

Execution Version

MIP HOLDINGS LTD
and
FRENCH CONNECTION GROUP PLC

COOPERATION AGREEMENT

RELATING TO THE PROPOSED ACQUISITION OF
FRENCH CONNECTION GROUP PLC

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This Agreement is made on 4 October 2021

Between:

- (1) **MIP Holdings Ltd**, a private limited company incorporated in England and Wales whose registered office is at Units 1-10 116-118 Bury New Road, Manchester, United Kingdom, M8 8EB with registered number 12981062 ("**MIP Holdings**"); and
- (2) **French Connection Group plc**, a public limited company incorporated in England and Wales whose registered office is at First Floor, Centro 1, 39 Plender Street, London, NW1 0DT with registered number 01410568 ("**French Connection**"),

together referred to as the "**parties**" and each as a "**party**" to this agreement ("**Agreement**").

Whereas:

- (A) MIP Holdings proposes to announce a firm intention to make a recommended offer for the entire issued and to be issued share capital of French Connection on the terms and subject to the conditions set out in the Press Announcement (as defined below) (the "**Transaction**").
- (B) It is intended the Transaction will be effected by way of a scheme of arrangement of French Connection pursuant to Part 26 of the Companies Act 2006 (the "**Scheme**"), but MIP Holdings reserves the right, as set out in (and subject to the terms and conditions of) the Press Announcement and Clause 6 of this Agreement, to elect to implement the Transaction by way of a contractual takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006 (the "**Offer**").
- (C) The parties have agreed to take certain steps to effect completion of the Transaction and wish to enter into this Agreement to record their respective rights and obligations relating to such matters.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 In this Agreement:

"**Acceptance Condition**" means, if applicable, the acceptance condition to the Offer as specified in Clause 6.2.1;

"**Agreed Switch**" has the meaning given to it in Clause 6.1.1;

"**MIP Holdings Group**" means MIP Holdings and any of its respective subsidiaries and subsidiary undertakings from time to time and "**member of the MIP Holdings Group**" shall be construed accordingly;

"**Business Day**" means a day, other than a Saturday or Sunday or public or bank holiday, on which banks in London are generally open for business;

"**Clearances**" means all "**Authorisations**" as defined in the Press Announcement that are necessary to satisfy one or more of the Conditions;

"**Code**" means the City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;

"**Conditions**" means, for so long as the Transaction is being implemented by means of the Scheme, the conditions to implementation of the Transaction set out in Appendix I to the Press Announcement (as may be amended with the consent of the Panel) and, for so long as the Transaction is being implemented by means of an Offer, the terms and conditions referred to as if the Transaction was being implemented by the Scheme, as amended by replacing the Scheme Conditions with the Acceptance Condition and as may be further amended by MIP Holdings with the consent of the Panel (and, in the case of an Agreed Switch, and for so long as the Offer is unanimously and unconditionally recommended by the board of Madrid, the consent of Madrid), and "**Condition**" shall be construed accordingly;

"**Confidentiality Agreement**" means the confidentiality agreement entered into between Apinder Singh Ghura and French Connection on 15 February 2021;

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

"**Court Meeting**" means the meeting of the holders of the French Connection Shares which are in issue as at the Voting Record Time to be convened pursuant to section 896 of the Companies Act 2006 for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme, including any adjournment thereof;

"**Day 60**" means, where MIP Holdings has elected to implement the Transaction by way of an Offer in accordance with clause 6.1, the 60th day following the publication of the Offer Document or such later date as is set in relation to the Offer pursuant to Rule 31.3 of the Code;

"**Effective**" means, in the context of the Transaction:

- (i) the Scheme becomes effective in accordance with its terms; or
- (ii) if MIP Holdings elects to implement the Transaction by way of the Offer, the Offer becomes or is declared unconditional in all respects;

"**Effective Date**" means the date upon which either the Scheme or the Offer becomes Effective;

"**FCA Handbook**" means the Financial Conduct Authority's Handbook of rules and guidance as amended from time to time;

"**French Connection Board Recommendation**" means the unanimous and unconditional recommendation of the French Connection board of directors to French Connection Shareholders to vote in favour of the Scheme at the Court Meeting and the French Connection Resolutions at the French Connection General Meeting, or, if MIP Holdings proceeds by way of the Offer, to accept the Offer (as the case may be);

