which gives details about the Acquisition and to the information set out in Part 6 (*Additional Information*) of this Document and to the notices of the Court Meeting and the General Meeting which are set out at the end of this Document.

Further information in relation to the Court Meeting and the General Meeting is contained in paragraph 9 below and in paragraph 9(b) of Part 2 (*Explanatory Statement*) of this Document.

Details of the actions you should take are set out on pages 7 to 9 of this Document, in paragraph 13 below and in paragraph 14 of Part 2 (*Explanatory Statement*) of this Document.

2. SUMMARY OF THE TERMS OF THE ACQUISITION

The Acquisition is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006, which requires the approval of relevant French Connection Shareholders at the Court Meeting, the passing of the Special Resolutions at the General Meeting and the sanction of the Court.

In accordance with the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part 3 (*Conditions to and Further Terms of the Acquisition*) of this Document, French Connection Scheme Shareholders who are on the register of members of French Connection at the Scheme Record Time will be entitled to receive:

For each French Connection Share: 30 pence in cash

The Acquisition values the entire issued and to be issued share capital of French Connection at approximately £28.98 million. The Acquisition represents a premium of approximately:

- 91.7 per cent. to the Closing Price of 15.7 pence per French Connection Share on 4 February 2021 (being the last Business Day prior to the commencement of the Offer Period); and
- 29.9 per cent. to the Closing Price of 23.1 pence per French Connection Share on 22 September 2021 (being the last Business Day prior to the date of publication of the Possible Offer Announcement).

3. BACKGROUND TO, AND REASONS FOR, THE ACQUISITION

The directors and shareholders of MIP believe French Connection presents an opportunity to acquire a well-established fashion brand. They are optimistic about the commercial future of the French Connection brands, and intend to use the considerable experience of MIP's investors and connected parties in fashion, wholesaling and licensing to help guide French Connection's management to execute and implement MIP's strategic plans, to facilitate future growth and profitability for the business.

4. BACKGROUND TO, AND REASONS FOR, THE RECOMMENDATION

Founded in 1972, French Connection designs well made, stylish, affordable clothing. The Company has developed that vision over the years and management believes that the French Connection brand remains synonymous with fashion and style, reflecting the Company's ongoing focus on creating distinctive clothing through its focus on design. The brand's strength lies in balancing new ideas with quality and affordability and, in a world of "fast fashion", the Company remains proud of its commitment to the creative process.

In recent years, French Connection has been striving to rationalise the business, especially its store portfolio, in the face of a difficult macroeconomic environment and intense competitive headwinds. Whilst good progress was being made towards this goal, the Covid-19 pandemic created even greater challenges for both the Company's trading and balance sheet. That the management team negotiated these challenges is, in the views of the French Connection Board, a significant achievement. Changes have been implemented across all areas of the business to adapt to the ever evolving markets in which it operates, however, those challenges continue and in some respects have been accelerated by the pandemic, whilst the Company's balance sheet flexibility has been, and is likely to remain, constrained.

Whilst the French Connection Directors believe that the French Connection Group's present strategy is capable of delivering long-term growth and profitability, they believe the terms of the Acquisition provide French Connection Shareholders with an immediate, certain and attractive cash value. The French Connection Directors believe the Acquisition appropriately recognises the medium term prospects and growth potential of French Connection as a standalone business, taking into account the dynamics of the markets in which French Connection operates, and the competitive landscape.

5. MANAGEMENT, EMPLOYEES AND LOCATION OF BUSINESS

MIP's primary motivation behind the Acquisition is to implement a strategy, together with French Connection's management, which recognises the importance of French Connection's established network of suppliers and wholesale customers and develops French Connection's brands to facilitate future growth and profitability for the business.

Following completion of the Acquisition, MIP intends to carry out a detailed review of the overheads of the French Connection Group to ensure the business is operating efficiently.

MIP intends to analyse the existing product range and product pricing structure, with a view to improving its commercial edge, whilst remaining relevant to French Connection's loyal retail customer base.

Intentions with Respect to French Connection Directors

Upon completion of the Acquisition, MIP intends that Neil Williams, Chief Operating Officer and Lee Williams, Chief Financial Officer will continue their employment with French Connection. The current Chief Executive and Chairman of the group, Stephen Marks, will retire from the French Connection Board. The Non-Executive Directors of the Company will each be expected to resign from his or her office as a Director of the Company upon completion of the Acquisition. There are no share incentive arrangements in respect of the French Connection Directors.

Intentions with Respect to French Connection Retail Store Locations

Following completion of the Acquisition and as soon as is reasonably practicable, MIP intends to carry out a strategic review of French Connection's retail division which MIP anticipates will conclude within the first six months. In January 2018, French Connection operated 53 stores globally and currently operates 24 stores, representing a material reduction in MIP's retail estate, which has in turn, significantly reduced the fixed costs associated with this area of the business. MIP fully supports this strategy and intends to continue this process instigated by French Connection and will continue to opportunistically close stores broadly in-line with recent rates of shrinkage, for example, upon store-lease expiration or those which are negatively contributing to Group profits. Any decision to close individual stores will be made following the strategic review. MIP's objective is to maintain a balance between retaining a visible high street presence for French Connection's brands, and the need to stem the current rate of losses of underperforming retail units to ensure that they do not continue to impact negatively on the overall performance of the French Connection Group.

Beyond continuing rationalisation of the retail store portfolio, there are no plans to change or redeploy the fixed assets of French Connection.

By contrast, e-commerce represents a significant growth opportunity for French Connection. MIP expects this to be a key part of French Connection's business in the future and intends to seek new alliances and strategic partnerships during the twelve months following Completion in order to grow this area of the business in the medium term.

Intentions with Respect to French Connection Employees

MIP intends that, following completion of the Acquisition, the contractual and statutory employment rights of all French Connection management and employees, including rights to pensions, will be fully safeguarded in accordance with applicable law. French Connection operates a group defined contribution scheme and contributes towards a number of personal pension plans. The Company's intention is to maintain current employer contributions to existing pension arrangements for existing employees and to continue to enrol new employees in the group defined contribution scheme in accordance with applicable workplace pensions legislation.

Following completion of the Acquisition, MIP intends to review both the conditions of employment and the balance of skills required and functions of French Connection employees, along with the management incentive structure of French Connection, in each case to reflect the change in French Connection's corporate status from a public company to a private company.

No conversations have yet taken place in relation to any proposed management incentive structure, whether by reference to common practice in this area or in relation to the likely quantum of any awards, no such conversations will take place and no commitments will be entered into, in each case prior to completion of the Acquisition. Thereafter MIP intends, subject to agreement with the relevant individuals, to introduce individually tailored incentive arrangements for key members of the French Connection management team.

French Connection has reduced the overall size of its workforce in recent years, in part due to store closures, from an average of 824 during the financial year 2020/21 to 591 as at 31 August 2021. Staff are employed within the following broad functional areas: Administration (78 employees); Design, Development and Production Management (100 employees) and Selling, Distribution and Retail (413 employees). Whilst acknowledging the Group structure is more complex as a result of French Connection's overseas operations and supply chain, following completion of the Acquisition MIP believes there is as an opportunity to continue to rebalance headcount between customer facing employees and support functions, in part to reflect recent shrinkage in the retail estate. As stated above, MIP will continue to opportunistically close stores in line with recent rates of attrition, and

would expect there to be a corresponding reduction in headcount. At present, MIP does not anticipate reductions in headcount for non-customer facing roles to be material in the context of total headcount for the Wider French Connection Group.

In addition, French Connection employs a small number of personnel whose functions are directly associated with the running of French Connection as a public company who MIP will seek to redeploy, where possible, in order to minimise the headcount reduction that would otherwise arise. MIP will carry out a review of the relevant functions following completion of the Acquisition and the precise number of employees actually affected will depend on the outcome of this review. Any affected employees will be treated in a fair and transparent manner and in accordance with their employment rights and applicable law.

Intentions with respect to French Connection Headquarters and Distribution Centre

Following completion of the Acquisition, MIP has no intention, at least within the next 12 months, to relocate French Connection's headquarters and headquarter functions from the existing office in London.

Furthermore, the negotiation of an extension to the lease relating to the French Connection distribution centre in Purfleet is currently being finalised (the lease having expired almost 12 months ago). As a result, MIP does not intend to relocate French Connection's distribution centre during the next 12 months.

Trading facility

French Connection Shares are currently listed on the Official List and admitted to trading on the Main Market of the London Stock Exchange. As set out in paragraph 10 below, it is MIP's intention to seek the cancellation of the listing of French Connection Shares on the Official List of the FCA and cancellation of trading of French Connection Shares on the Main Market of the London Stock Exchange from or shortly after completion of the Acquisition.

Other Items

Owing to the nature of the business, other than normal product development French Connection has no research and development function. MIP has no plans to change this.

Views of the French Connection Board

In evaluating the Acquisition, the French Connection Board has taken account of the impact of the Acquisition on wider stakeholders and has given due consideration to MIP's intention for French Connection's management, employees and places of business. Whilst the French Connection Board recognise that MIP may no longer require a limited number of central PLC-related functions and that MIP intends to continue the process of rationalising the retail store portfolio, both of which could result in some headcount reductions, the French Connection Directors are pleased to note that MIP does not anticipate making any material changes to the locations or functions of the business. The French Connection Directors are also pleased to note MIP's confirmation that, following the completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of all French Connection employees will be fully safeguarded in accordance with applicable law.

None of the statements in this paragraph 5 are "post-offer undertakings" for the purpose of Rule 19.5 of the Takeover Code.

6. IRREVOCABLE UNDERTAKINGS

I, being the only French Connection Director holding French Connection Shares, have irrevocably undertaken to vote in favour of the Scheme and the Special Resolutions (or to accept an Offer to implement the Acquisition) in respect of my entire holding of French Connection Shares, being a total of 37,812,690 French Connection Shares, (representing approximately 39.14 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date)).

In addition, MIP has received an irrevocable undertakings from Candice Marks, from Nicole Farhi and from the trustees of the discretionary trusts established for the benefit of certain of my children to vote in favour of the Scheme at the Court Meeting and the Special Resolutions at the General Meeting, in

respect of a total of 4,281,500 French Connection Shares, representing approximately 4.43 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date).

MIP has therefore received irrevocable undertakings in respect of a total of 42,094,190 French Connection Shares, representing, in aggregate, approximately 43.57 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date).

7. FRENCH CONNECTION'S CURRENT TRADING AND PROSPECTS

Following French Connection's last update in the preliminary results announcement on 28 April 2021, trading has continued to improve in line with management's expectations. Wholesale in both the UK and the US has performed well, with a good outcome in the Summer season coupled with encouraging order books for the Winter collections.

The Company achieved a stronger trading performance following the reopening of stores in Q2 2021 compared to the post-lockdown periods of 2020 and has additionally seen the benefit of the closure of several non-contributing stores over the last 18 months. In addition, the Company took a significantly less promotional stance through the Summer season in stores and through e-commerce, with increased full price sales. Consequently, margins improved, however sales growth has remained restricted to some extent.

Licence income has generally returned to growth following the Covid-19 period, with a particularly strong performance from DFS.

The net debt/cash position is slightly ahead of management's expectations following a period of tight cash control, and this continues to be supported by credit facilities of £20 million which are available to fund the Company's larger working capital requirements during the second half of the year.

There still, however, remains a risk of disruption to trading due to any future Covid-19 restrictions, particularly through the Winter months, together with other macro-economic factors including the current constraints in the global supply chain and the impact on the availability of merchandise at the correct time.

Further details in respect of the Company's trading performance will be provided in the upcoming interim results announcement due to be published in mid-October 2021.

Recent announcement regarding the Company's auditors, Mazars LLP

The Company has noted the announcement on 6 October 2021 by the Financial Reporting Council ("FRC") that it has commenced an investigation into Mazars LLP ("Mazars"), in relation to their audit of the consolidated financial statements of the Company for the year ended 31 January 2020 (the "FY20 accounts"). The FRC investigation relates only to the conduct of the audit of the 2019 accounts and not the accounts for the year ended 31 January 2021 (the "FY21 accounts"), the audit of which was completed in April 2021. As was noted in the Audit Committee Report in the FY21 accounts, the FRC's Audit Quality Review team's assessment of Mazars' audit of the FY20 accounts highlighted that a number of improvements in the auditing process were required by Mazars. There was no indication however that the findings of the audit were incorrect. Following subsequent discussions with Mazars, the Audit Committee of the French Connection Board was satisfied that the changes recommended by the FRC were fully implemented during the audit of the FY21 accounts.

8. FINANCING

The cash consideration payable by MIP under the terms of the Acquisition will be funded through:

- a secured term debt facility of up to £25.0 million from Aurelius Finance Company Limited and 1903 Partners, LLC an affiliate of Gordon Brothers International, LLC pursuant to the terms of the Facility Agreement; and
- an unsecured loan of £5.17 million to MIP by KJR Brothers Limited pursuant to the terms of the KJR Loan Agreement.

The balance of funds from the Facility Agreement and KJR Loan Agreement will be used by MIP to implement its strategy and to repay existing debt of French Connection.

9. THE SCHEME AND THE FRENCH CONNECTION SHAREHOLDER MEETINGS

It is intended that the Acquisition will be implemented by way of a scheme of arrangement between French Connection and the French Connection Scheme Shareholders under Part 26 of the Companies Act 2006 (although MIP reserves the right to effect the Acquisition by way of an Offer). The Scheme is an arrangement between French Connection and French Connection Scheme Shareholders and is subject to the approval of the Court.

The purpose of the Scheme is to provide for MIP to become the holder of the entire issued and to be issued ordinary share capital of French Connection not currently owned by Apinder Singh Ghura. This is to be achieved by the transfer of the Scheme Shares to MIP, in consideration for which the French Connection Scheme Shareholders will receive cash consideration from MIP on the basis set out in paragraph 2 of this letter. The French Connection Shares currently owned by Apinder Singh Ghura will be transferred to MIP pursuant to the Conditional Sale Agreement following the Scheme becoming Effective.

The Scheme will only become Effective if the following events occur on or before the Long-Stop Date:

- a resolution to approve the Scheme is passed by a majority in number of those French Connection Scheme Shareholders present and voting, either in person or by proxy, and who represent not less than 75 per cent. in nominal value of the Scheme Shares voted by such French Connection Scheme Shareholders at the Court Meeting;
- the passing of the Special Resolutions which requires the approval of French Connection Shareholders representing at least 75 per cent. of the votes cast, either in person or by proxy, at the General Meeting, which will be held immediately after the Court Meeting;
- the Scheme is sanctioned (with or without modification on terms agreed by MIP and French Connection) by the Court; and
- a copy of the Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective: (i) it will be binding on all French Connection Scheme Shareholders, irrespective of whether or not they attended or voted at the General Meeting or the Court Meeting (and if they attended and voted, whether they voted in favour); and (ii) share certificates in respect of French Connection Shares will cease to be valid and entitlements to French Connection Shares in CREST will be cancelled. The Consideration will be despatched by MIP no later than 14 days after the Effective Date.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of the French Connection Scheme Shareholders.

You are therefore strongly encouraged to vote at both French Connection Shareholder Meetings in person or by proxy. See paragraph 13 below and paragraph 14 of Part 2 (*Explanatory Statement*) of this Document for details of the actions you should take in this regard.

If the Scheme does not become Effective on or before the Long-Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Takeover Code, the London Stock Exchange and the FCA.

Further details of the Scheme and the French Connection Shareholder Meetings are set out in paragraph 9 of Part 2 (*Explanatory Statement*) of this Document.

10. DELISTING AND RE-REGISTRATION

The last day of dealings in French Connection Shares is expected to be 5 November 2021, being the Business Day prior to the expected Effective Date. Prior to the Scheme becoming effective, it is intended that an application will be made to the UK Listing Authority and the London Stock Exchange for the cancellation of the listing of the French Connection Shares on the Official List and the trading of the French Connection Shares on the premium segment of the Main Market of the London Stock Exchange, such cancellation to be conditional on the Scheme becoming Effective and to take effect on and from or shortly after the Effective Date.

On the Effective Date, share certificates in respect of French Connection Shares will cease to be valid and entitlements to French Connection Shares held within the CREST system will be cancelled or transferred. It is also proposed that, as soon as reasonably practicable following the Scheme becoming Effective, French Connection will be re-registered as a private limited company.

11. UNITED KINGDOM TAXATION

A summary of certain United Kingdom taxation consequences of the implementation of the Scheme for French Connection Shareholders is set out in paragraph 5 of Part 6 (*Additional Information*) of this Document. **This summary is intended as a general guide only and if you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional tax adviser.**

12. OVERSEAS SHAREHOLDERS

Overseas shareholders should refer to paragraph 12 of Part 2 (*Explanatory Statement*) of this Document.

13. ACTION TO BE TAKEN

Notices convening the Court Meeting and the General Meeting are set out at the end of this Document. You will find enclosed with this Document a BLUE Form of Proxy for use at the Court Meeting and a YELLOW Form of Proxy for use at the General Meeting.

Whether or not you intend to be present at either meeting, you are requested to complete and return both the enclosed Forms of Proxy for the Court Meeting (BLUE) and for the General Meeting (YELLOW) in accordance with the instructions printed on the forms, make an electronic appointment of a proxy or submit a proxy via CREST as soon as possible.

Further details in relation to the action to be taken by French Connection Shareholders is set out on pages 7 to 9 of this Document and in paragraph 14 of Part 2 (*Explanatory Statement*).

14. FURTHER INFORMATION

Your attention is drawn to the letter from WH Ireland set out in Part 2 (*Explanatory Statement*) of this Document (being the explanatory statement made in compliance with section 897 of the Companies Act 2006), which gives further details about the Acquisition and the terms of the Scheme that are set out in full at the end of this Document. Please note that reading the information in this letter is not a substitute for reading the remainder of this Document.

A copy of this Document (and all information incorporated into this Document by reference to another source) and the Forms of Proxy will be available, subject to certain restrictions relating to overseas shareholders in Restricted Jurisdictions, for inspection on (as applicable) French Connection's website at www.frenchconnection.com and, subject to certain applicable securities laws, hard copies can be requested by contacting Link Group, whose contact details are set out on page 9 of this Document.

You are advised to read the whole of this Document and not just to rely on the summary information in this letter.

Your attention is further drawn to the information contained in Part 3 (*Conditions to and Further Terms of the Acquisition*), Part 4 (*The Scheme of Arrangement*), Part 6 (*Additional Information*), and to the expected timetable of principal events set out on page 10 of this Document.

15. RECOMMENDATION

The French Connection Directors, who have been so advised by WH Ireland as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the French Connection Directors, WH Ireland has taken into account the commercial assessments of the French Connection Directors. WH Ireland is providing independent financial advice to the French Connection Directors for the purposes of Rule 3 of the Takeover Code.

In addition, the French Connection Directors believe that the terms of the Acquisition are in the best interests of French Connection Scheme Shareholders as a whole and unanimously recommend that French Connection Scheme Shareholders vote in favour of the Scheme at the Court Meeting and the resolution in connection with the Scheme to be proposed at the General Meeting as I, being the only

French Connection Director who holds French Connection Shares, have irrevocably undertaken to do in respect of my holding of French Connection Shares, being a total of 37,812,690 French Connection Shares (representing approximately 39.14 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date)).

Yours faithfully

Stephen Marks
Chairman

PART 2

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)

WH Ireland Limited
24 Martin Lane
London
EC4R 0DR

9 October 2021

To all French Connection Shareholders and, for information only, persons with information rights

Dear Shareholder

RECOMMENDED CASH ACQUISITION OF FRENCH CONNECTION GROUP PLC BY MIP HOLDINGS LTD

1. Introduction

On 4 October 2021, the boards of French Connection and MIP, a company formed at the direction of Apinder Singh Ghura, Amarjit Singh Grewal and KJR Brothers Limited, announced that they had agreed the terms of a recommended acquisition under which MIP will acquire the entire issued and to be issued ordinary share capital of French Connection not currently owned by Apinder Singh Ghura, to be implemented by way of a Court-sanctioned scheme of arrangement of French Connection under Part 26 of the Companies Act 2006, which requires the approval of French Connection Shareholders and the sanction of the Court (the “**Acquisition**”).

Apinder Singh Ghura beneficially owns 24,518,465 French Connection Shares (representing approximately 25.4 per cent. of the issued share capital of French Connection on 6 October 2021 (being the Latest Practicable Date)). These French Connection Shares will be acquired by MIP pursuant to the Conditional Sale Agreement at a price of 30 pence per French Connection Share conditional upon the Acquisition becoming Effective.

The French Connection Board has been advised by WH Ireland in connection with the Acquisition and the Scheme. We have been authorised by the French Connection Board to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

Your attention is drawn to the letter from the Chairman of French Connection, Stephen Marks, set out in Part 1 (*Letter from the Chairman of French Connection Group PLC*) of this Document, which forms part of this Explanatory Statement. That letter contains, among other things, information on the background to and reasons for the Acquisition and the unanimous recommendation by the French Connection Board to French Connection Scheme Shareholders to vote in favour of the resolutions to approve and implement the Acquisition to be proposed at the French Connection Shareholder Meetings.

Your attention is also drawn to Part 3 (*Conditions to and Further Terms of the Acquisition*), Part 5 (*Financial Information and Ratings*) and Part 6 (*Additional Information*). The Scheme is set out in full in Part 4 (*The Scheme of Arrangement*) of this Document.

French Connection Shareholders should read the whole of this Document before deciding whether or not to vote in favour of the Scheme at the Court Meeting and the Special Resolutions to be proposed at the General Meeting.

2. Summary of the terms of the Acquisition

The Acquisition is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act 2006, which requires the approval of relevant French Connection Shareholders and the sanction of the Court.

In accordance with the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part 3 (*Conditions to and Further Terms of the Acquisition*) of this Document, French Connection Scheme Shareholders will be entitled to receive:

For each French Connection ordinary share: 30 pence in cash

The Acquisition values the entire issued and to be issued share capital of French Connection at approximately £28.98 million. The Acquisition represents a premium of approximately:

- 91.7 per cent. to the Closing Price of 15.7 pence per French Connection Share on 4 February 2021 (being the last Business Day prior to the commencement of the Offer Period); and
- 29.9 per cent. to the Closing Price of 23.1 pence per French Connection Share on 22 September 2021 (being the last Business Day prior to the date of publication of the Possible Offer Announcement).

The French Connection Shares which will be acquired under the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching to them as at the date of the Press Announcement or thereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the date of the Press Announcement.

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by French Connection in respect of the French Connection Shares on or after the date of the Press Announcement and prior to the Scheme becoming Effective, MIP reserves the right to reduce the value of the consideration payable for each French Connection Share by up to the amount per French Connection Share of such dividend, distribution or return of value, in which case any reference in this Document to the consideration payable will be deemed to be a reference to the consideration as so reduced. Any exercise by MIP of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition. In such circumstances, French Connection Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid or which becomes payable.

Information relating to the background to and reasons for the French Connection Board's recommendation of the Acquisition is set out in Part 1 (*Letter from the Chairman of French Connection Group PLC*) of this Document.

MIP has also received irrevocable undertakings in support of the Acquisition from certain French Connection Shareholders in respect of, in aggregate, 42,094,190 French Connection Shares (representing approximately 43.57 per cent. of the existing issued ordinary share capital of French Connection as at the Latest Practicable Date, as set out in more detail below).

3. Information on the French Connection Group

French Connection Group designs and produces branded fashion clothing for men and women which is distributed to more than 50 countries globally via retail, wholesale and e-commerce channels. The Company also licenses and franchises the brand to third party retailers allowing them to sell French Connection branded products and operate French Connection branded retail stores in Europe, the Middle East, Asia and Australia.

Its eponymous brand, French Connection, was founded in 1972 and is an internationally recognised British brand. The French Connection brand accounts for 92 per cent. of the French Connection Group's revenues and operates in the fashion-orientated market place offering a fashion-forward range of quality products at affordable prices.

In addition to French Connection, the French Connection Group portfolio includes two other brands – Great Plains and You Must Create (YMC) – each of which targets a different market segment and has achieved high levels of consumer recognition in the relevant segment.

4. Information on Apinder Singh Ghura, Amarjit Singh Grewal, KJR Brothers Limited, MIP, Gordon Brothers International, LLC and Aurelius Finance Company

Apinder Singh Ghura

Apinder Singh Ghura is a chartered accountant and a founding director of Chan Commercial Limited. Apinder Singh Ghura has been a supplier to the apparel and fashion industry for 33 years, and has more recently invested in the sector, including the apparel brand, Bench, by way of his shareholding in Wraith Holdings International Limited.

Apinder Singh Ghura is also a director of Chan Property Group Limited, Northumberland County Developments Ltd and Newport Lane Estates Limited, through which he has been involved in the development of properties, including hotels and care homes, in the North of England. Apinder Singh Ghura is a director of Willow View Care Limited, a residential care centre based in Stockton-On-Tees.

Between 2 February and 5 February 2021, Apinder Singh Ghura purchased 24,518,465 French Connection Shares (representing approximately 25.4 per cent of the issued share capital of French Connection on 6 October 2021 (being the Latest Practicable Date)). These French Connection Shares will be acquired by MIP pursuant to the Conditional Sale Agreement upon the Acquisition becoming Effective.

Amarjit Singh Grewal

Amarjit Singh Grewal is a founding member and director of apparel company, Boi Trading Company Limited. Boi Trading Company Limited, based in Manchester, owns a collection of men's and ladies apparel brands including Crosshatch, Juice Clothing, Lily Lane, Duck and Cover, Gabicci and Ripstop.

Amarjit Singh Grewal is a director of apparel brands Ringspun Apparel Limited, Indigo Raw Clothing Ltd, Original Brands Limited, Money Industries Ltd, Apparel Brands Limited, NJK Clothing Ltd and Bench (through his directorship of Wraith Holdings International Limited), as well as Unimetal Ltd, a wholesaler of strut support channel and associated products, fasteners and fixings.

KJR Brothers Limited

KJR Brothers Limited was incorporated on 13 July 2021 in England and Wales. The ultimate shareholders are brothers Gafoor Daud Patel and Rafiq Daud Patel, and their immediate family members, via their holdings in ZDK & Co Limited, ALGK & Co Limited and MRK & Co Limited.

Rafiq Daud Patel has experience in the apparel and fashion industry as a director of wholesale clothing company, NJK Clothing Limited. In October 2019, Amarjit Singh Grewal was appointed as a director of NJK Clothing Limited.

MIP

MIP, incorporated on 28 October 2020 in England and Wales, was formed for the purposes of implementing the Acquisition. MIP is a company owned and controlled by Apinder Singh Ghura, Amarjit Singh Grewal and KJR Brothers Limited (a company ultimately controlled by Rafiq Daud Patel and Gafoor Daud Patel and their immediate families, business partners of Apinder Singh Ghura and Amarjit Singh Grewal, the directors of MIP).

As at the Effective Date, it is intended that MIP will be owned in the following proportions: (a) Apinder Singh Ghura will own 38.9 per cent. of MIP (b) Amarjit Singh Grewal will own 38.9 per cent. of MIP and (c) KJR Brothers Limited will own 22.2 per cent. of MIP. Further, as part of the terms on which they are providing a secured debt facility pursuant to the terms of the Facility Agreement, Gordon Brothers International LLC and Aurelius Finance Company Limited have respectively subscribed for 101,430 and 43,470 non-voting preference shares of £0.1 each in MIP.

MIP has not traded since incorporation, nor has it entered into any obligations other than the Conditional Sale Agreement, the Facility Agreement and the KJR Loan Agreement and other than in connection with implementation of the Acquisition.

As MIP was incorporated on 28 October 2020, no financial information is available or has been published in respect of MIP and, there are no current ratings or outlooks publicly accorded to MIP by ratings agencies.

Gordon Brothers

Gordon Brothers International, LLC (“**Gordon Brothers**”) is a holder of MIP preference shares. Its registered office is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), Delaware 19801 and its principal place of business in the UK is 3rd Floor, 13 Hanover Square, London W1S 1HN. Gordon Brothers is headquartered in Boston, with over 30 offices across five continents.

Since 1903, Gordon Brothers (www.gordonbrothers.com) has helped borrowers, lenders, operating executives, advisors and investors move forward through change. The firm brings a powerful combination of expertise and capital to clients, developing customized solutions on an integrated or standalone basis across four services areas: valuations, investments, operations and dispositions. Whether to fuel growth or facilitate strategic consolidation, Gordon Brothers partners with companies in the retail, brands, commercial and industrial sectors to put assets to their highest and best use.

1903 Partners, LLC is a lender under the Facility Agreement and is an affiliate of Gordon Brothers. 1903 Partners, LLC’s registered office is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), Delaware 19801.

GB Europe Management Services Limited is an affiliate of Gordon Brothers and is acting as agent and security agent under the Facility Agreement. GB Europe Management Services Limited’s registered office is 3rd Floor, 13 Hanover Square, London W1S 1HN.

Aurelius Finance Company

Aurelius Finance Company Limited (“**AFC**”) is a lender under the Facility Agreement and a holder of MIP preference shares. AFC was founded in 2017 and is headquartered in London. Its registered office is 6th Floor 33 Glasshouse Street, London, England, W1B 5DG.

AFC is an alternative direct lender, focused on providing financial solutions to small and mid-market firms across the UK and Europe. AFC’s approach and lending strategy allows them to provide supportive and flexible capital across the whole capital structure. The experienced team of specialists at AFC has deployed over £120 million of capital to over 20 clients, across a broad range of sectors and industries.

AFC is member of the Aurelias Group, which is a pan-European asset management group with offices in Munich, London, Stockholm, Madrid, Amsterdam, Milan and Luxembourg. AFC is a direct subsidiary of Aurelius Equity Opportunities SE & Co. KGaA, which is listed on the Frankfurt Stock Exchange (AR4: Xetra). The Aurelius Group also operate in the areas of private equity, growth capital, debt and real estate. The Aurelius Group charity, Aurelius Refugee Initiative e.V., provides comprehensive support for refugees on their way towards a better life. Further information may be obtained at www.aurelius-group.com/financecompany.

Details of the MIP Shareholders’ Agreement are set out in paragraph 9 of Part 6 (*Additional Information*) of this Document and copies of that document and the articles of association of MIP are publicly available as set out in paragraph 15 of Part 6 (*Additional Information*) of this Document.

5. Financing Arrangements

The cash consideration payable by MIP under the terms of the Acquisition will be funded through:

- a secured term debt facility of up to £25.0 million from Aurelius Finance Company Limited and 1903 Partners, LLC an affiliate of Gordon Brothers International, LLC pursuant to the terms of the Facility Agreement; and
- an unsecured loan of £5.17 million to MIP by KJR Brothers Limited pursuant to the terms of the KJR Loan Agreement.

The balance of funds from the Facility Agreement and KJR Loan Agreement will be used by MIP to implement its strategy and to repay existing debt of French Connection.

6. Management, employees and locations of business

MIP's primary motivation behind the Acquisition is to implement a strategy, together with French Connection's management, which recognises the importance of French Connection's established network of suppliers and wholesale customers and develops French Connection's brands to facilitate future growth and profitability for the business.

Following completion of the Acquisition, MIP intends to carry out a detailed review of the overheads of the French Connection Group to ensure the business is operating efficiently.

MIP intends to analyse the existing product range and product pricing structure, with a view to improving its commercial edge, whilst remaining relevant to French Connection's loyal retail customer base.

Intentions with Respect to French Connection Directors

Upon completion of the Acquisition, MIP intends that Neil Williams, Chief Operating Officer and Lee Williams, Chief Financial Officer will continue their employment with French Connection. The current Chief Executive and Chairman of the group, Stephen Marks, will retire from the French Connection Board. The Non-Executive Directors of the Company will each be expected to resign from his or her office as a Director of the Company upon completion of the Acquisition. There are no share incentive arrangements in respect of the French Connection Directors.

Intentions with Respect to French Connection Retail Store Locations

Following completion of the Acquisition and as soon as is reasonably practicable, MIP intends to carry out a strategic review of French Connection's retail division which MIP anticipates will conclude within the first six months. In January 2018, French Connection operated 53 stores globally and currently operates 24 stores, representing a material reduction in MIP's retail estate, which has in turn, significantly reduced the fixed costs associated with this area of the business. MIP fully supports this strategy and intends to continue this process instigated by French Connection and will continue to opportunistically close stores broadly in-line with recent rates of shrinkage, for example, upon store-lease expiration or those which are negatively contributing to Group profits. Any decision to close individual stores will be made following the strategic review. MIP's objective is to maintain a balance between retaining a visible high street presence for French Connection's brands, and the need to stem the current rate of losses of underperforming retail units to ensure that they do not continue to impact negatively on the overall performance of the French Connection Group.

Beyond continuing rationalisation of the retail store portfolio, there are no plans to change or redeploy the fixed assets of French Connection.

By contrast, e-commerce represents a significant growth opportunity for French Connection. MIP expects this to be a key part of French Connection's business in the future and intends to seek new alliances and strategic partnerships during the twelve months following Completion in order to grow this area of the business in the medium term.

Intentions with Respect to French Connection Employees

MIP intends that, following completion of the Acquisition, the contractual and statutory employment rights of all French Connection management and employees, including rights to pensions, will be fully safeguarded in accordance with applicable law. French Connection operates a group defined contribution scheme and contributes towards a number of personal pension plans. The Company's intention is to maintain current employer contributions to existing pension arrangements for existing employees and to continue to enrol new employees in the group defined contribution scheme in accordance with applicable workplace pensions legislation.

Following completion of the Acquisition, MIP intends to review both the conditions of employment and the balance of skills required and functions of French Connection employees, along with the management incentive structure of French Connection, in each case to reflect the change in French Connection's corporate status from a public company to a private company.

No conversations have yet taken place in relation to any proposed management incentive structure, whether by reference to common practice in this area or in relation to the likely quantum of any awards, no such conversations will take place and no commitments will be entered into, in each case

prior to completion of the Acquisition. Thereafter MIP intends, subject to agreement with the relevant individuals, to introduce individually tailored incentive arrangements for key members of the French Connection management team.

French Connection has reduced the overall size of its workforce in recent years, in part due to store closures, from an average of 824 during the financial year 2020/21 to 591 as at 31 August 2021. Staff are employed within the following broad functional areas: Administration (78 employees); Design, Development and Production Management (100 employees) and Selling, Distribution and Retail (413 employees). Whilst acknowledging the Group structure is more complex as a result of French Connection's overseas operations and supply chain, following completion of the Acquisition MIP believes there is an opportunity to continue to rebalance headcount between customer facing employees and support functions, in part to reflect recent shrinkage in the retail estate. As stated above, MIP will continue to opportunistically close stores in line with recent rates of attrition, and would expect there to be a corresponding reduction in headcount. At present, MIP does not anticipate reductions in headcount for non-customer facing roles to be material in the context of total headcount for the Wider French Connection Group.

In addition, French Connection employs a small number of personnel whose functions are directly associated with the running of French Connection as a public company who MIP will seek to redeploy, where possible, in order to minimise the headcount reduction that would otherwise arise. MIP will carry out a review of the relevant functions following completion of the Acquisition and the precise number of employees actually affected will depend on the outcome of this review. Any affected employees will be treated in a fair and transparent manner and in accordance with their employment rights and applicable law.

Intentions with respect to French Connection Headquarters and Distribution Centre

Following completion of the Acquisition, MIP has no intention, at least within the next 12 months, to relocate French Connection's headquarters and headquarter functions from the existing office in London.

Furthermore, the negotiation of an extension to the lease relating to the French Connection distribution centre in Purfleet is currently being finalised (the lease having expired almost 12 months ago). As a result, MIP does not intend to relocate French Connection's distribution centre during the next 12 months.

Trading facility

French Connection Shares are currently listed on the Official List and admitted to trading on the Main Market of the London Stock Exchange. As set out in paragraph 11, it is MIP's intention to seek the cancellation of the listing of French Connection Shares on the Official List of the FCA and cancellation of trading of French Connection Shares on the Main Market of the London Stock Exchange from or shortly after completion of the Acquisition.

Other Items

Owing to the nature of the business, other than normal product development French Connection has no research and development function. MIP has no plans to change this.

Views of the French Connection Board

In evaluating the Acquisition, the French Connection Board has taken account of the impact of the Acquisition on wider stakeholders and has given due consideration to MIP's intention for French Connection's management, employees and places of business. Whilst the French Connection Board recognise that MIP may no longer require a limited number of central PLC-related functions and that MIP intends to continue the process of rationalising the retail store portfolio, both of which could result in some headcount reductions, the French Connection Directors are pleased to note that MIP does not anticipate making any material changes to the locations or functions of the business. The French Connection Directors are also pleased to note MIP's confirmation that, following the completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of all French Connection employees will be fully safeguarded in accordance with applicable law.

None of the statements in this paragraph 6 are "post-offer undertakings" for the purpose of Rule 19.5 of the Takeover Code.

7. French Connection Current Trading and Prospects

Following French Connection's last update in the preliminary results announcement on 28 April 2021, trading has continued to improve in line with management's expectations. Wholesale in both the UK and the US has performed well, with a good outcome in the Summer season coupled with encouraging order books for the Winter collections.

The Company achieved a stronger trading performance following the reopening of stores in Q2 2021 compared to the post-lockdown periods of 2020 and has additionally seen the benefit of the closure of several non-contributing stores over the last 18 months. In addition, the Company took a significantly less promotional stance through the Summer season in stores and through e-commerce, with increased full price sales. Consequently, margins improved, however sales growth has remained restricted to some extent.

Licence income has generally returned to growth following the Covid-19 period, with a particularly strong performance from DFS.

The net debt/cash position is slightly ahead of management's expectations following a period of tight cash control, and this continues to be supported by credit facilities of £20 million which are available to fund the Company's larger working capital requirements during the second half of the year.

There still, however, remains a risk of disruption to trading due to any future Covid-19 restrictions, particularly through the Winter months, together with other macro-economic factors including the current constraints in the global supply chain and the impact on the availability of merchandise at the correct time.

Further details in respect of the Company's trading performance will be provided in the upcoming interim results announcement due to be published in mid-October 2021.

Recent announcement regarding the Company's auditors, Mazars LLP

The Company has noted the announcement on 6 October 2021 by the Financial Reporting Council ("FRC") that it has commenced an investigation into Mazars LLP ("Mazars"), in relation to their audit of the consolidated financial statements of the Company for the year ended 31 January 2020 (the "FY20 accounts"). The FRC investigation relates only to the conduct of the audit of the 2019 accounts and not the accounts for the year ended 31 January 2021 (the "FY21 accounts"), the audit of which was completed in April 2021. As was noted in the Audit Committee Report in the FY21 accounts, the FRC's Audit Quality Review team's assessment of Mazars' audit of the FY20 accounts highlighted that a number of improvements in the auditing process were required by Mazars. There was no indication however that the findings of the audit were incorrect. Following subsequent discussions with Mazars, the Audit Committee of the French Connection Board was satisfied that the changes recommended by the FRC were fully implemented during the audit of the FY21 accounts.

8. French Connection Directors and the effect of the Scheme on their interests

Details of the interests of the French Connection Directors in French Connection Shares are set out in paragraph 4 of Part 6 (*Additional Information*) of this Document.

Details of the service contracts (including termination provisions) and letters of appointment of the French Connection Directors are set out in paragraph 10 of Part 6 (*Additional Information*) of this Document.

Stephen Marks, being the only French Connection Director who holds French Connection Shares, has irrevocably undertaken to vote in favour of the Scheme in respect of his own beneficial holding totalling 37,812,690 French Connection Shares, representing approximately 39.14 per cent. of French Connection's share capital. This undertaking ceases to be binding only if: (i) MIP announces that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme or offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) the Acquisition lapses or is withdrawn; or (iii) the Acquisition has not become Effective by 11:59 p.m. the Long-Stop Date.