"**French Connection General Meeting**" means the general meeting of holders of French Connection Shares which are in issue as at the Voting Record Time to be convened and held in connection with the Transaction to consider, and if thought fit,

approve the shareholder resolution(s) necessary to enable French Connection to implement the Transaction (including any adjournment thereof);

"French Connection Group" means French Connection and its subsidiaries and subsidiary undertakings from time to time and **"member of the French Connection Group"** shall be construed accordingly;

"French Connection Resolutions" means such shareholder resolutions of French Connection as are necessary to approve, implement and effect the Scheme and the Transaction;

"French Connection Shareholders" means the registered holders of French Connection Shares from time to time;

"French Connection Shares" means the ordinary shares of £0.01 each in the capital of French Connection from time to time;

"Law" means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Relevant Authority;

"Listing Rules" means the rules and regulations published by the UK Listing Authority which sets out the rules and responsibilities in relation to a company with a class of securities admitted to the official list of the UK Listing Authority, as amended from time to time;

"Long-Stop Date" means 11:59 pm on 28 February 2022, or such later date, if any, as MIP Holdings and French Connection may agree and, if required, the Court and the Takeover Panel may allow;

"Offer" has the meaning given to it in Recital (B), and a reference to Offer also includes any increased, renewed, varied, extended or revised offer;

"Offer Document" means, in the event MIP Holdings elects to implement the Transaction by means of the Offer, the document published by, or on behalf of, MIP Holdings containing the terms of the Offer to be sent to (among others) the French Connection Shareholders, including any revised or supplementary offer document;

"Panel" means the UK Panel on Takeovers and Mergers;

"Press Announcement" means the press announcement to be released by MIP Holdings and French Connection pursuant to Rule 2.7 of the Code in relation to the Transaction, in substantially the form set out in Schedule 1 (*Press Announcement*);

"Regulatory Information Service" means a regulatory information service as defined in the FCA Handbook;

"Relevant Authority" has the same meaning as that given to **"Third Party"** in the Press Announcement;

"**Sanction Hearing**" means the hearing of the Court to sanction the Scheme pursuant to section 899 of the Companies Act 2006, including any adjournment thereof;

"**Scheme**" has the meaning given to it in Recital (B), and a reference to Scheme also includes any increased, renewed or revised scheme;

"**Scheme Conditions**" means the Conditions relating to the Scheme becoming effective in accordance with its terms, set out in paragraph 2 of part A of Appendix I to the Press Announcement;

"**Scheme Document**" means the document to be despatched to, among others, French Connection Shareholders setting out, among other things, details of the Transaction, the full terms and conditions of the Scheme and the explanatory statement required pursuant to Part 26 of the Companies Act 2006 and incorporating the notices convening the Court Meeting and the French Connection General Meeting and including any revised, modified or supplementary circular;

"**Tax Authority**" means any taxing or other authority (whether within or outside the United Kingdom) competent to impose any liability in respect of taxation or responsible for the administration and/or collection of taxation or enforcement of any Law in relation to taxation;

"**Transaction**" has the meaning given to it in Recital (A);

"**UK Listing Authority**" means the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended from time to time); and

"**Voting Record Time**" means the date and time specified in the Press Announcement or such other time and/or date as the parties may agree in writing.

1.2 In this Agreement, except where the context otherwise requires:

1.2.1 the expression "**group**", in relation to a party, means that party together with its subsidiaries and subsidiary undertakings from time to time;

1.2.2 the expressions "**subsidiary**" and "**subsidiary undertaking**" shall have the meanings given in the Companies Act 2006;

1.2.3 the expression "**acting in concert**" shall be construed in accordance with the Code;

1.2.4 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;

1.2.5 references to one gender include other genders;

1.2.6 words in the singular shall include the plural and vice versa;