Following the Scheme becoming Effective, Stephen Marks will retire and resign as a director of French Connection and each of the French Connection Non-Executive Directors will resign. The French Connection Non-Executive Directors will not receive any compensation for their loss of office or retirement.

Upon completion of the Acquisition, MIP intends for Neil Williams, Chief Operating Officer and Lee Williams, Chief Financial Officer to continue their employment with French Connection.

Save as set out in this Document, there are currently no proposed changes to the service contracts of any French Connection Director and no proposed termination payment for any French Connection Non-Executive Director and the effect of the Scheme on the interests of the French Connection Directors does not differ from its effect on the like interests of any other French Connection Scheme Shareholder.

9. Description of the Scheme and the French Connection Shareholder Meetings

(a) The Scheme

The Acquisition is to be effected by way of the Scheme. The Scheme is an arrangement made between French Connection and the French Connection Scheme Shareholders under Part 26 of the Companies Act 2006. This involves an application by French Connection to the Court to sanction the Scheme pursuant to which the Scheme Shares will be transferred to MIP, in consideration for which French Connection Scheme Shareholders on the register of members of French Connection at the Scheme Record Time will receive the Acquisition Price from MIP on the basis set out in paragraph 2 of this Part 2 (*Explanatory Statement*) of this Document.

The French Connection Shares held by Apinder Singh Ghura will not be entitled to vote at the Court Meeting and will be acquired by MIP pursuant to the terms of the Conditional Sale Agreement with effect from the Acquisition becoming Effective.

The transfer of the Scheme Shares to MIP, provided for in the Scheme, and the transfer of the French Connection Shares held by Apinder Singh Ghura to MIP pursuant to the terms of the Conditional Sale Agreement, will result in all of the French Connection Shares being held by MIP and French Connection becoming a wholly owned subsidiary of MIP.

It is currently expected that the Scheme will become effective on or around 8 November 2021 subject to the satisfaction or (where applicable) waiver of all the relevant Conditions.

The expected timetable of principal events for the Acquisition and the Scheme is set out on page 10 of this Document.

The provisions of the Scheme are set out in full in Part 4 (*The Scheme of Arrangement*) of this Document.

(b) French Connection Shareholder approvals

The Acquisition is subject to the approval of French Connection Shareholders by the passing of a resolution at the Court Meeting.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of the French Connection Scheme Shareholders. You are therefore urged to complete and return your Form of Proxy, make an electronic appointment of a proxy or submit a proxy via CREST as soon as possible.

In addition, the Scheme will require the approval of French Connection Shareholders at the General Meeting. The General Meeting has been convened to consider and, if thought fit, to pass the Special Resolutions (which require a vote in favour of not less than 75 per cent. of the votes cast, whether in person or by proxy) to approve the Scheme and enable French Connection to be re-registered as a private limited company. The General Meeting will be held immediately after the Court Meeting.

(i) The Court Meeting

The Court Meeting has been convened at the direction of the Court for 10:30 a.m. on 1 November 2021 for French Connection Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll (and not a show of hands) and each French Connection Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of the French Connection Scheme Shareholders present and voting, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by such French Connection Scheme Shareholders for which votes are cast.

French Connection Shares owned by Apinder Singh Ghura will not be eligible to vote at the Court Meeting. As at 6 October 2021 (the Latest Practicable Date), Apinder Singh Ghura was interested in 24,518,465 French Connection Shares (representing approximately 25.4 per cent. of the issued share capital of French Connection).

(ii) *The General Meeting*

In addition to the Court Meeting, the General Meeting has been convened for 10:45 a.m. on 1 November 2021 or, if later, as soon after that time as the Court Meeting has been concluded or adjourned, for French Connection Shareholders to consider and, if thought fit, pass, the Special Resolutions necessary to implement the Scheme and certain related matters. The Special Resolutions are proposed to approve:

- (A) giving the French Connection Board authority to take all necessary action to carry the Scheme into effect; and
- (B) authorise the re-registration of French Connection as a private limited company and to adopt new articles of association in place of the existing French Connection Articles to reflect such change.

Voting on the Special Resolutions will be by poll, and each French Connection Shareholder present in person or by proxy will be entitled to one vote for every French Connection Share held as at the Voting Record Time. The approval required for the Special Resolutions to be passed is at least 75 per cent. of the votes cast on the Special Resolutions. French Connection Shares owned by Apinder Singh Ghura will be eligible to vote at the General Meeting. As at 6 October 2021 (the Latest Practicable Date), Apinder Singh Ghura was interested in 24,518,465 French Connection Shares (representing approximately 25.4 per cent. of the issued share capital of French Connection).

The quorum for the French Connection General Meeting will be two or more French Connection Shareholders present in person or by proxy.

Entitlement to attend, speak and vote at these meetings and the number of votes which may be cast at the meetings will be determined by reference to the register of members of French Connection at the Voting Record Time. All French Connection Shareholders whose names appear on the register of members of French Connection at 6:00 p.m. on 28 October 2021 or, if either the Court Meeting or the General Meeting is adjourned on the register of members at 6:00 p.m. on the date two calendar days (excluding any non-working days) before the date set for the adjourned meeting, shall be entitled to attend and speak and vote at the relevant meeting in respect of the number of French Connection Shares registered in their name at the relevant time, except that French Connection Shares owned by Apinder Singh Ghura will not be eligible to vote at the Court Meeting.

Further details in relation to the action to be taken by French Connection Shareholders is set out on pages 7 to 9 of this Document and in paragraph 14 of this Part 2 (*Explanatory Statement*).

You will find the Notice(s) of the Court Meeting and of the General Meeting set out in Part 9 (*Notice of Court Meeting*) and Part 10 (*Notice of General Meeting*) respectively.

(c) **Court Hearing to sanction the Scheme**

Under the Companies Act 2006, the Scheme also requires the sanction of the Court.

The Court Hearing to sanction the Scheme is currently expected to take place on 5 November 2021. All French Connection Shareholders are entitled to attend the Court Hearing in person or through a legal representative to support or oppose the sanctioning of the Scheme.

The Scheme will become Effective in accordance with its terms as soon as a copy of the Court Order has been delivered to the Registrar of Companies for registration. This is currently expected to occur on or about 8 November 2021. French Connection and/or MIP will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

French Connection will be re-registered as a private limited company subject to and conditional upon the Scheme becoming Effective.

If the Scheme becomes Effective, it will be binding on all French Connection Scheme Shareholders, including any French Connection Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme at the Court Meeting or against the Special Resolutions at the General Meeting.

Unless the Scheme becomes Effective by no later than the Long-Stop Date, or such later date as French Connection and MIP may, with the consent of the Panel, agree and the Court, if required, may allow, the Scheme will not become Effective and the Acquisition will not proceed.

(d) Re-registration of French Connection as a private company and adoption of new articles of association

It is also proposed, as part of the Special Resolutions to be proposed at the General Meeting, that, subject to and conditional upon the Scheme becoming Effective, pursuant to section 97 of the Companies Act 2006, French Connection be re-registered as a private company with the name French Connection Group Limited as soon as practicable following the Effective Date. As part of the re-registration of French Connection as a private limited company, and pursuant to the Re-registration Resolution, it is proposed that French Connection adopt new articles of association. The new articles of association will reflect the change in name of French Connection (per the Re-registration Resolution contained in Part 10 (*Notice of General Meeting*) of this Document) and will be in a customary form for a wholly owned private limited company. The full text of the new articles of association proposed to be approved under the Re-registration Resolution will be made available on French Connection's website in accordance with paragraph 15 of Part 6 (*Additional Information*) of this Document and as set out in the notes to the notice of the General Meeting.

(e) Modifications to the Scheme

The Scheme contains a provision for French Connection and MIP to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or impose a condition to the Scheme which might be material to the interests of the French Connection Scheme Shareholders unless French Connection Scheme Shareholders were informed of such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of French Connection Scheme Shareholders should be held in these circumstances for the purpose of approving any such modification, addition or condition.

(f) Conditions

The Scheme is subject to the Conditions, including, among other things:

- (i) the Scheme becoming Effective by not later than the Long-Stop Date, or such later date (if any) as French Connection and MIP agree, and (if required) the Court and the Panel allow;
- (ii) the approval of the Scheme at the Court Meeting and of the Special Resolutions at the General Meeting;
- (iii) the sanction of the Scheme by the Court; and
- (iv) the delivery of a copy of the Court Order to the Registrar of Companies.

The Acquisition can only become Effective if all Conditions, including those described above, have been satisfied or, if capable of waiver, waived. The Conditions relating to the approval of the Scheme by the French Connection Scheme Shareholders at the Court Meeting, the passing of the Special Resolutions at the General Meeting, the sanction of the Scheme by the Court and the delivery or registration of the Court Order with the Registrar of Companies are not capable of being waived in whole or in part.

If any Condition is not capable of being satisfied by the date specified therein, MIP shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by no later than 8:00 a.m. on the Business Day following the date so specified, stating whether MIP has invoked that Condition, waived that Condition or, with the agreement of French Connection, specified a new date by which that Condition must be satisfied.

Further details on the Conditions are set out in Part 3 (*Conditions to and Further Terms of the Acquisition*) of this Document.

(g) **Alternative means of implementing the Acquisition**

MIP has reserved the right (with the consent of the Panel) to implement the Acquisition by way of Offer, as an alternative to the Scheme and in accordance with the terms of the Cooperation Agreement, in which case additional documents will be required to be sent to French Connection Shareholders. In such event, the Offer will (unless otherwise agreed) be implemented on the same terms (subject to appropriate amendments, including an acceptance condition set at 75 per cent. of the shares to which such Offer relates or such other percentage as MIP may, in accordance with the terms of the Cooperation Agreement and with the consent of the Panel (if required) decide) as those which would apply to the Scheme.

(h) **Offer-related arrangements**

(i) *Confidentiality Agreement*

On 25 February 2021, Apinder Singh Ghura and French Connection entered into a confidentiality agreement (the “**Confidentiality Agreement**”) in relation to the Acquisition, pursuant to which, amongst other things, Apinder Singh Ghura has undertaken to keep confidential information relating to French Connection and to the Acquisition and not to disclose it to third parties (with certain exceptions). The provisions of the Confidentiality Agreement also extend to cover MIP and its investors. These confidentiality obligations will remain in force for 18 months following the date of the Confidentiality Agreement. The Confidentiality Agreement contains standstill provisions which restrict Apinder Singh Ghura from acquiring or seeking to acquire interests in certain securities of French Connection without the consent of French Connection; with those restrictions ceasing to apply if a third party announces a firm intention to make an offer for French Connection. The Confidentiality Agreement contains provisions pursuant to which Apinder Singh Ghura has agreed not to solicit certain employees of French Connection’s group, subject to customary carve-outs, for a period of 12 months from the date of the Confidentiality Agreement.

(ii) *Cooperation Agreement*

On 4 October 2021 MIP and French Connection entered into the Cooperation Agreement, under which MIP and French Connection have agreed, to the extent any Authorisations are required in connection with the Acquisition, to cooperate and provide each other with reasonable assistance, information and access in relation to obtaining such Authorisations.

The Cooperation Agreement records the intention of MIP and French Connection to implement the Acquisition pursuant to the Scheme. However MIP may, with the consent of the Panel, elect to implement the Acquisition by way of an Offer in certain circumstances, including if:

- French Connection provides its prior written consent; or
- a third party announces a firm intention to make an offer for all or part of the issued and to be issued share capital of French Connection; or
- the French Connection Board: (i) does not include a recommendation in the Scheme Document; or (ii) withdraws, qualifies or modifies its unanimous and unconditional recommendation in relation to the Acquisition.

The Cooperation Agreement will terminate (among other circumstances):

- if agreed between MIP and French Connection prior to the Effective Date;
- upon written notice by MIP to French Connection if: (i) prior to the Long-Stop Date any Condition which has not been waived is not satisfied or has become incapable of satisfaction; (ii) the French Connection Board withdraws, adversely qualifies or adversely modifies the French Connection Board’s unanimous and unconditional recommendation of the Acquisition; (iii) this Document fails to contain a unanimous and unconditional recommendation of the Acquisition from the French Connection Board; or (iv) a third party announces a firm intention to make an offer or revised offer for French Connection which is recommended by the French Connection Board or which completes, becomes effective or becomes unconditional in all respects; or
- upon written notice by either party if: (i) the Scheme is not approved by the French Connection Shareholders at the Court Meeting or the General Meeting or the Court refuses to sanction the Scheme; (ii) the Scheme has not been implemented by the

Long-Stop Date (unless MIP has exercised its right to switch to an Offer or announces that it intends to implement the Acquisition by a different offer or scheme on substantially the same or improved terms); or (iii) the Scheme Document and notice of the Court Meeting and the General Meeting are not published within 28 days of the date of the Press Announcement; or (iv) the Court Meeting and/or the General Meeting are/is not held on or before the later of the 22nd day after the expected date of such meeting or such a later date as may be agreed between the parties; or (v) the Effective Date has not occurred by the Long-Stop Date.

10. Undertakings to vote in favour of the Scheme

Stephen Marks, being the only French Connection Director holding French Connection Shares, has irrevocably undertaken to vote in favour of the Scheme and the Special Resolutions (or to accept an Offer to implement the Acquisition) in respect of his entire holding of French Connection Shares, being a total of 37,812,690 French Connection Shares, (representing approximately 39.14 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date)).

In addition, MIP has received an irrevocable undertakings from Candice Marks, from Nicole Farhi and from the trustees of the discretionary trusts established for the benefit of certain of Stephen Marks' children to vote in favour of the Scheme at the Court Meeting and the Special Resolutions at the General Meeting, in respect of a total of 4,281,500 French Connection Shares, representing approximately 4.43 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date).

MIP has therefore received irrevocable undertakings in respect of a total of 42,094,190 French Connection Shares, representing, in aggregate, approximately 43.57 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date).

Further details of these irrevocable undertakings, including the circumstances in which they would cease to be binding, are set out in paragraph 7 of Part 6 (*Additional Information*) of this Document.

11. Delisting, dealings and settlement

The last day of dealings in, and registrations of transfers of, French Connection Shares is expected to be 5 November 2021, being the Business Day prior to the expected Effective Date. Prior to the Scheme becoming effective, it is intended that an application will be made to the UK Listing Authority and the London Stock Exchange for the cancellation of the listing of the French Connection Shares on the Official List and the trading of the French Connection Shares on the premium segment of the Main Market of the London Stock Exchange, such cancellation to be conditional on the Scheme becoming Effective and to take effect on and from or shortly after the Effective Date.

On the Effective Date, share certificates in respect of French Connection Shares will cease to be valid and entitlements to French Connection Shares held within the CREST system will be cancelled or transferred. It is also proposed that, as soon as reasonably practicable following the Scheme becoming Effective, French Connection will be re-registered as a private limited company.

Subject to the Scheme becoming Effective, settlement of the consideration to which any French Connection Scheme Shareholder is entitled under the Scheme will be effected in the manner described below.

(a) Scheme Shares in uncertificated form

Where, at the Scheme Record Time, a French Connection Scheme Shareholder holds Scheme Shares in uncertificated form, except with the consent of the Panel, settlement of the Acquisition Price to which such French Connection Scheme Shareholder is entitled will be paid through CREST in pounds sterling as soon as practicable after the Effective Date (and in any event within 14 calendar days or within such other time period as may be approved by the Panel) after the Effective Date, in accordance with the CREST payment arrangements.

As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course.

MIP reserves the right to pay any cash consideration to all or any French Connection Scheme Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in sub-paragraph (b) below if, for any reason, it wishes to do so or for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-paragraph (a).

(b) Scheme Shares in certificated form

Where, at the Scheme Record Time, a French Connection Scheme Shareholder holds Scheme Shares in certificated form, except with the consent of the Panel, settlement of the Acquisition Price to which the French Connection Scheme Shareholder is entitled will be made in pounds sterling by cheque drawn on a branch of a clearing bank in the United Kingdom; payments made by cheque will be payable to the French Connection Shareholders(s) concerned; and payments will not be sent by CHAPS or BACS.

Cheques in respect of cash consideration will be despatched by first class post (or by such other method as may be approved by the Panel) at the risk of the person entitled thereto as soon as practicable (and in any event within 14 calendar days or within such other time period as may be approved by the Panel) after the Effective Date. Cheques will be sent to French Connection Scheme Shareholders at the address appearing in French Connection's register of members at the Scheme Record Time or, in the case of the joint holders, to the holder whose name appears first in such register in respect of the joint holding concerned. None of French Connection, MIP, any nominee(s) of French Connection or MIP or any of their respective agents will be responsible for any loss or delay in the transmission of cheques sent in this way and any such cheques are sent at the risk of the person(s) entitled thereto.

If any French Connection Scheme Shareholders have not encashed their cheques within six months of the Effective Date, French Connection and MIP shall procure that the cash consideration due to such French Connection Scheme Shareholders under the Scheme shall be held by French Connection in a separately designated UK bank account for a period of at least 12 years from the Effective Date solely for the purpose of satisfying such payment obligations under the Scheme, and any such French Connection Scheme Shareholders may claim the consideration due to them by giving written notice to French Connection in a form and with such supporting evidence as French Connection may reasonably require to evidence their entitlement to such consideration at any time during such 12 year period.

On the Effective Date, each certificate representing a holding of French Connection Shares subject to the Scheme will cease to be valid. Following settlement of the consideration to which a French Connection Scheme Shareholder is entitled under the Scheme, French Connection Scheme Shareholders will be bound on the request of French Connection either (i) to destroy such French Connection Share certificates; or (ii) to return such French Connection Share certificates to French Connection, or to any person appointed by French Connection, for cancellation.

(c) General

All documents and remittances sent to French Connection Scheme Shareholders in accordance with this paragraph 11 will be sent at the risk of the person entitled thereto.

Save with the consent of the Panel, settlement of the consideration to which any French Connection Scheme Shareholder is due under the Scheme will be implemented in full in accordance with the terms set out in this Part 2 (*Explanatory Statement*) of this Document without regard to any lien, right of set off, counterclaim or analogous right to which MIP may otherwise be, or claim to be, entitled against any French Connection Scheme Shareholder.

12. Overseas Shareholders

(a) Securities laws

The release, publication or distribution of this Document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document and any accompanying documents come should inform themselves about, and observe, any applicable restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of such jurisdictions.

Neither this Document nor the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. Nothing in this Document or the accompanying documents should be relied upon for any other purpose.

The implications of the Acquisition for persons resident in, or citizens of, jurisdictions outside the United Kingdom may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This Document and the accompanying documents have been prepared for the purposes of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. **Overseas Shareholders should consult their own legal and tax advisers with regard to the legal and tax consequences of the Scheme to their particular circumstances.**

All French Connection Shareholders (including, without limitation, nominees, trustees or custodians who would, or otherwise intend to, forward this Document and its accompanying documents to any jurisdiction outside the United Kingdom), should seek appropriate independent professional advice before taking any action.

13. United Kingdom taxation

A summary of certain United Kingdom taxation consequences of the implementation of the Scheme for certain French Connection Shareholders is set out in paragraph 5 of Part 6 (*Additional Information*) of this Document. **This summary is intended as a general guide only and if you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional tax adviser.**

14. Action to be taken

French Connection Shareholders will find enclosed with this Document a BLUE Form of Proxy to be used in connection with the Court Meeting and a YELLOW Form of Proxy to be used in connection with the General Meeting. If you hold French Connection Shares in CREST, you may instead appoint a proxy by completing and transmitting a CREST Proxy Instruction to French Connection's Registrars (please also refer to the accompanying notes for the Notice of General Meeting set out at the end of this Document).

Whether or not you intend to attend the Court Meeting and/or the General Meeting, please complete and sign both Forms of Proxy and return them by post to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or by hand, during normal business hours only, to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL or if you hold French Connection Shares in CREST, complete and transmit a CREST Proxy Instruction as soon as possible and, in any event, so as to arrive by the time specified below on 28 October 2021.