- 1.2.7 a reference to a "**person**" shall include a reference to an individual, an individual's executors or administrators, a partnership, a firm, a body corporate, an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture or association (in any case, whether or not having separate legal personality);
- 1.2.8 a reference to a Recital, Clause or Schedule (other than to a schedule to a statutory provision) shall be a reference to a recital, clause or schedule (as the case may be) to this Agreement;
- 1.2.9 references to times are to London time;
- 1.2.10 any reference to a "**day**" (including within the phrase "**Business Day**") shall mean a period of 24 hours running from midnight to midnight;
- 1.2.11 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction;
- 1.2.12 references to "**writing**" shall include any modes of reproducing words in any legible form and shall include email except where otherwise expressly stated;
- 1.2.13 references to a document in "**agreed form**" are to a document in the form agreed by the parties initialled by or on behalf of both MIP Holdings and French Connection for the purposes of identification;
- 1.2.14 a reference to "**includes**" or "**including**" shall mean "includes without limitation" or "including without limitation" respectively;
- 1.2.15 references to "**£**" and "**pounds sterling**" are to the lawful currency of the United Kingdom from time to time;
- 1.2.16 the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
- 1.2.17 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- 1.2.18 a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time; and
- 1.2.19 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

1.4 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

2. **PUBLICATION OF THE PRESS ANNOUNCEMENT AND TERMS OF THE TRANSACTION**

2.1 The obligations of the parties under this Agreement, other than Clause 1, this Clause 2.1 and Clauses 8 to 22 (inclusive), shall be conditional on the release of the Press Announcement via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement, or such later date and time as the parties may agree (and, where required by the Code, approved by the Panel). Clause 1, this Clause 2.1 and Clauses 8 to 22 (inclusive) shall take effect on and from execution of this Agreement.

2.2 The terms of the Transaction as at the date of this Agreement shall be as set out in the Press Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Transaction, which shall be at the sole discretion of MIP Holdings) and, where required by the Code, approved by the Panel. The terms of the Transaction at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should MIP Holdings elect to implement the Transaction by way of an Offer in accordance with Clause 6, the terms of the Transaction shall be set out in the announcement of switching to an Offer and in the Offer Document.

3. **UNDERTAKINGS RELATING TO SATISFACTION OF THE CONDITIONS**

3.1 MIP Holdings shall not, without the prior written consent of French Connection:

3.1.1 notify the Transaction to the United Kingdom Competition and Markets Authority under section 96 of the Enterprise Act 2002; or

3.1.2 request a referral to the European Commission pursuant to Article 4(5) of Council Regulation (EC) No 139/2004 (as amended) (the "**Regulation**"). Unless otherwise agreed, the parties each undertake to take all reasonable action to resist a referral to the European Commission pursuant to Article 22 of the Regulation.

3.2 To the extent MIP Holdings is required to obtain any mandatory Clearances, MIP Holdings shall:

3.2.1 inform French Connection as soon as reasonably practicable after becoming aware of the requirement to obtain such Clearances;

3.2.2 use all reasonable endeavours to obtain all such Clearances and use all reasonable endeavours to ensure the satisfaction of the Conditions as soon as reasonably practicable following the date of this Agreement and in any event by the Long-Stop Date;

3.2.3 prepare and submit the relevant filings and be responsible for the payment of all filing fees in connection with such Clearances as soon as reasonably practicable;

- 3.2.4 except where otherwise required by applicable Law or a Relevant Authority, MIP Holdings shall:
- (a) consult with French Connection and/or their legal advisers on the approach to be taken and the strategy to be pursued for obtaining the Clearances; and
 - (b) contact and correspond with the Relevant Authorities promptly and diligently in relation to the Clearances, including submitting and preparing, with the assistance of French Connection in accordance with this Agreement, all necessary filings, notifications and submissions; and
- 3.2.5 provide such remedies and/or undertakings and commitments on terms which are reasonably satisfactory to MIP Holdings as may be reasonably required by the Relevant Authority in connection with the obtaining of such Clearances.
- 3.3 To the extent any Clearances are required, and save to the extent prohibited by applicable Law or the Relevant Authority, each party undertakes to the other party to co-operate with each other in good faith in connection with seeking to obtain the Clearances and to:
- 3.3.1 promptly provide, and in any event at least three Business Days before any applicable deadline or due date, all such information (which shall be accurate (it being acknowledged that a party shall not be in breach of this obligation as a consequence of any inaccuracy in any information originating from a third party source (provided that such party is not aware of the inaccuracy))) as may reasonably be required by the other party for inclusion in any submission to any Relevant Authority for the purpose of obtaining the Clearances and to provide all such other assistance as may reasonably be required in connection with obtaining the Clearances (including assistance in connection with such pre-notification contacts with the Relevant Authorities as the other party considers desirable or appropriate in the circumstances);
 - 3.3.2 promptly provide in consultation with the other party such information and access to management and employees as the other party or any Relevant Authority may reasonably require for the purposes of making a filing, notification or submission to any Relevant Authority in relation to the Clearances;
 - 3.3.3 provide, or procure the provision of, to the other party (and/or its advisers) draft copies of all filings, notifications, submissions, material correspondence and communications to be submitted or sent to any Relevant Authority in relation to obtaining any Clearance, at such time as will allow the other party (and/or its advisers) a reasonable opportunity to review and comment on such filings, notifications, submissions, material correspondence and communications before they are submitted or sent;
 - 3.3.4 have regard in good faith to comments made by the other party (and/or their advisers) on draft copies of filings, notifications, submissions, correspondence and communications provided pursuant to Clause 3.3.3;