If the BLUE Form of Proxy for the Court Meeting is not lodged so as to be received by 10:30 a.m. on 28 October 2021, it may be handed to the Chairman of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, unless the YELLOW Form of Proxy is lodged so as to be received by 10:45 a.m. on 28 October 2021, it will be invalid. The completion and return of a Form of Proxy or transmittal of a CREST Proxy Instruction will not prevent you from attending the Court Meeting or the General Meeting and voting in person, if you so wish and are so entitled.

French Connection Shareholders who prefer to register the appointment of their proxy electronically via the internet can do so through the Link Group website at www.signalshares.com. In order to access the voting system, shareholders will need their Investor Code (IVC) found on their Form of Proxy. Further details in relation to electronic appointment of proxies are set out on pages 8 to 9 of this Document.

Proxies submitted via CREST (under CREST ID RA10) or electronically through the Link Group website must be received by Link Group not later than 10:30 a.m. on 28 October 2021 in the case of the Court Meeting and 10:45 a.m. on 28 October 2021 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a working day) prior to the time and date set for the adjourned meeting).

Notices convening the Court Meeting and the General Meeting are set out in Part 9 (*Notice of Court Meeting*) and Part 10 (*Notice of General Meeting*) of this Document, respectively.

It is important that as many votes as possible are cast at the Court Meeting so that the Court may be satisfied that there is a fair representation of French Connection Scheme Shareholder opinion. You are therefore strongly encouraged to sign and return the BLUE Form of Proxy for the Court Meeting as soon as possible. You are also encouraged to sign and return the YELLOW Form of Proxy for the General Meeting at the same time as the BLUE Form of Proxy for the Court Meeting or, if you hold French Connection Shares in CREST, via a CREST Proxy Instruction.

If you have any questions relating to this Document or the completion and return of your Forms of Proxy, please contact Link Group between 9:00 a.m. and 5:30 p.m. Monday to Friday (except UK public holidays) on 0371 664 0300 from within the UK (or on +44 (0) 371 664 0300 if calling from outside the UK). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Link Group cannot provide advice on the merits of the Acquisition or give any financial, legal or tax advice.

15. Further information

The terms of the Scheme are set out in full in Part 3 (*Conditions to and Further Terms of the Acquisition*) of this Document. Your attention is also drawn to the further information contained in, or incorporated by reference into, this Document which forms part of this Explanatory Statement.

Yours faithfully

Adrian Hadden

For and on behalf of
WH Ireland

PART 3

CONDITIONS TO AND FURTHER TERMS OF THE ACQUISITION

PART A: CONDITIONS TO THE ACQUISITION

1. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, on or before the Long-Stop Date.
2. The Scheme is subject to the following Conditions:
 - 2.1. the approval of the Scheme by a majority in number of the French Connection Scheme Shareholders at the Voting Record Time present and voting (and entitled to vote), in person or by proxy, at the Court Meeting and at any separate class meeting which the Court may require (or, in either case, any adjournment thereof) representing not less than 75 per cent. in value of the Scheme Shares held by those French Connection Scheme Shareholders and such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting (being 1 November 2021) or such later date (if any) as may be agreed by MIP and French Connection and, if required, the Court and the Panel may allow;
 - 2.2. the resolution(s) required to approve and implement the Scheme being duly passed by French Connection Shareholders by the requisite majority or majorities at the General Meeting (or any adjournment thereof) and such General Meeting being held on or before the 22nd day after the expected date of the General Meeting (being 1 November 2021) or such later date (if any) as may be agreed by MIP and French Connection and, if required, the Court and the Panel may allow;
 - 2.3. the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to French Connection and MIP at the Court Hearing) and such Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing (being 5 November 2021) or such later date (if any) as may be agreed between MIP and French Connection and, if required, the Court and the Panel may allow; and
 - 2.4. delivery of a copy of the Court Order to the Registrar of Companies.
3. Subject as stated in Part B below and to the requirements of the Panel, the Acquisition is conditional upon the following Conditions and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied (where capable of satisfaction) or, where relevant, waived:

Notifications, waiting periods and authorisations

- 3.1. all notifications, filings or applications in connection with the Acquisition which are necessary or reasonably considered appropriate by MIP having been made and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all applicable statutory and regulatory obligations in any jurisdiction having been complied with in respect of the Acquisition and the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, French Connection or any other member of the Wider French Connection Group by any member of the Wider MIP Group, in each case where the direct consequence of the absence of such notification, filing or application would have a material adverse effect on the Wider French Connection Group or the Wider MIP Group in each case taken as a whole, and all Authorisations necessary in respect thereof having been obtained in terms and in a form reasonably satisfactory to MIP from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider French Connection Group or the Wider MIP Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider French Connection Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes Effective and there being no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations, in each case to an extent or in a manner which is material in the context of the Acquisition;

Antitrust and regulatory

- 3.2. no antitrust regulator or Third Party having decided, threatened or given notice in writing of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
- 3.2.1. require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider MIP Group or by any member of the Wider French Connection Group of all or any material part of their respective businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
 - 3.2.2. except pursuant to Chapter 3 of Part 28 of the Companies Act and other than in connection with the implementation of the Acquisition, require any member of the Wider MIP Group or the Wider French Connection Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider French Connection Group or any asset owned by any third party;
 - 3.2.3. impose any material limitation on, or result in a material delay in, the ability of any member of the Wider MIP Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or loans or securities convertible into shares or other securities in the Wider French Connection Group or on the ability of any member of the Wider French Connection Group or any member of the Wider MIP Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider French Connection Group (in any case to an extent or in a manner which is material in the context of the Wider MIP Group or the Wider French Connection Group taken as a whole or material in the context of the Acquisition);
 - 3.2.4. otherwise adversely affect any or all of the business, assets, liabilities, profits or prospects of any member of the Wider French Connection Group to an extent which is material to the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
 - 3.2.5. result in any member of the Wider French Connection Group ceasing to be able to carry on business under any name under which it presently carries on business (the consequences of which are material in the context of the Wider French Connection Group taken as a whole);
 - 3.2.6. require any member of the Wider French Connection Group to relinquish, terminate or amend in any material way any material contract to which any member of the Wider French Connection Group is a party;
 - 3.2.7. make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, French Connection by any member of the Wider MIP Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain or delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere with or require material adverse amendment of the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, French Connection by any member of the Wider MIP Group;

- 3.2.8. require, prevent or materially delay a divestiture by any member of the Wider MIP Group of any shares or other securities (or the equivalent) in or any of the assets of any member of the Wider French Connection Group to the extent which is material in the context of the Wider MIP Group or the Wider French Connection Group taken as a whole or material in the context of the Acquisition; or
- 3.2.9. impose any material limitation on the ability of any member of the Wider MIP Group or any member of the Wider French Connection Group to conduct, integrate or coordinate all or any part of its business with all or any part of the business of any other member of the Wider MIP Group and/or the Wider French Connection Group to the extent which is material in the context of the Wider MIP Group or the Wider French Connection Group taken as a whole or material in the context of the Acquisition,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any applicable jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any French Connection Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

- 3.3. save as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider French Connection Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance, which, as a consequence of the Acquisition or the acquisition or the proposed acquisition by any member of the Wider MIP Group of any shares or other securities (or the equivalent) in French Connection or because of a change in the control or management of any member of the Wider French Connection Group or otherwise, might reasonably be expected to result in, to an extent in any such case which is material and adverse in the context of the Wider French Connection Group taken as a whole or material and adverse in the context of the Acquisition:
 - 3.3.1. any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider French Connection Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - 3.3.2. the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider French Connection Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable or being enforced;
 - 3.3.3. any assets or interests of any member of the Wider French Connection Group being disposed of or charged, or any right arising under which any such asset or interest could be required to be disposed of or charged, in each case otherwise than in the ordinary course of business;
 - 3.3.4. any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider French Connection Group being adversely modified or adversely affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
 - 3.3.5. any liability of any member of the Wider French Connection Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
 - 3.3.6. any requirement on any member of the Wider French Connection Group to acquire, subscribe, pay up or repay any shares or other securities;
 - 3.3.7. any member of the Wider French Connection Group ceasing to be able to carry on business under any name under which it presently carries on business;

- 3.3.8. the value of, or the financial or trading position of any member of the Wider French Connection Group being prejudiced or adversely affected; or
- 3.3.9. the creation (other than trade creditors or other liabilities incurred in the ordinary course of business) or acceleration of any liability (actual or contingent) by any member of the Wider French Connection Group,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider French Connection Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in Conditions 3.3.1 to 3.3.9, in each case to an extent which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;

Certain events occurring since 31 January 2021

3.4. since 31 January 2021, save as Disclosed, no member of the Wider French Connection Group having:

- 3.4.1. issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of French Connection Shares out of treasury (except, in each case, where relevant, as between French Connection and wholly owned subsidiaries of French Connection or between the wholly owned subsidiaries of French Connection);
- 3.4.2. recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any subsidiary of French Connection to French Connection or any of its subsidiaries;
- 3.4.3. other than pursuant to the Acquisition (and except for transactions between French Connection and its wholly owned subsidiaries or between the wholly owned subsidiaries of French Connection) implemented, effected, authorised or proposed or announced its intention to implement, effect or authorise or propose any merger, demerger, reconstruction, amalgamation, subdivision, scheme, commitment or acquisition or disposal or transfer of assets (other than in the ordinary course of business), or shares or loan capital (or the equivalent thereof) or other equivalent transaction or arrangement in respect of itself or any member of the Wider French Connection Group;
- 3.4.4. except for transactions between French Connection and its wholly owned subsidiaries or between the wholly owned subsidiaries of French Connection, and other than transactions in the ordinary course of trading, disposed of, or transferred, mortgaged or created any security interest over any asset or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so in each case to an extent which in any case is material in the context of the Wider French Connection Group taken as a whole or in the context of the Acquisition;
- 3.4.5. except for transactions between French Connection and its wholly owned subsidiaries or between the wholly owned subsidiaries of French Connection, effected, authorised, proposed or announced its intention to propose any change in its loan capital which in any case is material and adverse in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.4.6. issued, authorised or proposed or announced an intention to authorise or propose the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or (other than trade credit incurred in the ordinary course of business) incurred or increased any indebtedness except as between French Connection and any of its wholly owned subsidiaries or between such subsidiaries which in any case is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;

- 3.4.7. other than in the ordinary course of business, entered into, terminated, varied, proposed or authorised or announced its intention to enter into, terminate or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude to an extent in any such case which is material in the context of the Wider French Connection Group taken as a whole or in the context of the Acquisition;
- 3.4.8. entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider French Connection Group, other than as agreed by the Panel or agreed with MIP or Disclosed;
- 3.4.9. entered into, terminated or varied any agreement, contract, transaction, arrangement or commitment or the terms of any agreement or arrangement (other than in the ordinary course of business) in a manner which has or might reasonably be expected to have a material adverse effect on the financial position of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.4.10. entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing agreement, partnership or merger of business or corporate entities (otherwise than in the ordinary course of business);
- 3.4.11. save as agreed by the Panel or agreed with MIP or Disclosed, proposed, agreed to provide or modified or announced any proposal to modify the terms of, any share option scheme, incentive scheme, pension scheme obligations, retirement, death or disability benefit or any other employment related benefit (including, but not limited to, bonuses, retention arrangements or share incentive schemes or other benefit relating to the employment or termination of employment of any director or employee of the Wider French Connection Group) of or in respect of any of its directors, employees, former directors or former employees which are material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.4.12. save as between French Connection and wholly owned subsidiaries of French Connection or between the wholly owned subsidiaries of French Connection purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or made any other change to any part of its share capital (other than pursuant to the implementation of the Acquisition) to an extent which (other than in the case of French Connection), is material in the context of the Wider French Connection Group taken as a whole;
- 3.4.13. entered into any contract, transaction or arrangement which would be restrictive on the ability of any member of the Wider French Connection Group to carry on its business as currently carried on or to exploit any of its intellectual property rights or which could involve obligations which would or might reasonably be expected to be so restrictive in each case to an extent which in any case is material in the context of the Wider French Connection Group taken as a whole or in the context of the Acquisition;
- 3.4.14. (other than in respect of claims between French Connection and any wholly owned subsidiaries of French Connection or between wholly owned subsidiaries of French Connection) waived, compromised or settled any claim which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.4.15. save as Disclosed or as envisaged in accordance with the terms of the Acquisition, made any alteration to its memorandum or articles of association or other incorporation documents;
- 3.4.16. except in relation to necessary and consequential changes made or agreed as a result of, or arising from, changes to legislation following the date of the Press Announcement, made or agreed or consented to or procured any material change to or the custodian or trustee of any scheme having made a change to the terms of the governing documents, trust deeds and/or rules constituting the pension scheme(s) established for its directors or employees or former directors or employees or their respective dependants or to the

contributions payable to any such schemes or the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to in a manner which, in any such case or together, is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;

- 3.4.17. carried out any act which would or could reasonably be expected to lead to the commencement of the winding up of any pension scheme(s) established by any member of the Wider French Connection Group for its directors, former directors, employees, former employees or their dependants; which would or might reasonably be expected to create a material debt owed by an employer to any such plan; or which would or might reasonably be expected to accelerate any obligation on any employer to fund or pay additional contributions to any such plan;
- 3.4.18. been unable, or admitted in writing that it is unable, to pay its debts as they fall due or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business or proposed or entered into any composition or voluntary arrangement with its creditors (or any class of them) or the filing at court of documentation in order to obtain a moratorium prior to a voluntary arrangement or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;
- 3.4.19. other than in respect of a member of the Wider French Connection Group which is dormant and was solvent at the relevant time, taken any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, striking-off, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- 3.4.20. entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3.4; or
- 3.4.21. save as provided for in the Cooperation Agreement, taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of French Connection Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code.

No adverse change, litigation, regulatory enquiry or similar

3.5. save as Disclosed, since 31 January 2021:

- 3.5.1. no adverse change or deterioration having occurred and no circumstances having arisen which would or might reasonably be expected to result in any adverse change in the business, assets, financial or trading position or profits of any member of the Wider French Connection Group which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.5.2. no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider French Connection Group or to which any member of the Wider French Connection Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider French Connection Group, in each case which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;

- 3.5.3. no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider French Connection Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider French Connection Group, in each case which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.5.4. no amendment or termination of any joint venture or partnership to which any member of the Wider French Connection Group is a party having been agreed or permitted which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.5.5. no contingent or other liability in respect of any member of the Wider French Connection Group (except between French Connection and its wholly owned subsidiaries or between the wholly owned subsidiaries of French Connection) having arisen or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider French Connection Group to an extent in any such case which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition; and
- 3.5.6. no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider French Connection Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider French Connection Group taken as a whole or material in the context of the Acquisition;

No discovery of certain matters regarding information, liabilities, intellectual property and environmental issues

3.6. save as Disclosed, MIP not having discovered:

- 3.6.1. that any financial, business or other information concerning the Wider French Connection Group as contained in the information publicly announced prior to the date of the Press Announcement or disclosed at any time to any member of the Wider MIP Group by or on behalf of any member of the Wider French Connection Group prior to the date of the Press Announcement and which has not prior to the date of the Press Announcement been corrected by a subsequent announcement or disclosure is materially misleading, contains a material misrepresentation of any material fact, or omits to state a fact necessary to make that information not materially misleading (in any case to an extent which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition);
- 3.6.2. that no circumstance has arisen or event has occurred in relation to any intellectual property owned or used by any member of the Wider French Connection Group, which would have a material adverse effect on the Wider French Connection Group taken as a whole or material in the context of the Acquisition including:
 - 3.6.2.1. any member of the Wider French Connection Group losing its title to any of its intellectual property, or any intellectual property owned by the Wider French Connection Group being revoked, cancelled or declared invalid;
 - 3.6.2.2. any claim being asserted or threatened by any person challenging the ownership of any member of the Wider French Connection Group to, or the validity or effectiveness of, any of its intellectual property; or
 - 3.6.2.3. any agreement regarding the use of any intellectual property licensed to or by any member of the Wider French Connection Group being terminated or varied;

- 3.6.3. that any member of the Wider French Connection Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise and which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.6.4. in relation to any use, treatment, storage, carriage, spillage, release, leak, emission, accumulation, discharge, disposal or other fact or circumstance of any waste or hazardous substance or any substance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco systems, that a past or present member of the Wider French Connection Group, in a manner or to an extent which is material in the context of the Wider French Connection Group, (i) has committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party; and/or (ii) has incurred or assumed any liability (whether actual or contingent) to any Third Party; and/or (iii) has or is likely to incur or assume any liability (whether actual or contingent), or has or is likely to be required, to make good, remediate, repair, re instate or clean up the environment (including any property);
- 3.6.5. that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider French Connection Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party or any other person or body in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto which is material in the context of the Wider French Connection Group taken as a whole or material in the context of the Acquisition;
- 3.6.6. that circumstances exist (whether as a result of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any past or present member of the Wider French Connection Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider French Connection Group (or on its behalf) or by any person for which a member of the Wider French Connection Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider French Connection Group taken as a whole in the context of the Acquisition;
- 3.6.7. any information which affects the import of any information Disclosed at any time by or on behalf of any member of the Wider French Connection Group which is material in the context of the Wider French Connection Group taken as a whole in the context of the Acquisition;
- 3.6.8. circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider French Connection Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider French Connection Group and which is material in the context of the Wider French Connection Group taken as a whole or the Acquisition;

Anti-corruption and criminal property

3.7. save as Disclosed, MIP not having discovered:

- 3.7.1. any past or present member or director of the Wider French Connection Group or any person that performs or has performed services for or on behalf of any such company is or has, at any time during the course of such person's performance of services for or on behalf of any member of the Wider French Connection Group, engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, Foreign Corrupt Practices Act 1977 (as amended) or any other applicable anti-corruption legislation; or
- 3.7.2. any past or present member or director of the Wider French Connection Group or any person that performs or has performed services for or on behalf of any such company is or has, at any time during the course of such person's performance of services for or on behalf of any member of the Wider French Connection Group, engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other government or supranational body or authority in any jurisdiction; or
- 3.7.3. to an extent which is or would reasonably be expected to be material in the context of the Wider French Connection Group taken as a whole, any asset of any member of the Wider French Connection Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);

French Connection Shareholder resolution

- 3.8. except with the consent or the agreement of MIP, no resolution of French Connection Shareholders in relation to any acquisition or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings (or in relation to any merger, demerger, consolidation, reconstruction, amalgamation or scheme) being passed at a meeting of French Connection Shareholders other than in relation to the Acquisition or the Scheme and, other than with the consent or the agreement of MIP, no member of the Wider French Connection Group having taken (or agreed or proposed to take) any action that requires, or would require, the consent of the Panel or the approval of French Connection Shareholders in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code.

PART B: CERTAIN FURTHER TERMS OF THE ACQUISITION

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

To the extent permitted by law and subject to the requirements of the Panel, MIP reserves the right (in its sole discretion) to waive:

- the deadline set out in the Condition in paragraph 1 of Part A and any of the deadlines set out in the Conditions in paragraph 2 of Part A for the timing of the Court Meeting and General Meeting. If any such deadline is not met, MIP will make an announcement by 8:00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with French Connection to extend the deadline in relation to the relevant Condition; and
- in whole or in part, all or any of the Conditions in paragraphs 3.1 to 3.8 (inclusive) of Part A.

MIP shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

If MIP is required by the Panel to make an offer for French Connection Shares under the provisions of Rule 9 of the Takeover Code, MIP may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.

MIP reserves the right to elect, with the consent of the Panel and in accordance with the terms of the Cooperation Agreement, to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition is to be implemented on the same terms as those which would apply to the Scheme, subject to appropriate amendments, so far as applicable, as those which would apply to the Scheme, including (without limitation) an acceptance condition set at 75 per cent. (or such percentage as is determined in accordance with the Cooperation Agreement):

- (i) in nominal value of the shares to which such offer relates; and
- (ii) of the voting rights attached to those shares,

(“**Takeover Offer Acceptance Condition**”), provided that the Takeover Offer Acceptance Condition will not be satisfied unless any member of the Wider MIP Group shall have acquired or agreed to acquire, whether pursuant to the Takeover Offer or otherwise, French Connection Shares carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of French Connection, including, for this purpose, any such voting rights attaching to French Connection Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

The ability of Overseas Shareholders to participate in the Acquisition and the distribution of this Document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves of, and observe, any such restrictions.