- 3.3.5 promptly notify the other party (and/or its advisers) of, and provide copies of, all filings, notifications, submissions, material correspondence and communications submitted or sent to or received from (including, in the case of material non-written comments or communications, reasonable details of the contents of any such comments or communications) any Relevant Authority in relation to obtaining the Clearances;
 - 3.3.6 give the other party (and/or its advisers) reasonable notice of any meetings, hearings or telephone calls with any Relevant Authority in connection with obtaining the Clearances and allow the other party (and/or its advisers) to attend and make reasonable oral submissions during such meetings, hearings or telephone calls (provided such oral submissions have been discussed by the parties in advance and where commercially sensitive information is likely to be discussed at such meetings or calls, the relevant party's advisers shall attend on an "outside counsel basis" only) and, where such attendance and participation is not permitted by applicable Law or the Relevant Authority, to provide, to the extent so permitted, the other party with a written summary of such meeting, hearing or call as soon as reasonably practicable following the meeting, hearing or call;
 - 3.3.7 keep the other party (and/or its advisers) promptly informed of developments which are material or potentially material to obtaining of any of the Clearances; and
 - 3.3.8 where requested by MIP Holdings or French Connection (acting reasonably), the other party shall use reasonable endeavours to make available appropriate representatives for meetings and telephone calls with any Relevant Authority in connection with the obtaining of any Clearances (including at pre-notification stage).
- 3.4 If a provision of this Agreement obliges MIP Holdings or French Connection (the "**disclosing party**") to disclose any information to the other:
- 3.4.1 that is personally identifiable information of a director, officer or employee of the disclosing party or any member of its group, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);
 - 3.4.2 which the disclosing party reasonably considers to be commercially or competitively sensitive or which constitutes a trade secret;
 - 3.4.3 which the disclosing party is prohibited from disclosing by applicable Law or the terms of an existing contract; or
 - 3.4.4 where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),
- the disclosing party shall, to the extent permitted by applicable Law, disclose the relevant information to the other party:

- (a) pursuant to appropriate clean team arrangements as agreed between the parties;
- (b) on an outside counsel basis; or
- (c) where disclosure to the other party would reasonably be expected to have a material adverse effect on the disclosing party's legitimate business interest, directly to the Relevant Authority (and in such circumstances, the disclosing party shall provide, or procure the provision of, to the other a non-confidential version of such information).

3.5 Except with the prior written consent of French Connection, MIP Holdings shall not, and shall procure that no member of the MIP Holdings Group or any person acting in concert or deemed to be acting in concert (as defined in the Code) with MIP Holdings will, take or omit to take or cause to be taken or be omitted to be taken any action or enter into any transaction or other agreement to effect any acquisition, merger, joint venture or other commercial arrangement which could reasonably be expected to preclude, impede, delay or prejudice completion of the Transaction from occurring at the earliest practicable time or enable MIP Holdings to invoke any of the Conditions.