Unless otherwise determined by MIP or required by the Takeover Code and permitted by applicable law and regulation, the Acquisition is not being, and will not be, made, directly or indirectly, in or into or from or by use of the mails of, or by any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet, e-mail or other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within any jurisdiction where to do so would violate the laws of that jurisdiction.

Under Rule 13.5(a) of the Takeover Code, MIP may not invoke a condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to MIP in the context of the Acquisition. The Conditions contained in paragraphs 1 and 2 of Part A and, if applicable, the Takeover Offer Acceptance Condition set out in this Part B are not subject to this provision of the Takeover Code. MIP may only invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code with the consent of the Panel and any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by MIP.

MIP reserves the right, without prejudice to any right of MIP, with the consent of the Panel, to invoke Condition 3.4.2 of Part A, to reduce the consideration payable under the Acquisition by the amount of any dividend (or other distribution) which is paid or becomes payable by French Connection to French Connection Shareholders on or after the date of the Press Announcement and on or prior to the Effective Date. If MIP exercises its right to reduce the offer consideration by all or part of the amount of a dividend (or other distribution) that has not been paid, French Connection Shareholders will be entitled to receive and retain that dividend (or other distribution) (“**Subsequent Dividend**”). If any such Subsequent Dividend is paid or made before the Effective Date, if MIP exercises its rights described in this paragraph, any reference in this Document to the consideration payable under the Scheme or pursuant to the Acquisition shall be deemed to be a reference to the consideration as so reduced. Any exercise by MIP of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

The French Connection Shares which will be acquired under the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights as at the date of the Press Announcement or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the date of the Press Announcement.

The Acquisition is governed by the law of England and Wales and is subject to the jurisdiction of the English courts. The Acquisition is being made on and subject to the conditions and further terms set out in this Document and in particular in this Part 3 (*Conditions to and Further Terms of the Acquisition*) and in Part 4 (*The Scheme of Arrangement*) of this Document. The Acquisition is subject to the applicable requirements of the Takeover Code, the Panel and the London Stock Exchange.

PART 4
THE SCHEME OF ARRANGEMENT

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

No. CR-2021-001641

IN THE MATTER OF FRENCH CONNECTION GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

between

French Connection Group PLC

and

the French Connection Scheme Shareholders

(as hereinafter defined)

PRELIMINARY

- (a) In this Scheme, unless inconsistent with the subject or context, the following expressions shall bear the following meanings:

“£”, “pence” or “sterling” means the lawful currency of the United Kingdom;

“Business Day” means a day (other than Saturdays, Sundays and public holidays) on which banks are open for normal business in London;

“certificated” or “in certificated form” means a share or other security which is not in uncertificated form (that is, not in CREST);

“Companies Act 2006” means the Companies Act 2006, as amended from time to time;

“Company” or “French Connection” means French Connection Group PLC, a public limited company incorporated in England and Wales registered with registered number 01410568;

“Court” means the High Court of Justice in England and Wales;

“Court Hearing” means the hearing by the Court to sanction the Scheme;

“Court Meeting” means the meeting of French Connection Scheme Shareholders convened pursuant to an order of the Court under section 896 of the Companies Act 2006 for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment) including any adjournment thereof;

“Court Order” means the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006;

“CREST” means the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear is the Operator (as defined in the Regulations);

“Effective Date” means the date on which the Scheme becomes effective in accordance with its terms;

“Encumbrances” means liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature;

“Euroclear” means Euroclear UK & International Limited;

“Excluded Shares” means any French Connection Shares:

- (a) registered in the name of, or beneficially owned by, MIP (if any);
- (b) registered in the name of, or beneficially owned by, Apinder Singh Ghura;
- (c) registered in the name of, or beneficially owned by, Amarjit Singh Grewal; or
- (d) registered in the name of, or beneficially owned by, KJR Brothers Limited;

“French Connection’s Registrars” means Link Group;

“French Connection Shareholders” means holders of French Connection Shares;

“French Connection Scheme Shareholders” means the holders of Scheme Shares as shown on the register of members at any relevant date or time;

“French Connection Shares” means the ordinary shares of 1 pence each in the capital of French Connection;

“holder” means a registered holder and includes a person entitled by transmission;

“Latest Practicable Date” means close of business on 6 October 2021 (being the latest practicable date prior to the publication of the Scheme Document);

“Long-Stop Date” means 11:59 p.m. on 28 February 2022, or such later date, if any, as MIP and French Connection may agree and, if required, the Court and the Panel may allow;

“members” means members of French Connection on the register of members on any relevant date;

“MIP” means MIP Holdings Ltd, a private limited company incorporated in England and Wales (registered number 12981062), whose registered office is at Units 1-10 116-118 Bury New Road, Manchester, United Kingdom, M8 8EB;

“Panel” means the Panel on Takeovers and Mergers;

“parent undertaking” means shall have the meaning given to such term in the Companies Act 2006;

“Registrar of Companies” means the Registrar of Companies in England and Wales;

“Scheme” means this scheme of arrangement in its present form or with or subject to any modification, addition or condition which French Connection and MIP may agree and which the Court may approve or impose;

“Scheme Document” means the circular dated 9 October 2021 sent by French Connection to French Connection Shareholders and persons with information rights of which this Scheme forms a part;

“Scheme Record Time” means 6:00 p.m. on the date on which the Scheme is sanctioned by the Court;

“Scheme Shares” means the French Connection Shares:

- (a) in issue at 6:00 p.m. on the date of the Scheme Document;
 - (b) (if any) issued after 6:00 p.m. on the date of the Scheme Document but prior to the Voting Record Time; and
 - (c) (if any) issued on or after the Voting Record Time but before the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme, or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,
- in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares;

“subsidiary undertaking” means shall have the meaning given to such term in the Companies Act 2006;

“uncertificated” or **“in uncertificated form”** means a share or other security which is recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST; and

“Voting Record Time” means 6:00 p.m. on the day which is two days (excluding non-working days) prior to the date of the Court Meeting, or, if the Court Meeting is adjourned, 6:00 p.m. on the day which is two days (excluding non-working days) before the date of such adjourned meeting,

and where the context so admits or requires, the plural includes the singular and vice versa.

All references in this Scheme to times are to times in London (unless otherwise stated).

References to clauses are to clauses of this Scheme.

- (b) As at the Latest Practicable Date, the issued share capital of French Connection was £966,129.34 divided into fully paid ordinary shares of 1 pence each. French Connection does not hold any shares in treasury and does not have any outstanding share options or operate any share incentive schemes.
- (c) MIP was incorporated on 28 October 2020 under the Companies Act 2006 as a private company limited by shares.
- (d) As at the Latest Practicable Date, 24,518,465 French Connection Shares are registered in the name of and/or beneficially owned by Apinder Singh Ghura and are contracted to be acquired by MIP subject to and conditional upon the Scheme becoming effective. The definition of “Excluded Shares” is broader than those French Connection Shares held by Apinder Singh Ghura in order to capture any interests of those associated with him, although as at the Latest Practicable Date only Apinder Singh Ghura holds French Connection Shares.
- (e) MIP has agreed to instruct Counsel to appear on its behalf at the hearing to sanction this Scheme and to undertake to the Court to be bound by the terms of this Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

THE SCHEME

1. Transfer of the Scheme Shares

- 1.1 On the Effective Date, MIP and/or its nominee(s) shall acquire the Scheme Shares fully paid up, with full title guarantee, free from all Encumbrances and together with all rights attaching to them at the Effective Date or thereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid with a record time on or after the Effective Date.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to MIP and/or its nominee(s) by means of a form of transfer or other instrument or instruction of transfer and to give effect to such transfers any person may be appointed by MIP as attorney and/or agent and/or otherwise and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer (whether as a deed or otherwise) of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred. Such form, instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to MIP and/or its nominee(s) together with the legal interest in such Scheme Shares, pursuant to such form, instrument or instruction of transfer. Such form of transfer shall be the principal instrument of transfer.
- 1.3 Pending the transfer of the Scheme Shares pursuant to clauses 1.1 and 1.2 of the Scheme each French Connection Scheme Shareholder irrevocably appoints MIP (or its nominee(s)) as its attorney and/or agent and/or otherwise to exercise on its behalf (in place of and to the exclusion of the relevant French Connection Scheme Shareholder) any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares, to sign any consent to short notice of any general or separate class meetings, to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by MIP to attend any general and separate class meetings of French Connection and authorises French Connection to send to MIP and/or its nominee(s) any notice,

circular, warrant or other document or communication which may be sent to it as a member of French Connection such that from the Effective Date, no French Connection Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of MIP.

2. Consideration for transfer of the Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares to MIP as provided in clause 1, MIP shall (subject to, and in accordance with, the remaining provisions of this Scheme) pay or procure that there shall be paid to or for the account or benefit of each holder of Scheme Shares (as appearing in the register of members of the Company at the Scheme Record Time):

for each Scheme Share

30 pence in cash

- 2.2 If any dividend or distribution is paid or made before the Effective Date and retained by the French Connection Scheme Shareholders, MIP shall be entitled to reduce the consideration payable under the Acquisition by an amount equal to such dividend or distribution.

3. Settlement of consideration

- 3.1 As soon as possible after the Effective Date, and in any event within 14 calendar days of the Effective Date (or such other period as may be approved by the Panel), MIP shall:

- (a) in the case of Scheme Shares which at the Scheme Record Time are held in certificated form, despatch or procure the despatch to the persons entitled thereto or as they may direct, in accordance with the provisions of clause 3.3, cheques for the cash consideration due payable to them respectively in accordance with clause 2; and
- (b) in the case of Scheme Shares which at the Scheme Record Time are held in uncertificated form, procure that Euroclear is instructed to create a CREST assured payment obligation in favour of payment bank of the persons entitled thereto in accordance with clause 2 in accordance with the CREST assured payment arrangements in respect of the cash consideration due, provided that MIP may (if, for reasons outside of its control it is not able to effect payment in accordance with this clause 3.1(b)) make payment of the said sums by cheque as aforesaid.

- 3.2 As from the Effective Date, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.

- 3.3 All deliveries of notices, cheques and certificates required to be made pursuant to this Scheme shall be effected by posting the same by first class post in pre-paid envelopes (or by such other method as may be approved by the Panel) addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in the said register in respect of such joint holding at such time), and none of French Connection, MIP or their respective agents or French Connection's Registrars shall be responsible for any loss or delay in the transmission of any notice, certificate, cheque or payment sent in accordance with this clause 3.3 which shall be sent at the risk of the person entitled thereto.

- 3.4 All cheques shall be in pounds sterling drawn on a UK clearing bank and payments shall be made to the persons entitled thereto or, in the case of joint holders, to that one of the joint holders whose name stands first in the register of members of French Connection in respect of such joint holding at the Scheme Record Time or to such other persons (if any) as such persons may direct in writing and the encashment of any such cheque or the making of any such assured CREST payment obligation as is referred to in clauses 3.1(a) and 3.1(b) shall be a complete discharge of French Connection's obligation to pay the monies represented thereby.

- 3.5 If any French Connection Scheme Shareholders have not encashed their respective cheques within six months of the Effective Date, French Connection and MIP shall procure that the cash consideration due to such French Connection Scheme Shareholders under this Scheme shall be held on trust for such French Connection Scheme Shareholders for a period of 12 years from the Effective Date, and such French Connection Scheme Shareholders may claim the consideration due to them (plus any interest accrued thereon but net of any expenses and taxes) by written notice to French Connection in a form which French Connection reasonably determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date.

4. Certificates and Cancellations

With effect from and including the Effective Date:

- 4.1 all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder thereof shall be bound at the request of the Company to deliver up the same to the Company or as it may direct to destroy the same;
- 4.2 Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
- 4.3 following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, French Connection's Registrars shall be authorised to rematerialise entitlements to such Scheme Shares; and
- 4.4 subject to the completion of such transfers, forms, instruments or instructions as may be required in accordance with clause 1.2 and the payment of any UK stamp duty thereon, appropriate entries will be made in the Company's register of members to reflect their transfer to MIP and/or its nominee(s).

5. Mandates

All mandates relating to the payment of dividends on any Scheme Shares and other instructions (including communications preferences) given to French Connection by French Connection Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

6. The Effective Date

- 6.1 This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for registration.
- 6.2 Unless this Scheme shall become effective on or before the Long-Stop Date, this Scheme shall never become effective.

7. Modification

MIP and the Company may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Takeover Code.

8. Governing Law

This Scheme is governed by the laws of England and Wales and is subject to the exclusive jurisdiction of the English Courts.

Dated 9 October 2021

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

Solicitors for French Connection

PART 5

FINANCIAL INFORMATION AND RATINGS

Part A: Financial Information relating to French Connection

The following sets out the financial information in respect of French Connection as required by Rule 24.3(a)(iv) and Rule 24.3(e) of the Takeover Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference pursuant to Rule 24.15 of the Takeover Code:

- the audited consolidated financial statements of French Connection for the financial year ended 31 January 2021 are set out on pages 50 to 90 (both inclusive) in the 2021 French Connection Annual Report available from French Connection's website at <https://www.frenchconnection.com/content/investor-relations/reports-accounts.htm>; and
- the audited consolidated financial statements of French Connection for the financial year ended 31 January 2020 are set out on pages 46 to 89 (both inclusive) in the 2020 French Connection Annual Report available from French Connection's website at <https://www.frenchconnection.com/content/investor-relations/reports-accounts.htm>.

Part B: French Connection ratings information

There are no current ratings publicly accorded to French Connection.

Part C: Financial information relating to MIP

As MIP was incorporated on 28 October 2020 for the purposes of making the Acquisition, no financial information is available or has been published in respect of MIP. MIP has not traded since its date of incorporation, and MIP has not entered into any obligations, other than in connection with the Acquisition.

Part D: MIP ratings and outlooks

There are no current public ratings or outlooks accorded to MIP by any rating agencies.

PART 6

ADDITIONAL INFORMATION

1. Responsibility

- (a) The French Connection Directors, whose names are set out in paragraph 2(a) below, accept responsibility for the information contained in this Document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraphs 1(b) of this Part 6 (*Additional Information*) of this Document. To the best of the knowledge and belief of the French Connection Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The MIP Directors, whose names are set out in paragraph 2(b) below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to MIP, the Wider MIP Group, the MIP Directors, their respective close relatives and related trusts, and persons connected with them (including persons deemed to be acting in concert with MIP or any of them (as such term is defined in the Takeover Code)). To the best of the knowledge and belief of the MIP Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- (a) The French Connection Directors and their positions in French Connection are as follows:

Name	Position
Stephen Marks	Chairman and Chief Executive
Neil Williams	Chief Operating Officer
Lee Williams	Chief Financial Officer and Company Secretary
Sarah Curran	Independent Non-Executive Director
Neil Page	Independent Non-Executive Director

The registered office of French Connection and the business address of each of the French Connection Directors is First Floor, Centro 1, 39 Plender Street, London NW1 0DT.

- (b) The MIP Directors and their positions in MIP are as follows:

Name	Position
Apinder Singh Ghura	Director
Amarjit Singh Grewal	Director

The registered office of MIP and the business address of each of the MIP Directors is Units 1-10 116-118 Bury New Road, Manchester, United Kingdom, M8 8EB.

3. Market quotations

Set out below are the Closing Prices of French Connection Shares taken from the London Stock Exchange on:

- (a) the first dealing day in each of the six months immediately before the date of this Document;
- (b) 4 February 2021 (the last dealing day before the commencement of the Offer Period); and
- (c) 6 October 2021 (the Latest Practicable Date).

Date	French Connection Shares (pence)
4 February 2021	15.65
4 May 2021	21.90
1 June 2021	19.85
1 July 2021	18.65
2 August 2021	18.95
1 September 2021	21.60
1 October 2021	24.00
6 October 2021	29.05

4. Interests and dealings

For the purposes of this paragraph 4:

“**acting in concert**” has the meaning given to it in the Takeover Code;

“**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and letters of intent to vote in favour of the Scheme and/or related resolutions);

“**close relative**” has the meaning given to it in the Takeover Code;

“**connected person**” in relation to a director of MIP or French Connection includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act 2006;

“**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code) of a company, irrespective of whether such interest or interests give *de facto* control;

“**dealing**” has the meaning given to it in the Takeover Code and “**dealt**” has the corresponding meaning;

“**derivative**” has the meaning given to it in the Takeover Code and includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

“**disclosure period**” means the period commencing on 5 February 2020 (the date twelve months prior to the commencement of the Offer Period) and ending on the Latest Practicable Date;

“**Note 11 arrangement**” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and letters of intent to vote in favour of the Scheme and/or related resolutions, details of which are set out in paragraph 7 of this Part 6 (*Additional Information*) of this Document);

“relevant securities” means (i) French Connection Shares and any other securities of French Connection conferring voting rights; (ii) equity share capital of French Connection and any member of the French Connection Group; (iii) securities of any member of the Wider MIP Group; and (iv) securities of French Connection and any member of the French Connection Group carrying conversion or subscription rights into any of the foregoing; and

“short position” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under the derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery.