4. SCHEME DOCUMENT

4.1 MIP Holdings agrees to provide promptly to French Connection all such information about itself, its directors and the MIP Holdings Group (including any information required under applicable Law or the Code regarding the intentions of MIP Holdings) which is reasonably required (having regard to the Code and applicable Law) for the purpose of inclusion in the Scheme Document and to provide promptly all other assistance and access which may be reasonably required for the preparation of the Scheme Document and any other document required by applicable Law and/or the Code to be published in connection with the Scheme, including access to, and procuring that reasonable assistance is provided by, MIP Holdings' professional advisers.

4.2 MIP Holdings shall procure that its directors (and any other person connected with MIP Holdings and/or the MIP Holdings Group as required by the Panel) accept responsibility, in the terms required by the Code, for all the information in the Scheme Document, and any other document required by applicable Law or under the Code to be published in connection with the Scheme, relating to themselves (and their close relatives, related trusts and companies and persons connected with them), the MIP Holdings Group, MIP Holdings' concert parties, the financing of the Transaction, any statements of the opinion, belief, intention or expectation of MIP Holdings or its directors in relation to the Transaction or the enlarged MIP Holdings Group following the completion of the Transaction and any other information in the Scheme Document for which MIP Holdings is required to accept responsibility under applicable Law or under the Code.

5. IMPLEMENTATION OF THE SCHEME

5.1 Where the Transaction is being implemented by way of the Scheme, and provided that the date set for the Sanction Hearing has been agreed to by MIP Holdings in writing (acting reasonably and in good faith) or otherwise set for a date no earlier than the earlier in time to occur of: (i) the date on which the Conditions 2.1 and 2.2 have been

satisfied (or, where applicable, waived); and (ii) the date that is one month prior to the Long-Stop Date, MIP Holdings undertakes to deliver a notice in writing to French Connection prior to the Sanction Hearing confirming either:

5.1.1 the satisfaction or waiver of the Conditions (other than the Scheme Conditions);
or

5.1.2 its intention to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions (if permitted by the Panel) and providing reasonable details of the event which has occurred (or failed to occur), or circumstances which have arisen, which MIP Holdings reasonably considers entitles it to invoke such Condition or treat as unsatisfied or incapable of satisfaction.

5.2 Where the Transaction is being implemented by way of the Scheme, MIP Holdings shall:

5.2.1 instruct counsel to appear on its behalf at the Sanction Hearing; and

5.2.2 undertake to the Court:

(a) to be bound by the terms of the Scheme in so far as it relates to MIP Holdings; and

(b) that MIP Holdings shall put in place arrangements for the 12 years following the Scheme becoming effective to allow untraceable French Connection Shareholders to claim the Scheme consideration to which such shareholders are entitled pursuant to the terms of the Scheme,

to the extent that all the Conditions (other than the Scheme Conditions) have been satisfied or waived prior to or on the date of the Sanction Hearing.

5.3 If the board of MIP Holdings intends to invoke (and the Panel would permit MIP Holdings to so invoke), any of the Conditions, MIP Holdings shall, subject to applicable Law, inform French Connection, providing reasonable details as soon as is reasonably practicable.

5.4 MIP Holdings confirms that as at the date of this Agreement it is not aware of any circumstances which would mean that any of the Conditions cannot be satisfied, provided that nothing in this Clause 5.4 shall be construed as confirmation from or on behalf of MIP Holdings that any Condition can be satisfied.

6. SWITCHING TO AN OFFER

6.1 The parties currently intend that the Transaction will be implemented by way of the Scheme. MIP Holdings shall be entitled, with the consent of the Panel, to implement the Transaction by way of the Offer rather than the Scheme (a "**Switch**") only if:

6.1.1 French Connection provides its prior written consent (an "**Agreed Switch**"), in which case Clause 6.2 shall apply; or

- 6.1.2 a third party announces a firm intention to make an offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for all or part of the issued and to be issued share capital of French Connection; or
- 6.1.3 the board of directors of French Connection (i) does not include the Madrid Board Recommendation in the Scheme Document (or, if different, the document(s) convening the Madrid General Meeting and/or the Court Meeting (as applicable)); or (ii) withdraws, qualifies or modifies the Madrid Board Recommendation; or
- 6.1.4 the Court Meeting and/or the Madrid General Meeting are or is not held on or before the 22nd day after the expected date of such meetings as set out in the Scheme Document (or, if different, the document(s) convening the Madrid General Meeting and/or the Court Meeting (as applicable)) (including, where delayed pursuant to Clause 6.1.4(a), the supplementary circular) (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval is required)) or either or both of the Court Meeting and/or the Madrid General Meeting (as applicable) is adjourned, unless:
- (a) such delay or adjournment is required by applicable Law or a Relevant Authority or necessary for the proper conduct of the Court Meeting and/or the French Connection General Meeting;
 - (b) a supplementary circular is required to be published in connection with the Scheme, and, as a result, the Court Meeting and the Madrid General Meeting cannot be held by such date in compliance with the Code and any other applicable Law, provided that Madrid has used all reasonable endeavours to publish the supplementary circular as soon as reasonably practicable after the date on which the requirement to publish a supplementary circular arises; or
 - (c) MIP Holdings has committed a breach of Clause 4 and such breach has caused the delay; or
- 6.1.5 the Sanction Hearing is not held on or before the 22nd day after the expected date of such meetings as set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval is required)) unless:
- (a) such delay or adjournment is required by applicable Law or a Relevant Authority or necessary for the proper conduct of the Sanction Hearing;
 - (b) a supplementary circular is required to be published in connection with the Scheme, and, as a result, the Sanction Hearing cannot be held by such date in compliance with the Code and any other applicable Law, provided that Madrid has used all reasonable endeavours to publish the supplementary circular as soon as reasonably practicable after the date on which the requirement to publish a supplementary circular arises; or

- (c) MIP Holdings has committed a breach of Clause 4 and such breach has caused the delay; or
 - 6.1.6 the directors of MIP Holdings acting reasonably and, having consulted in good faith with the board of directors of French Connection and French Connection's legal and financial advisors, determine that it is reasonably likely on the balance of probabilities that the Scheme will not or is not likely to be approved by the requisite majorities of the French Connection Shareholders at the Court Meeting or at the French Connection General Meeting or will not or is not reasonably likely on the balance of probabilities to be approved by the Court at the Sanction Hearing.
- 6.2 In the event of an Agreed Switch, unless otherwise agreed with French Connection or required by the Panel, the parties agree:
- 6.2.1 the Acceptance Condition shall be set at 75 per cent of the French Connection Shares to which the Offer relates (or such other percentage as may be agreed between the parties in writing after (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent of the French Connection Shares to which the Offer relates);
 - 6.2.2 MIP Holdings shall not take any action which could cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition prior to midnight on Day 60 (including, without limitation, by publishing any acceptance condition invocation notice under Rule 31.6 of the Code or specifying in the Offer Document an unconditional date which is earlier than Day 60) and MIP Holdings shall ensure that the Offer remains open for acceptances at least until such time;
 - 6.2.3 MIP Holdings shall not, without the prior written consent of French Connection, make any acceleration statement (as defined in the Code) unless:
 - (a) all of the Conditions (other than the Acceptance Condition) have been satisfied or waived (if capable of waiver);
 - (b) the acceleration statement contains no right for MIP Holdings to set the statement aside (except with French Connection consent and/or in the circumstances envisaged by note 2 or 3 to Rule 31.5 of the Code); and
 - (c) MIP Holdings undertakes to French Connection not to take any action or step otherwise to set the acceleration statement aside;
 - 6.2.4 if at any time following publication of the Offer Document it is reasonably expected that a requirement to obtain a mandatory regulatory approval or clearance for the purposes of Condition 3.2 is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, MIP Holdings shall, before the 30th day after the publication of the Offer Document (or such later date as French Connection may agree), consult with French Connection as to whether the offer timetable should be suspended in accordance with Rule 31.4 or (if Day 39 has passed) Day 60 should be extended in accordance with Rule 31.3 of the Code (or, if applicable,

further suspended or extended) and, if required by French Connection, shall request such suspension or extension to a date agreed with French Connection and the Panel, provided always that such extended date (as, if applicable, it may be further extended) shall be no later than the Long-Stop Date;

- 6.2.5 MIP Holdings shall ensure that the Offer is made on the same terms as those set out in the Press Announcement and the only conditions of the Offer shall be the Conditions (subject to replacing the Scheme Conditions with the Acceptance Condition referred to in Clause 6.2.1) (unless the parties agree otherwise in writing or with any modification or amendments to such terms and