(a) *Persons acting in concert with MIP*

In addition to MIP Directors (together with their close relatives and related trusts) and members of the Wider MIP Group (and their related pension schemes), the persons who are acting in concert with MIP for the purposes of the Acquisition and which are required to be disclosed are:

Name	Registered Office	Relationship with MIP
Singer Capital Markets	One Bartholomew Lane, London EC2N 2AX	Providing the confirmation for the purposes of Rule 24.8 of the Takeover Code
Gordon Brothers International, LLC	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), Delaware 19801	Holder of MIP preference shares
1903 Partners, LLC (an affiliate of Gordon Brothers International, LLC)	c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington (New Castle County), Delaware 19801	Lender under the Facility Agreement
GB Europe Management Services Limited (an affiliate of Gordon Brothers International, LLC)	3rd Floor, 13 Hanover Square, London W1S 1HN	Agent and security agent under the Facility Agreement
Aurelius Finance Company Limited	6th Floor 33 Glasshouse Street, London, England, W1B 5DG	Holder of MIP preference shares and lender under the Facility Agreement

(b) *Persons acting in concert with French Connection*

In addition to the French Connection Directors (together with their close relatives and related trusts) and members of the French Connection Group (and their related pension schemes), the persons acting in concert with French Connection for the purposes of the Acquisition and which are required to be disclosed are:

Name	Registered Office	Relationship with French Connection
WH Ireland Limited	24 Martin Lane, London, EC4R 0DR	Financial Adviser and Corporate Broker

(c) *Interests and dealings in Relevant Securities of French Connection*

- (i) As at the close of business on the Latest Practicable Date, the interests of the French Connection Directors (and their close relatives and related trusts and connected persons) in French Connection were as follows:

Name	Number of French Connection Shares	Percentage of French Connection issued share capital
Stephen Marks	37,812,690	39.14
Candice Marks	775,000	0.80
David Convisser and Stephen Marks as the trustees of the discretionary trusts for the benefit of certain of Stephen Marks' children	1,506,500	1.56
Total:	40,094,190	41.50

- (ii) As at the close of business on the Latest Practicable Date, the interests of MIP, the MIP Directors (together with their close relatives and related trusts) and members of the Wider MIP Group (and their related pension schemes) in French Connection were as follows:

Name	Number of French Connection Shares	Percentage of French Connection issued share capital
Apinder Singh Ghura	24,518,465	25.4

- (iii) As at the close of business on the Latest Practicable Date, the following dealings in relevant securities of French Connection by MIP, the MIP Directors (together with their close relatives and related trusts) and members of the Wider MIP Group (and their related pension schemes) in French Connection were as follows:

Name	Nature of security and price	Buy/Sell	Date of dealing	Number of relevant securities
Apinder Singh Ghura	Ordinary shares – 10.9 pence per share	Buy	2 February 2021	65,000
Apinder Singh Ghura	Ordinary shares – 10.5 pence per share	Buy	2 February 2021	25,000
Apinder Singh Ghura	Ordinary shares – 10.5 pence per share	Buy	2 February 2021	10,000
Apinder Singh Ghura	Ordinary shares – 13.7 pence per share	Buy	4 February 2021	50,000
Apinder Singh Ghura	Ordinary shares – 10.9 pence per share	Buy	4 February 2021	50,000
Apinder Singh Ghura	Ordinary shares – 11.0 pence per share	Buy	4 February 2021	50,000
Apinder Singh Ghura	Ordinary shares – 13.0 pence per share	Buy	4 February 2021	45,000
Apinder Singh Ghura	Ordinary shares – 12.5 pence per share	Buy	4 February 2021	45,000
Apinder Singh Ghura	Ordinary shares – 12.5 pence per share	Buy	4 February 2021	27,154
Apinder Singh Ghura	Ordinary shares – 13.0 pence per share	Buy	4 February 2021	15,014
Apinder Singh Ghura	Ordinary shares – 18.0 pence per share	Buy	4 February 2021	24,087,951
Apinder Singh Ghura	Ordinary shares – 27.0 pence per share	Sell	5 February 2021	258,500
Apinder Singh Ghura	Ordinary shares – 11.7 pence per share	Buy	5 February 2021	100,000
Apinder Singh Ghura	Ordinary shares – 12.1 pence per share	Buy	5 February 2021	100,000
Apinder Singh Ghura	Ordinary shares – 12.9 pence per share	Buy	5 February 2021	81,846
Apinder Singh Ghura	Ordinary shares – 11.5 pence per share	Buy	5 February 2021	25,000

(d) *General*

Save as disclosed in this Document, as at the Latest Practicable Date:

- (i) none of French Connection nor any French Connection Directors, any close relatives of such directors or any related trusts and companies, or any person with whom French Connection or any person acting in concert with French Connection has an arrangement, was interested, had any rights to subscribe or had any short positions in respect of any relevant securities on the disclosure date, nor has any such person dealt in any relevant securities during the Offer Period;
- (ii) save for the shares held by Apinder Singh Ghura and which are to be acquired by MIP pursuant to the Conditional Sale Agreement, none of MIP, any member of the Wider MIP Group, any of the directors of MIP, any close relatives of such directors or any related trusts and companies, nor any person acting in concert with MIP, or any person with whom MIP or any person acting in concert with MIP has an arrangement, was interested, had any rights to subscribe or had any short positions in respect of any relevant securities on the disclosure date nor has any such person dealt in any relevant securities during the disclosure period;

- (iii) neither French Connection nor any person acting in concert with French Connection has borrowed or lent any relevant securities of French Connection during the Offer Period, save for any borrowed shares which have either been on-lent or sold;
- (iv) neither MIP nor any person acting in concert with MIP has borrowed or lent any relevant securities of French Connection during the disclosure period, save for any borrowed shares which have either been on-lent or sold;
- (v) neither French Connection nor any person acting in concert with French Connection has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of French Connection during the Offer Period; and
- (vi) neither MIP nor any person acting in concert with MIP has entered into or taken any action to unwind any financial collateral arrangements in respect of any relevant securities of French Connection during the disclosure period.

5. United Kingdom taxation

The comments set out below are based on current UK tax law as applied in England and Wales and HM Revenue & Customs published practice (which may not be binding on HM Revenue & Customs) as at the date of this Document, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide to certain limited aspects of the UK tax treatment of the Scheme and, in particular, paragraph 5.1 of this paragraph 5 applies only to French Connection Scheme Shareholders resident and, in the case of an individual, domiciled for tax purposes in (and only in) the UK and to whom “split year” treatment does not apply, who hold their Scheme Shares as an investment (other than under a pension arrangement or an ISA or a Lifetime ISA) and who are the absolute beneficial owners thereof (“**UK Holders**”). The discussion does not address all possible tax consequences relating to the Scheme. Certain categories of French Connection Scheme Shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs and exemptions, those connected with French Connection, and those for whom the shares are employment-related securities, may be subject to special rules and this summary does not apply to such shareholders.

Current or prospective French Connection Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers immediately.

5.1 UK taxation of chargeable gains

A UK Holder’s liability to UK tax on chargeable gains will depend on the individual circumstances of that UK Holder.

The transfer of Scheme Shares under the Scheme in return for cash should be treated as a disposal of the UK Holder’s Scheme Shares for the purposes of UK tax on chargeable gains. That disposal may, depending on the UK Holder’s individual circumstances (including the availability of exemptions, reliefs or allowable losses), give rise to a liability to UK tax on chargeable gains or, alternatively, an allowable capital loss.

Individual French Connection Scheme Shareholders

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Scheme Shares by an individual UK Holder will be subject to UK capital gains tax at the rate of (for the 2021/2022 tax year) 10 per cent., except to the extent that the chargeable gain, when it is added to the individual UK Holder’s other taxable income and chargeable gains in the relevant tax year, exceeds the upper limit of the income tax basic rate band, in which case it will be taxed at the rate of (for the 2021/2022 tax year) 20 per cent..

The annual tax-free allowance for UK capital gains tax (£12,300 for the 2021/2021 tax year) may be available to individual UK Holders to offset against chargeable gains realised on the disposal of their Scheme Shares.

French Connection Scheme Shareholders within charge to UK corporation tax

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Scheme Shares by a UK Holder within the charge to UK corporation tax will be subject to UK corporation tax (currently at 19 per cent., rising to 23 per cent. from 1 April 2023).

5.2 UK Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT will be payable by French Connection Scheme Shareholders on the transfer of their Scheme Shares under the Scheme.

6. Bases of calculation and sources of information

In this Document, and the Chairman's letter, unless otherwise stated or the context otherwise requires, the bases and sources used are as set out in Part 7 (*Source of Information and Bases of Calculation*).

7. Irrevocable Commitments

As at the Latest Practicable Date MIP and its concert parties had procured the following irrevocable commitments in relation to relevant securities of French Connection to vote in favour of the resolution relating to the Scheme at the Court Meeting and the resolutions at the General Meeting (or, if applicable, to accept the Offer):

Name	Number of French Connection Shares	Percentage of French Connection's existing share capital
Stephen Marks	37,812,690	39.14
David Convisser and Stephen Marks as the trustees of the discretionary trusts for the benefit of certain of Stephen Marks' children	1,506,500	1.56
Candice Marks	775,000	0.80
Nicole Farhi	2,000,000	2.07

Each of these undertakings ceases to be binding only if: (i) MIP announces that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme or offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) the Acquisition lapses or is withdrawn; or (iii) the Acquisition has not become Effective by 11:59 p.m. the Long-Stop Date.

8. Financing and Cash Confirmation

The cash consideration payable by MIP under the terms of the Acquisition will be funded through:

- (a) a secured term debt facility of up to £25.0 million from Aurelius Finance Company Limited and 1903 Partners, LLC an affiliate of Gordon Brothers International, LLC pursuant to the terms of the Facility Agreement; and
- (b) an unsecured loan of £5.17 million to MIP by KJR Brothers Limited pursuant to the terms of the KJR Loan Agreement.

The balance of funds from the Facility Agreement and KJR Loan Agreement will be used by MIP to implement its strategy and to repay existing debt of French Connection.

In accordance with Rule 24.8 of the Takeover Code, Singer Capital Markets is satisfied that MIP has the necessary financial resources available to it to satisfy, in full, the consideration payable under the terms of the Acquisition.

9. Material contracts

(a) MIP

Save as disclosed below, there have been no contracts entered into by MIP or any of its subsidiaries during the period commencing on 4 February 2019 (the date two years before the commencement of the Offer Period) and ended on the Latest Practicable Date which are outside the ordinary course of business and which are or may be considered material:

(i) Cooperation Agreement

See paragraph 10(h)(ii) of Part 2 (*Explanatory Statement*) of this Document for details of the Cooperation Agreement.

(ii) Conditional Sale Agreement

On 4 October 2021 MIP and Apinder Singh Ghura entered into the Conditional Sale Agreement, under which MIP has agreed to acquire the French Connection Shares owned by Apinder Singh Ghura (being a total of 24,518,465 French Connection Shares, representing approximately 25.4 per cent. of the ordinary share capital of French Connection in issue on 6 October 2021 (being the Latest Practicable Date) for 30 pence in cash per French Connection Share, with part of the consideration to be left outstanding on the terms of the ASG Loan Agreement and the Amarjit Loan Agreement respectively. Completion of the Conditional Sale Agreement is conditional only on the Acquisition becoming Effective.

(iii) MIP Shareholders' Agreement

On 4 October 2021 MIP, Amarjit Singh Grewal, Apinder Singh Ghura, KJR Brothers Limited, Gordon Brothers International LLC and Aurelius Finance Company Limited entered into a subscription and shareholders' agreement in relation to MIP (the "**MIP Shareholders' Agreement**").

Pursuant to the MIP Shareholders' Agreement, which contains customary warranties, each of Amarjit Singh Grewal and Apinder Singh Ghura subscribed for a further 499,500 ordinary shares of £0.1 each and KJR Brothers Limited subscribed for 285,714 ordinary shares of £0.1 each in MIP. Additionally, Gordon Brothers International LLC subscribed for 101,430 non-voting preference shares of £0.1 each and Aurelius Finance Company Limited subscribed for 43,470 non-voting preference shares of £0.1 each in MIP.

The MIP Shareholders' Agreement governs the terms of each party's shareholding in MIP and the right and obligations of each MIP shareholder in respect of the governance of MIP. Certain customary decision can only be taken with the approval of ordinary shareholders holding at least 70 per cent. of the voting rights.

The MIP preference shares entitle a holder to appoint a board observer (and in certain limited circumstances to appoint a director for a temporary period) and to receive the same information as ordinary shareholders in MIP. Decisions of MIP's board or shareholders in respect of a further set of reserved matters can only be taken with the approval of the holder of the preference shares. Such decisions relate to the issue and redemption of equity and debt and the direction and conduct of MIP's business.

In accordance with the terms of the MIP Shareholders' Agreement, and without MIP preference shareholder approval, MIP may only declare and pay dividends in favour of the ordinary shareholders in respect of financial years commencing after 31 December 2022 provided that certain EBITDA, cash and debt repayment criteria are met. Where dividends exceed 35 per cent. of the EBITDA in any such qualifying financial years, the holders of MIP preference shares shall be entitled to receive a dividend equal to 11.12 per cent. of the amount by which the total dividend exceeds 35 per cent. of that EBITDA.

On an exit, being an IPO or sale of the Company, or a sale of all or substantially all of the business and assets of MIP, the MIP preference shares shall convert into 10 per cent. of the fully diluted ordinary share capital of MIP. If an exit has not been achieved by the seventh anniversary of the date of the MIP Shareholders' Agreement the holders of the

MIP preference shares may require the commencement of a process to market the Company for sale (and with ordinary shareholders in MIP having the right to prevent that process by purchasing the MIP preference shares on an agreed valuation formula).

(iv) *Facility Agreement*

On 4 October 2021, MIP entered into the Facility Agreement. Under the terms of the Facility Agreement, 1903 Partners, LLC (an affiliate of Gordon Brothers International, LLC) and Aurelius Finance Company Limited (the “**Lenders**”) agreed to make available to MIP a term facility denominated in sterling equal to a maximum of £25 million. The proceeds of the loans drawn under the Facility Agreement are to be drawn in three tranches and are to be applied as follows:

- Tranche A – a maximum of £18 million towards financing the cash consideration payable by or on behalf of MIP to holders of the Scheme Shares pursuant to the Acquisition; and financing the payment of costs, fees and expenses incurred in connection with the Acquisition. Any surplus of Tranche A will be re-allocated to Tranche C;
- Tranche B – a maximum of £6 million towards the repayment or discharge of indebtedness under the arrangements under the Hilco Capital Facility Agreement and debenture. Any surplus of Tranche B will be re-allocated to Tranche C; and
- Tranche C – a maximum of £1 million towards providing working capital for group.

The loans advanced under the Facility Agreement are to be repaid in instalments starting from 30 July 2023 until 31 October 2025, and in any event, subject to usual events of default, are to be repaid in full by the date falling 48 months after the date of the first utilisation. Any sums which are repaid cannot be re-borrowed.

The rate of interest payable on each loan drawn under the Facility Agreement is the percentage rate per annum which is the aggregate of the margin (being 10.75 per cent. per annum), and base rate (being the base lending rate of the Bank of England from time to time – such base rate being subject to a minimum of 0.50% per annum). The interest accrued is payable monthly in arrears.

As a condition precedent to the signing of the Facility Agreement, the Lenders have received the benefit of security including an English law governed debenture pursuant to which MIP has granted security in relation to its material assets in favour of the security agent, GB Europe Management Services Limited (an affiliate of Gordon Brothers International, LLC). An English law governed share charge has been executed by Apinder Singh Ghura, Amarjit Singh Grewal and KJR Brothers Ltd over their shares in MIP in favour of the security agent. French Connection and its English subsidiaries are also required to accede to the Facility Agreement after the Effective Date and provide security over, amongst other things, their material assets in favour of the security agent.

The Facility Agreement contains customary representations including, amongst other things, compliance with law and title to intellectual property. It also includes customary undertakings usual for a facility of this type, including, amongst other things, undertakings to preserve and prevent infringement of the intellectual property, and restrictions around entering into intellectual property licences. A negative pledge is also included.

The Facility Agreement also includes financial covenants in relation to minimum EBITDA levels, minimum liquidity and certain minimum royalties revenue levels.

(v) *KJR Loan Agreement*

On 4 October 2021 MIP and KJR Brothers Limited entered into the KJR Loan Agreement, an unsecured shareholder term loan, pursuant to which KJR Brothers Limited made available (and MIP drew down) an initial loan amount of £5,171,428.60. No part of the loan shall be repaid or prepaid on or before the Long-Stop Date unless and until the Scheme has become Effective and the cash consideration due under the Scheme has been paid in full.

The loan shall become immediately due and payable where the Scheme has not become Effective on or before the Long-Stop Date and MIP has not drawn down under the Facility Agreement.

Subject to the terms of the Facility Agreement, the loan shall be prepaid in whole or in part, provided that all shareholder loans then in existence are prepaid on a proportionate basis. Subject to the terms of the Facility Agreement, the loan shall be repaid in full on the earlier of its 10 year anniversary, the date on which neither Amarjit Singh Grewal nor Apinder Singh Ghura nor any of their connected persons or assignees hold any shares in the capital of MIP or the date of on which shares in MIP are admitted to trading on any public market.

From the Effective Date the loan shall accrue interest at 10 per cent. per annum.

(vi) *Amarjit Loan Agreement*

On 4 October 2021 MIP and Amarjit Singh Grewal entered into the Amarjit Loan Agreement, an unsecured shareholder term loan, to provide for any future shareholder loan balances in favour of Amarjit Singh Grewal.

Subject to completion of the Conditional Sale Agreement, £2.2 million of the consideration due to Apinder Singh Ghura shall be left outstanding on the terms of the Amarjit Loan Agreement.

Subject to the terms of the Facility Agreement, the loan shall be prepaid in whole or in part, provided that all shareholder loans then in existence are prepaid on a proportionate basis. Again subject to the terms of the Facility Agreement, the loan shall be repaid in full on the earlier of its 10 year anniversary, the date on which neither Amarjit Singh Grewal nor Apinder Ghura nor any of their connected persons or assignees hold any shares in the capital of MIP or the date of on which shares in MIP are admitted to trading on any public market.

The loan shall accrue interest at 10 per cent. per annum.

(vii) *ASG Loan Agreement*

On 4 October 2021 MIP and Apinder Singh Ghura entered into the ASG Loan Agreement, an unsecured shareholder term loan, to provide for any future shareholder loan balances in favour of Apinder Singh Ghura.

Subject to completion of the Conditional Sale Agreement, £5.05 million of the consideration due to Apinder Singh Ghura shall be left outstanding on the terms of the ASG Loan Agreement.

Subject to the terms of the Facility Agreement, the loan shall be prepaid in whole or in part, provided that all shareholder loans then in existence are prepaid on a proportionate basis. Again subject to the terms of the Facility Agreement, the loan shall be repaid in full on the earlier of its 10 year anniversary, the date on which neither Amarjit Singh Grewal nor Apinder Ghura nor any of their connected persons or assignees hold any shares in the capital of MIP or the date of on which shares in MIP are admitted to trading on any public market.

The loan shall accrue interest at 10 per cent. per annum.

(b) *French Connection*

Save as disclosed below, there have been no contracts entered into by French Connection or any of its subsidiaries during the period commencing on 4 February 2019 (the date two years before the commencement of the Offer Period) and ending on the Latest Practicable Date which are outside the ordinary course of business and which are or may be considered material:

(i) *Cooperation Agreement*

See paragraph 10(h)(ii) of Part 2 (*Explanatory Statement*) of this Document for details of the Cooperation Agreement.

(ii) *Re-financing of French Connection's existing debt facilities*

(A) *Hilco Capital Facility Agreement*

On 23 July 2020 (the “**HUK Facility Signing Date**”), French Connection (in this capacity, the “**HUK Facility Borrower**”) entered into an English law governed working capital revolving facility agreement (the “**Hilco Capital Facility Agreement**”) with certain of French Connection's subsidiaries as named therein as Guarantors and HUK 101 Limited as lender (for the purposes of this sub-paragraph (A), the “**Lender**”). Unless otherwise defined, capitalised terms used in this sub-paragraph (A) shall have the meaning given to them in the Hilco Capital Facility Agreement.

Under the terms of the Hilco Capital Facility Agreement, the Lender agreed to make available a £15 million revolving facility (the “**HUK Revolving Facility**”) to be utilised for working capital and general corporate purposes. The HUK Revolving Facility is made available to the HUK Facility Borrower from the HUK Facility Signing Date until the date falling 18 months after the HUK Facility Signing Date, subject to a 24 month extension option at the request of the HUK Facility Borrower (which will be permitted provided that no Event of Default is continuing and the extension fee has been paid) (the “**Repayment Date**”).

Utilisation of the HUK Revolving Facility will be subject to satisfaction of customary conditions precedent and provided that (i) no Event of Default is continuing or would result from the proposed advance, and (ii) the repeating representations are true in all material respects. The Lender will not be obliged to fund a utilisation if to do so would result in the amounts outstanding under the HUK Revolving Facility to exceed the lower of (i) the total facility limit of £15 million and (ii) the “Collateral Formula” (being the sum of the “NOLV Calculation” plus the “Debts Calculation”, minus the “Deductibles”, each as defined in the Hilco Capital Facility Agreement) which is confirmed in the most recently delivered Borrowing Base Certificate. The HUK Facility Borrower is required to deliver a Borrowing Base Certificate (evidencing the French Connection Group's UK entity trade debtors and UK inventory, amongst other information) prior to any utilisation of the HUK Revolving Facility and on a fortnightly basis for the life of the HUK Revolving Facility.

The HUK Revolving Facility shall be repaid in full on the Repayment Date or upon five business days prior notice to the Lender. The outstanding principal amount shall be reduced weekly by the amount standing to the credit of the receipts account (into which the HUK Facility Borrower is required to deposit all cash, income, book debts, sales and insurance proceeds), minus such amounts as is required to pay out trading costs and expenses in the ordinary course of business falling due in the next seven days.

The HUK Facility Borrower shall pay interest on outstanding amounts at a rate of 7.5 per cent. together with a 1.5 per cent. non-utilisation fee on any balances undrawn under the Facility. Interest shall be payable monthly on the last business day of each month, unless the HUK Facility Borrower notifies the Lender that it wants accrued interest/fees to be compounded (which shall be permitted provided that no Event of Default is continuing). Default interest is payable at a rate of 3.75 per cent. per annum above the standard rate of interest if an Event of Default occurs. Arrangement fees and management fees are also payable under the Hilco Capital Facility Agreement.

The HUK Revolving Facility is guaranteed by certain subsidiaries of French Connection on customary terms. Each guarantor is also required to provide security over its assets under a separate debenture in favour of the Lender.

The Hilco Capital Facility Agreement includes certain representations and warranties, including legal representations, intellectual property and information. Undertakings include a requirement to notify the Lender (i) in the event of an Event of Default, (ii) of the identity of any “ransom creditors” (as listed in the Hilco Capital Facility Agreement) and (iii) if any changes are made to HUK Facility Borrower's contractual terms with suppliers. A negative pledge is also included. The Hilco Capital Facility

Agreement includes financial covenants, whereby the HUK Facility Borrower must ensure that at all times, for each 3 month period ending on the last Business Day of each month, the Operating Profit/Cash Flow (each as defined in the Hilco Capital Facility Agreement) is not less than the Operating Profit/Cash Flow for such 3 month period set out in the “worst case forecast” which is scheduled to the Hilco Capital Facility Agreement. Information including audited annual accounts, monthly management accounts, weekly accounts, the Borrowing Base Certificate, a monthly compliance certificate and financial statements are required to be delivered to the Lender on a regular basis. The Hilco Capital Facility also includes a requirement that the HUK Facility Borrower open and maintain a receipts account and a payment account, maintain insurance and perform debt verification exercises at the Lender’s request. Customary Events of Default including non-payment, failure to comply with financial covenants or other obligations, misrepresentation, cross-default, material adverse change and insolvency have also been included.

The Lender will be permitted to attend French Connection Group’s trading premises and complete a stock take on terms set out in the Hilco Capital Facility; if the stock take is more than 1 per cent. below the value of stock attributed by the HUK Facility Borrower’s stock control system at the time, the Lender will be permitted to reduce the total facility limit by the amount of the shortfall (and the HUK Facility Borrower will be required to repay any advances as required to ensure that the reduced total facility limit is not exceeded within four business days).

The Lender may assign its rights under the Hilco Capital Facility Agreement with the consent of the HUK Facility Borrower. No assignment by the HUK Facility Borrower is permitted.

(B) *Flushing Bank Facility Agreement (supported by the Main Street Lending Program)*

On 30 November 2020 (the “**FB Facility Signing Date**”), a subsidiary of French Connection incorporated in New York (the “**FB Facility Borrower**”) entered into a US law governed \$6.5 million term loan credit facility agreement (the “**Flushing Bank Facility Agreement**”) with Flushing Bank as lender (for the purposes of this sub-paragraph (B), the “**Lender**”). Unless otherwise defined, capitalised terms used in this sub-paragraph (B) shall have the meaning given to them in the Flushing Bank Facility Agreement.

The Flushing Bank Facility Agreement is supported by the US Federal Reserve’s Main Street Lending Program, established under the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”) to provide financial support to small and mid-sized businesses following the COVID-19 pandemic (subject to certain eligibility conditions and other restrictions). The Lender’s obligation to make any advance under the Flushing Bank Facility Agreement is contingent on the issuance of a commitment letter (the “**Main Street Commitment Letter**”) to the Lender from MS Facilities LLC, a government sponsored SPV to facilitate the CARES Act relief (“**Main Street SPV**”) confirming that Main Street SPV will purchase a participation in the amount of \$6.18 million of the facility under the Main Street Lending Program. The terms of the Main Street Lending Program as they apply to the Flushing Bank Facility Agreement are set out in certain schedules to the Flushing Bank Facility Agreement, including the Co-Lender Agreement, the Loan Participation Agreement, the Assignment-in-Blank, the Loan Participation Agreement, Specific Main Street Lending Borrower Certifications and Covenants and Specific Main Street Lending Lender Certification and Covenants.

Under the terms of the Flushing Bank Facility Agreement, the FB Facility Borrower may borrow up to \$6.5 million (the “**FB Credit Facility**”) in a single cash advance. The proceeds of the Flushing Bank Facility are to be used (i) for working capital and general corporate purposes of the FB Facility Borrower and any of its US subsidiaries (provided that the FB Facility Borrower uses reasonable commercial efforts to maintain its payroll and retain its employees), and (ii) on the initial funding date only, for the purpose of refinancing existing indebtedness of the FB Facility Borrower.

The FB Credit Facility shall be available for drawing subject to satisfaction of the customary conditions precedent, which shall include delivery of the Main Street Commitment Letter. Funding must occur within three business days of receipt by the Lender of the Main Street Commitment Letter.

Advances under the FB Credit Facility bear interest at a per annum rate equal to USD LIBOR plus 3 per cent.. Interest shall capitalise for one year following the FB Facility Signing Date, and is then payable on a monthly basis (from and including 30 December 2021). Principal under the FB Credit Facility is to be repaid on an amortising basis, with 15 per cent. to be repaid on each of the 3rd and 4th anniversaries of the FB Signing Date, and the remaining amount outstanding to be repaid on the final maturity date falling five years from the FB Signing Date. If an Event of Default has occurred and is continuing, default interest shall be charged at a rate of 8 per cent. from the date of the Event of Default. The Flushing Bank Facility Agreement includes provisions to accommodate a transition from USD LIBOR to a replacement benchmark rate (which may include SOFR) upon the occurrence of certain trigger events or as otherwise determined by the Lender.

Voluntary prepayments of the FB Credit Facility are permitted on five business days' notice in a minimum principal amount of \$50,000, subject to payment of break fees and funding indemnities. Mandatory prepayment of all outstanding amounts under the FB Credit Facility shall be required within two business days in the event that the FB Facility Borrower breaches any regulatory covenant set out in Section 2 (CARE Act Borrower Eligibility Certification and Covenants) or Section 3 (FRA and Regulation A Borrower Eligibility Certification) of the Borrower Certification and Covenants contained in the Flushing Bank Facility Agreement, which ensure that the FB Facility Borrower remains eligible to utilise the Main Street Lending Program under the CARES Act. A Credit Facility Closing Fee, a Transaction Closing Fee and fees for late payment of principal or interest are also payable as set out in the Flushing Bank Facility Agreement.

The Flushing Bank Facility Agreement requires the FB Facility Borrower to make a number of customary US law representations and warranties, affirmative covenants (including the delivery of financial information and supporting compliance certificates) and negative covenants. Financial Covenants are included, requiring the FB Facility Borrower and French Connection Holdings, Inc. to (i) maintain a leverage ratio of Total Debt to Adjusted EBITDA (each as defined in the Flushing Bank Facility Agreement) of less than or equal to 4.00 to 1.00, tested annually from fiscal year ending 31 January 2022, and (ii) maintain a combined Debt Service Cover Ratio (being Adjusted EBITDA divided by total interest and principal payments on all debt) of not less than (A) 2.00 to 1.00, tested annually commencing from fiscal year ending 31 January 2022 up to fiscal year ending 31 January 2025, and (B) 1.15 to 1.00 from the fiscal year ending 31 January 2026. The Flushing Bank Facility Agreement contains certain additional representations and covenants (including reporting requirements) which are specifically required to be made in connection with the Main Street Lending Program, where beneficiaries of these covenants include the Main Street SPV, the Board of Governors of the Federal Reserve Bank of Boston and the Secretary of the United States Treasury. Customary events of default including non-payment, cross acceleration, insolvency and change of control are also included.

The Lender is permitted to assign or sell participating interests under the FB Credit Facility subject, in the case of assignments, to FB Facility Borrower consent (unless an Event of Default is continuing). All amendments shall be made with the agreement of the FB Facility Borrower and the Lender, other than (i) amendments relating to replacement of benchmark rates, which shall be amended on notice by the Lender in accordance with the terms of the Flushing Bank Credit Facility, and (ii) amendments which require the consent of any affiliate counterparty as specified in the Flushing Bank Credit Facility.

The FB Credit Facility is guaranteed by certain subsidiaries of the FB Facility Borrower as listed in the Flushing Bank Facility Agreement, with terms of the guarantee set out in a separate guarantee agreement. The FB Facility Borrower's obligations under the Flushing Bank Facility Agreement are secured on the collateral of the FB Facility Borrower, as set out in the Flushing Bank Facility Agreement, which shall include an all-asset pledge and a pledge of contractual rights and receivables under any hedging agreements. Intercompany claims are also subordinated in accordance with the terms of a separate subordination agreement.

10. Service Contracts and Remuneration

Save as disclosed below, there are no service contracts in force between any director or proposed director of French Connection and French Connection or any of its subsidiaries and no such contract has been entered into or amended during the six months preceding the date of this Document:

(a) *French Connection Executive Directors*

The French Connection Executive Directors have entered into agreements with the French Connection Group as summarised below:

Neil Williams

- (i) Neil Williams is engaged under a service agreement dated 17 April 1996 with French Connection under which he receives an annual base salary of £267,405. Neil Williams was appointed as Operations Director and is now Chief Operating Officer of the French Connection Group under the service agreement.
- (ii) Neil Williams is eligible for a discretionary annual bonus at the discretion of the French Connection Board of up to one hundred percent of his annual salary based on the financial performance of the French Connection Group in relation to initial budgets, prior year performance and market conditions, as well as operational and individual goals.
- (iii) Neil Williams receives contributions of 10 per cent. of his annual basic salary to the group pension scheme run by French Connection.
- (iv) Neil Williams' agreement is terminable by either party on 12 months' written notice.

Lee Williams

- (v) Lee Williams is employed under terms of appointment dated 4 April 2016 with French Connection under which he receives an annual base salary of £206,193. Lee Williams is appointed as Group Finance Director of the French Connection Group under the service agreement.
- (vi) Lee Williams is eligible for a discretionary annual bonus of up to one hundred percent of his annual salary based on the achievement of performance targets set annually by the remuneration committee of French Connection.
- (vii) Lee Williams receives contributions of 10 per cent. of his annual basic salary to the group pension scheme run by French Connection.
- (viii) Lee Williams' agreement is terminable by either party on 6 months' written notice. As an alternative to giving notice, the employer may in its discretion terminate the employment of Lee Williams immediately by making a payment of salary and benefits in lieu of notice.
- (ix) The benefits provided to each of Neil Williams and Lee Williams include provision of a car or a car allowance, life assurance, private medical expenses insurance for him and his family and personal accident and sickness cover.
- (x) French Connection maintains directors' and officers' liability insurance for all of its directors and officers.

(b) *The Chairman and Chief Executive Officer*

- (i) Stephen Marks is the Chairman and Chief Executive Officer of French Connection and he does not have any formal employment contract.
- (ii) Stephen Marks currently receives an annual base salary of £378,296. Stephen Marks is appointed as the Chairman and Chief Executive Officer of French Connection.
- (iii) Stephen Marks is eligible for a discretionary annual bonus at the discretion of the French Connection Board of up to one hundred percent of his annual salary based on the financial performance of the French Connection Group in relation to initial budgets, prior year performance and market conditions, as well as operational and individual goals. Stephen Marks will receive a payment equivalent to three months' salary in lieu of notice.

(c) *The French Connection Non-Executive Directors*

The French Connection Non-Executive Directors have entered into terms of engagement with the French Connection Group as summarised below:

- (i) Sarah Curran is appointed as a non-executive director of French Connection under terms of engagement dated 19 September 2017, under which she receives an annual salary of £30,000.
- (ii) Neil Page is appointed as a non-executive director of French Connection under terms of engagement dated 29 March 2021, under which he receives an annual salary of £30,000.
- (iii) French Connection provides directors' and officers' liability insurance to all the non-executive directors.

10.2 Save as disclosed above, there are no service contracts or letters of appointment, between any French Connection Director or proposed director of French Connection and any member of the French Connection Group and save as disclosed above, no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this Document.

10.3 Save as set out in this Document, the effect of the Scheme on the interests of the French Connection Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

10.4 Save as disclosed in this Document, the emoluments of the French Connection Directors and the MIP Directors will not be affected by the Acquisition or any other associated transaction.

11. Other Information

- (a) Except as disclosed in this Document, no agreement, arrangement or understanding (including any compensation arrangement) exists between MIP or any person acting in concert with MIP and any of the directors, recent directors, shareholders or recent shareholders of French Connection or any person interested or recently interested in shares of French Connection having any connection with or dependence on the Acquisition.
- (b) Except as disclosed in this Document, no agreement, arrangement or understanding of whatever nature whether formal or informal (including indemnity or option arrangements) relating to relevant securities which may be an inducement to deal or refrain from dealing exists between French Connection or any concert party of French Connection and any other person.
- (c) Except as disclosed in this Document, there is no agreement, arrangement or understanding by which any securities acquired in pursuance of the Acquisition will be transferred to any other person, but MIP reserves the right to transfer any such shares to any member of the Wider MIP Group.
- (d) No management incentivisation arrangements, as envisaged by Rule 16.2 of the Takeover Code, are proposed in connection with the Acquisition.

12. Consent

Singer Capital Markets and WH Ireland have each given and not withdrawn their consent to the publication of this Document with the inclusion herein of the references to their names in the form and context in which they appear.

13. No Significant Change

Except as disclosed in this Document, there has been no significant change in the financial or trading position of French Connection since 31 January 2021 (the date to which the latest audited accounts of French Connection were prepared).

14. Fees and Expenses

MIP estimates that the aggregate fees and expenses expected to be incurred by MIP in connection with the Acquisition will be £1,770,000 (excluding applicable VAT). Set out below are the estimates of fees and expenses (excluding applicable VAT) expected to be incurred in relation to:

	£
(a) financing arrangements ⁽¹⁾	1,245,000
(b) legal advice ⁽²⁾	350,000
(c) public relations advice	20,000
(d) other costs and expenses ⁽³⁾	155,000
Total	1,770,000

(1) Includes a financial advisory fee of £250,000 for the account of the Lenders.

(2) These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.

(3) Includes stamp duty of 0.5 per cent. on the purchase price of the French Connection Shares acquired under the Acquisition and pursuant to the Conditional Sale Agreement, which will be payable by MIP.

French Connection estimates that the aggregate fees and expenses expected to be incurred by French Connection in connection with the Acquisition will be £1,114,553-1,159,553 (excluding applicable VAT). Set out below are the estimates of fees and expenses (excluding applicable VAT) expected to be incurred in relation to:

	£
(a) financial and corporate broking advice	403,823
(b) legal advice ⁽¹⁾	615,000-660,000
(d) public relations advice	40,000
(f) other costs and expenses	55,730
Total	1,114,553-1,159,553

These services are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.

15. Documents

Copies of the following documents will be available by 12 noon following the date of this Document, subject to any restrictions relating to persons resident in certain jurisdictions, at www.frenchconnection.com until the Effective Date:

- (a) this Document and the Forms of Proxy;
- (b) the memorandum and articles of association of each of French Connection and MIP;
- (c) MIP Shareholders' Agreement;
- (d) the 2020 French Connection Annual Report and the 2019 French Connection Annual Report;
- (e) a draft of the articles of association of French Connection as proposed to be approved at the General Meeting pursuant to the Re-registration Resolution;
- (f) the irrevocable commitments to vote in favour of the Acquisition referred to in paragraph 7 above;

- (g) the documents in respect of the financing arrangements referred to in paragraph 8 above;
- (h) the written consents referred to in paragraph 12 above;
- (i) the Confidentiality Agreement;
- (j) the Cooperation Agreement; and
- (k) the Conditional Sale Agreement.

The content of the websites referred to in this Document is not incorporated into and does not form part of this Document.

French Connection Shareholders, persons with information rights and any other person to whom a copy of this Document has been sent will not automatically be sent a copy of any document incorporated into this Document by reference. French Connection will, however, upon written or oral request of any such person, provide without charge a copy of any documents incorporated by reference into this Document. Exhibits to documents incorporated by reference into this Document or documents referred to in documents incorporated by reference into this Document are not incorporated into and do not form part of this Document and, accordingly, will not be provided unless they are specifically incorporated by reference into this Document.

Requests for copies of any such documents should be made in writing to:

French Connection's Registrars, Link Group, at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or between 9:00 a.m. and 5:30 p.m. Monday to Friday (except UK public holidays) on 0371 664 0300 from within the UK (or on +44 (0) 371 664 0300 if calling from outside the UK) with an address to which the hard copy may be sent.

Dated: 9 October 2021

PART 7

SOURCE OF INFORMATION AND BASES OF CALCULATION

Unless otherwise stated in this Document:

1. the value attributed to the share capital of French Connection is based on 96,612,934 French Connection Shares in issue, in each case as at 6 October 2021, being the Latest Practicable Date;
2. the financial information relating to French Connection is extracted from the audited consolidated financial statements of French Connection for the relevant years, prepared in accordance with IFRS;
3. all prices quoted for French Connection Shares have been derived from information published by the Daily Official List of the London Stock Exchange and represent Closing Prices on the relevant date(s).

PART 8

DEFINITIONS

The following definitions apply throughout this Document, other than in the Scheme set out at Part 4 (*The Scheme of Arrangement*) of this Document and in the notices of the French Connection Shareholder Meetings, unless the context requires otherwise:

“**£**”, “**pence**” or “**sterling**” means the lawful currency of the United Kingdom;

“**Acquisition**” means the proposed recommended acquisition by MIP of the entire issued and to be issued ordinary share capital of French Connection not currently owned by Apinder Singh Ghura at the Acquisition Price to be effected by means of the Scheme or (should MIP so elect, subject to the consent of the Panel and in accordance with the terms of the Cooperation Agreement) by means of an Offer and, in either case, where the context admits, any subsequent variation, revision, extension or renewal thereof;

“**Acquisition Price**” means 30 pence in cash per French Connection Share;

“**Amarjit Loan Agreement**” means the unsecured shareholder term loan agreement dated 4 October 2021 between MIP and Amarjit Singh Grewal;

“**ASG Loan Agreement**” means the unsecured shareholder term loan agreement dated 4 October 2021 between MIP and Apinder Singh Ghura;

“**Authorisations**” means regulatory authorisations, orders, recognitions, grants, determinations, consents, clearances, confirmations, certificates, licences, permissions, exemptions or approvals;

“**Business Day**” means a day (other than Saturdays, Sundays and public holidays) on which banks are open for normal business in London;

“**certificated**” or “**in certificated form**” means a share or other security which is not in uncertificated form (that is, not in CREST);

“**Closing Price**” means the middle market price of a French Connection Share at the close of business on the day to which such price relates, as derived from the Daily Official List of the London Stock Exchange for that day;

“**Companies Act 2006**” means the Companies Act 2006, as amended from time to time;

“**Conditional Sale Agreement**” means the agreement between MIP and Apinder Singh Ghura entered into on the date of the Press Announcement pursuant to which Apinder Singh Ghura will sell the French Connection Shares that he owns to MIP conditional upon the Acquisition becoming Effective, with part of the consideration to be left outstanding by way of the ASG Loan Agreement and the Amarjit Loan Agreement respectively;

“**Conditions**” means the conditions to the implementation of the Acquisition set out in Part 3 (*Conditions to and Further Terms of the Acquisition*) of this Document and “**Condition**” means such one or more of them as the context may require;

“**Cooperation Agreement**” means the agreement between French Connection and MIP entered into on the date of the Press Announcement regulating the conduct of the parties in respect of the Acquisition;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Hearing**” means the hearing of the Court to sanction the Scheme under section 899 of the Companies Act 2006 and if such hearing is adjourned, postponed or reconvened, reference to commencement of any such hearing shall mean the commencement of the final hearing thereof;

“**Court Meeting**” means the meeting of French Connection Scheme Shareholders convened pursuant to an order of the Court under section 896 of the Companies Act 2006 for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment) including any adjournment thereof, notice of which is contained in this Document;

“**Court Order**” means the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006;

“**CREST**” means the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);

“CREST Proxy Instructions” means a properly authenticated CREST message appointing and instructing a proxy to attend and vote in place of a French Connection Shareholder in the Court Meeting and/or the General Meeting and containing the information required to be contained in the CREST manual;

“Daily Official List” means the daily official list of the London Stock Exchange;

“Dealing Disclosure” has the meaning given to it in the Takeover Code;

“Disclosed” means the information fairly disclosed by, or on behalf of, French Connection:

- (a) in the French Connection annual report and accounts in respect of the financial year ended 31 January 2021;
- (b) in the Press Announcement;
- (c) to MIP in writing (or its respective officers, employees, agents or advisers in their capacity as such) (including in the electronic data room maintained by French Connection in respect of the Acquisition) on or before 5:00 p.m. on the Business Day prior the date of the Press Announcement; or
- (d) in any public announcement by French Connection to a Regulatory Information Service prior to the date of the Press Announcement;

“Document” means this document dated 9 October 2021 containing (amongst other things) the Scheme and the Explanatory Statement;

“Effective” means in the context of the Acquisition:

- (a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms, upon the delivery of the Court Order to the Registrar of Companies; or
- (b) if the Acquisition is implemented by way of an Offer (with the Panel’s consent), the Offer having been declared or become unconditional in all respects in accordance with the requirements of the Takeover Code;

“Effective Date” means the date on which:

- (a) the Scheme becomes Effective; or
- (b) if the Acquisition is implemented by way of an Offer, the Offer becomes Effective;

“Euroclear” means Euroclear UK & International Limited;

“Excluded Shares” means any French Connection Shares:

- (a) registered in the name of, or beneficially owned by, MIP (if any);
- (b) registered in the name of, or beneficially owned by, Apinder Singh Ghura;
- (c) registered in the name of, or beneficially owned by, Amarjit Singh Grewal; or
- (d) registered in the name of, or beneficially owned by, KJR Brothers Limited;

“Explanatory Statement” means the explanatory statement (in compliance with Part 26 of the Companies Act 2006) relating to the Scheme, as set out in Part 2 (*Explanatory Statement*) of this Document;

“Facility Agreement” means the £25 million term facility agreement dated 4 October 2021 between MIP, 1903 Partners, LLC and Aurelius Finance Company Limited (as lenders) and GB Europe Management Services Limited (as agent and security agent);

“FCA” means the UK Financial Conduct Authority or its successor from time to time;

“French Connection” means French Connection Group PLC, a public limited company incorporated in England and Wales, with registered number 01410568, whose registered office is at First Floor, Centro 1, 39 Plender Street, London, NW1 0DT;

“French Connection Articles” means the articles of association of French Connection, adopted on 22 May 2019;

“French Connection Board” or **“French Connection Directors”** means the directors of French Connection as at the date of this Document or, where the context so requires, the board of directors of French Connection from time to time;

“French Connection Group” means French Connection and its subsidiary undertakings and where the context permits, each of them;

“French Connection Non-Executive Directors” means Sarah Curran and Neil Page;

“French Connection’s Registrars” means Link Group;

“French Connection Scheme Shareholders” means the holders of Scheme Shares as shown on the register of members at any relevant date or time;

“French Connection Shareholder Meetings” means the Court Meeting and the General Meeting;

“French Connection Shareholders” means holders of French Connection Shares;

“French Connection Shares” means the ordinary shares of one penny each in the capital of French Connection;

“FSMA” means the Financial Services and Markets Act 2000;

“General Meeting” means the general meeting of French Connection Shareholders (and any adjournment thereof) to be convened in connection with the Scheme, notice of which is set out in Part 10 (*Notice of General Meeting*) of this Document;

“KJR Loan Agreement” means the unsecured shareholder term loan agreement dated 4 October 2021 between MIP and KJR Brothers Limited;

“Latest Practicable Date” means close of business on 6 October 2021 (being the latest practicable date prior to the publication of this Document);

“Listing Rules” means the listing rules and regulations made by the FCA under FSMA and contained in the FCA’s publication of the same name, as amended from time to time;

“London Stock Exchange” means London Stock Exchange plc or its successor;

“Long-Stop Date” means 11:59 p.m. on 28 February 2022, or such later date, if any, as MIP and French Connection may agree and, if required, the Court and the Panel may allow;

“MIP” means MIP Holdings Ltd, a company incorporated in England and Wales (registered number 12981062), whose registered office is at Units 1-10 116-118 Bury New Road, Manchester, United Kingdom, M8 8EB;

“MIP Directors” means the directors of MIP, being Apinder Singh Ghura and Amarjit Singh Grewal;

“MIP Shareholders’ Agreement” the subscription and shareholders’ agreement entered into by Amarjit Singh Grewal, Apinder Singh Ghura, KJR Brothers Limited, Gordon Brothers International LLC, Aurelius Finance Company Limited and MIP on 4 October 2021;

“Offer” or **“Takeover Offer”** means should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the offer to be made by or on behalf of MIP to acquire the entire issued and to be issued share capital of French Connection not currently owned by Apinder Singh Ghura and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;

“Offer Period” means the period commencing on 5 February 2021 and ending on the earlier of the Effective Date and/or the date on which the Scheme lapses or is withdrawn (or such other date at the Panel may decide);

“Official List” means the official list maintained by the FCA;

“Opening Position Disclosure” means has the meaning given by Rule 8 of the Takeover Code;

“Overseas Shareholders” means French Connection Shareholders (or nominees, custodians or trustees of French Connection Shareholders) who are resident in, or nationals or citizens of jurisdictions outside of the UK or who are citizens or residents of countries other than the UK;

“Panel” means the Panel on Takeovers and Mergers;

“Possible Offer Announcement” means the announcement relating to the possible offer for French Connection by a consortium of bidders including Apinder Singh Ghura, Amarjit Singh Grewal and KJR Brothers Limited, released by French Connection on 23 September 2021;

“Press Announcement” means the announcement of a firm intention to make an offer for the entire issued and to be issued share capital of French Connection not currently owned by Apinder Singh Ghura pursuant to Rule 2.7 of the Takeover Code made by MIP and French Connection on 4 October 2021;

“Registrar of Companies” means the Registrar of Companies in England and Wales;

“Regulations” means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;

“Regulatory Information Service” or **“RIS”** means any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;

“Re-registration Resolution” means the special resolution contained in paragraph 2 of Part 10 (*Notice of General Meeting*) of this Document;

“Restricted Jurisdiction” means any jurisdiction where the making of the Acquisition may:

- (a) constitute a violation of the relevant laws and regulations of such jurisdiction; or
- (b) result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which MIP or French Connection regards as unduly onerous; or
- (c) result in significant risk or civil, regulatory or criminal exposure if the Acquisition is extended or made available in that jurisdiction or if information concerning the Acquisition is sent or made available in that jurisdiction;

“Scheme” means the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between French Connection and French Connection Scheme Shareholders in connection with the Acquisition, set out in Part 4 (*The Scheme of Arrangement*) of this Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by French Connection and MIP;

“Scheme Record Time” means 6:00 p.m. on the date on which the Scheme is sanctioned by the Court;

“Scheme Resolution” means the special resolution in paragraph 1 of Part 10 (*Notice of General Meeting*) of this Document;

“Scheme Shares” means the French Connection Shares:

- (a) in issue at 6:00 p.m. on the date of this Document;
- (b) (if any) issued after 6:00 p.m. on the date of this Document but prior to the Voting Record Time; and
- (c) (if any) issued on or after the Voting Record Time but before the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme, or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,

in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares;

“SDRT” means United Kingdom stamp duty reserve tax;

“Singer Capital Markets” means Singer Capital Markets Advisory LLP, registered in England (no. OC303675), the financial adviser to 1903 Partners, LLC and Aurelius Finance Company Limited (the lenders to MIP) in relation to the Acquisition;

“Special Resolutions” means the Scheme Resolution and the Re-registration Resolution;

“subsidiary”, “subsidiary undertaking” and “undertaking” means shall have the meaning given to such terms in the Companies Act 2006;

“Substantial Interest” means in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act 2006) of such undertaking;

“Takeover Code” means the City Code on Takeovers and Mergers as issued from time to time by or on behalf of the Panel;

“Third Party” means each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body, or any other body or person whatsoever in any jurisdiction;

“UK Listing Authority” means the UK Listing Authority, being the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;

“uncertificated” or **“in uncertificated form”** means a share or other security which is recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

“United Kingdom” or **“UK”** means the United Kingdom of Great Britain and Northern Ireland;

“United States” or **“US”** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;

“US GAAP” means generally accepted accounting principles in the US;

“Voting Record Time” means 6:00 p.m. on the day which is two days (excluding non-working days) prior to the date of the Court Meeting, or, if the Court Meeting is adjourned, 6:00 p.m. on the day which is two days (excluding non-working days) before the date of such adjourned meeting;

“WH Ireland” means WH Ireland Limited with registered office at 24 Martin Lane, London, EC4R 0DR;

“Wider MIP Group” means MIP, its parent undertakings, its subsidiary undertakings, associated undertakings and any other undertakings in which that company and such undertakings (aggregating their interests) have a Substantial Interest; and

“Wider French Connection Group” means French Connection, its subsidiary undertakings, associated undertakings and any other undertakings in which that company and such undertakings (aggregating their interests) have a Substantial Interest,

and, where the context so admits or requires, the plural includes the singular and vice versa.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

PART 9
NOTICE OF COURT MEETING
FRENCH CONNECTION GROUP PLC

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)

CR-2021-001641

IN THE MATTER OF FRENCH CONNECTION GROUP PLC
AND

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 8 October 2021 made in the above matters, the Court has granted permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the Scheme (defined below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 between French Connection Group PLC (the “**Company**”) and the holders of Scheme Shares (the “**Scheme**”) and that such meeting will be held at the offices of WH Ireland at 24 Martin Lane, London, EC4R 0DR on 1 November 2021 at 10:30 a.m. at which place and time all French Connection Scheme Shareholders (as defined in the Scheme) are requested to attend.

A copy of the Scheme and a copy of the explanatory statement required to be furnished pursuant to Part 26 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the document in which this notice forms a part.

Voting on the resolution to approve the Scheme will be by way of poll, which shall be conducted as the Chairman of the Court Meeting may determine.

Right to Appoint a Proxy; Procedure for Appointment

Voting at the Court Meeting will be by poll. The French Connection Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person or persons, whether or not a member of the Company, as their proxy or proxies to exercise all or any of their rights to attend, speak and vote in their stead.

A BLUE Form of Proxy for use in connection with the Court Meeting is enclosed with this Notice. French Connection Scheme Shareholders entitled to attend and vote at the Court Meeting who hold their shares through CREST may appoint a proxy using the CREST electronic proxy appointment service.

It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned by post or (during normal business hours only) by hand to the Company’s registrar, Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL to be received not later than 10:30 a.m. on 28 October 2021, or in the case of any adjournment, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the adjourned Court Meeting. However, if forms are not so returned they may be handed to the Chairman of the Court Meeting before the start of the Court Meeting.

As 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 on your behalf at the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares. A space has been included in the BLUE Form of Proxy to allow holders of Scheme Shares to specify the number of shares in respect of which that proxy is to be appointed. French Connection Scheme Shareholders who return the BLUE Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their French Connection Scheme Shares. A proxy need not be a member of the Company but they must attend the Court Meeting to represent you. If you wish to appoint more than one proxy, please contact

the Company's registrar, Link Group on +44 (0) 371 664 0300 or photocopy the BLUE Form of Proxy as required.

Members who hold their shares in uncertificated form through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Court Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (which can be viewed at www.euroclear.com).

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear UK & International Limited ("**Euroclear**") and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Link Group (ID RA10) by 10:30 a.m. on 28 October 2021 or in the case of any adjournment, not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the adjourned Court Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. French Connection may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Forms of Proxy may alternatively be submitted electronically by logging on to the following website www.signalshares.com and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Group no later than 10:30 a.m. on 28 October 2021.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described in the document of which this Notice forms part), will not preclude a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting, or any adjournment thereof, if such holder of Scheme Shares wishes and is entitled to do so.

Voting Record Time

Only those shareholders registered in the register of members of the Company as at 6:00 p.m. on 28 October 2021 or, in the event that the Court Meeting is adjourned, in the register of members at 6:00 p.m. on the second calendar day (excluding any part of a day that is not a working day) before the day of any adjourned meeting shall be entitled to attend or vote in respect of the number of shares registered in their name at the relevant time. Changes to entries in the relevant register of members after 6:00 p.m. on 28 October 2021 or, in the event that the Court Meeting is adjourned, after 6:00 p.m. on the second calendar day (excluding any part of a day that is not a working day) before the day of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting.

Joint Holders

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Corporate Representatives

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised. Only one corporate representative is to be counted in determining whether under section 899(1) of the Companies Act 2006 a majority in number of the French Connection Scheme Shareholders approved the Scheme. The Chairman of the Court Meeting may require the corporate representative to produce to the Company's registrar, Link Group, his or her written authority to attend and vote at the Court Meeting at any time before the start of the Court Meeting. The representative shall not be entitled to exercise the powers conferred on them by the French Connection Shareholder until any such demand has been satisfied.

By the order, the Court has appointed Stephen Marks or, failing him, Neil Williams or, failing him, Lee Williams or, failing him, any other director of French Connection to act as Chairman of the Court Meeting and has directed the Chairman to report the result of the Court Meeting to the Court.

The Scheme will be subject to the subsequent sanction of the Court.

DATED: 9 October 2021

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
Solicitors for the Company

PART 10

NOTICE OF GENERAL MEETING

FRENCH CONNECTION GROUP PLC

(incorporated in England and Wales with registered number 1410568)

NOTICE IS HEREBY GIVEN that an general meeting of French Connection Group PLC (the “**Company**”) will be held at the offices of WH Ireland at 24 Martin Lane, London, EC4R 0DR on 1 November 2021 at 10:45 a.m. (or as soon thereafter as the Court Meeting (as defined in Part 8 (*Definitions*) of the document of which this notice forms part) is concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as special resolutions.

Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the document of which this Notice forms part.

SPECIAL RESOLUTIONS

1. THAT:

For the purpose of giving effect to the scheme of arrangement of dated 9 October 2021 (as amended or supplemented) (the “**Scheme**”) between the Company and the holders of the Scheme Shares (as defined in said Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, in its original form or with or subject to any modification, addition or condition agreed between the Company and MIP Holdings Ltd and approved or imposed by the Court, the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect.

2. THAT:

Subject to the passing of the resolutions contained in the paragraph above, and conditional upon the Scheme becoming Effective:

- (a) the Company be re-registered as a private limited company under the Companies Act 2006;
- (b) the name of the Company be changed to French Connection Group Limited; and
- (c) the articles of association contained in the printed document produced to the meeting (and for the purposes of identification signed by the chairman of the meeting) be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the articles of association in existence at the time immediately preceding the sanctioning of the Scheme by the Court,

and that the directors of the Company (or a duly authorised committee thereof) be hereby authorised to take all such steps as may be necessary or expedient to effect the re-registration of the Company as a private limited company.

Registered Office:

First Floor, Centro 1,
39 Plender Street,
London NW1 0DT

By order of the Board

Lee Williams
Secretary

Dated 9 October 2021

Notes

1. The shorter notice period of a minimum of 14 clear days as approved at the Company's last annual general meeting has been used for this General Meeting as the directors of the Company believe that the flexibility offered by the shorter notice period is in the best interests of shareholders as a whole in order to bring the Acquisition to a conclusion as soon as possible given the uncertainty resulting from the long period during which the Company has been in an offer period for the purposes of the Takeover Code.
2. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company as at 6:00 p.m. on 28 October 2021 or, in the event that the meeting is adjourned, in the register of members at 6:00 p.m. on the date 48 hours (excluding any part of a day that is not a working day) before the date of any adjourned meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting or any adjourned meeting.
3. A holder of French Connection Shares entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote on their behalf at the meeting. A YELLOW Form of Proxy which may be used to make such appointment and give proxy instructions is enclosed with this Notice. Whether or not you intend to attend the General Meeting, you are strongly encouraged to complete and return the YELLOW Form of Proxy. Please indicate how you wish your vote to be cast by inserting an "X" in the appropriate box. Unless otherwise instructed, the person appointed as a proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting on the resolutions and on any other business, which may come before the General Meeting. In the event that you wish to appoint a person other than the chairman of the meeting as your proxy, delete the reference to the chairman and insert the name and address of the person you wish to appoint in the space provided. A proxy need not be a member of the Company. Instructions for use are shown on the YELLOW Form of Proxy.
4. Completion and return of a YELLOW Form of Proxy, an electronic proxy, or any CREST Proxy Instruction (as described in note 11 below) will not preclude a shareholder from attending the meeting and voting there in person.
5. To be effective, the YELLOW Form of Proxy (together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority) must be deposited at the Company's registrar, Link Group, at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible, and in any event so as to be received by not later than 10:45 a.m. on 28 October 2021 or, if the meeting is adjourned, by not later than 48 hours (excluding any part of a day that is not a working day) before the time of the adjourned meeting. Forms of Proxy returned by fax will not be accepted. For your convenience, the Form of Proxy is pre-paid (if posted within the United Kingdom) and addressed to Link Group. No envelope is necessary but if you wish you may use an envelope and address it (no stamp required if posted within the United Kingdom) to Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Alternatively, you may appoint a proxy or proxies electronically through the Company's registrar's website: www.signalshares.com. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.
6. A holder of French Connection Shares entitled to attend and vote at the meeting may appoint more than one proxy. To do so, you should attach a schedule to the Form of Proxy specifying the full name of each proxy, the number of shares each proxy appointment relates to and how you wish the proxies' votes to be cast. A failure to specify the number of shares each proxy appointment relates to, or specifying a number of shares in excess of those held by the member on the date referred to in note 2 above, will result in the proxy appointments being invalid.
7. Any person who is not a member of the Company, but has been nominated under section 146 of the Companies Act 2006 by a member of the Company (the "**relevant member**") to enjoy information rights, (the "**nominated person**") does not have a right to appoint any proxies under note 3 above. A nominated person may have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the meeting. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights.
8. The "Vote Withheld" option is provided to enable you to abstain on the specified resolution. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" the specified resolution.
9. As at 6 October 2021 (being the latest practicable date prior to the publication of this Notice), the Company's share capital consisted of 96,612,934 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 6 October 2021 (excluding voting rights attached to shares held by or on behalf of MIP Holdings Ltd or held by or on behalf of Apinder Singh Ghura) are 72,094,469.
10. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the relevant register of members of the Company at 6:00 p.m. on the date 48 hours (excluding any part of a day that is not a working day) before the meeting or, in the event that the meeting is adjourned, in the register of members of the Company at 6:00 p.m. on the date 48 hours (excluding any part of a day that is not a working day) before the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting or any adjourned meeting. Shareholders who hold their shares in the Company through CREST ("**CREST members**") and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the purpose of this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.

11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **“CREST Proxy Instruction”**) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company’s registrar Link Group (Participant ID RA10), not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the meeting or any adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company’s registrar are 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.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. 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, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. 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.
14. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
15. Any member attending the meeting has a right to ask questions. The company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the 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 the good order of the meeting that the question be answered.
16. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.frenchconnection.com.
17. Copies of the Company’s existing articles of association and of the new articles of association as proposed to be adopted in place thereof pursuant to the special resolutions set out in this Notice are available for inspection at the offices of the Company’s Solicitors, Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays), until the opening of business on the day on which the meeting is held, and will also be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.
18. If you have any questions about this Document, the Court Meeting, the General Meeting or the Acquisition or are in any doubt as to how to complete the Forms of Proxy, please call Link Group between 9:00 a.m. and 5:30 p.m. Monday to Friday (except UK public holidays) on 0371 664 0300 from within the UK (or on +44 (0) 371 664 0300 if calling from outside the UK). Calls from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that Link Group cannot provide advice on the merits of the Acquisition or give any financial, legal or tax advice.
19. Voting on all the resolutions at this meeting will be conducted on a poll rather than a show of hands.
20. You may not use any electronic address provided either in this notice or in any related documents (including the enclosed Forms of Proxy) to communicate with the Company for any purposes other than those expressly stated.
21. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholders, provided that, if more than one, they do not do so in relation to the same shares.

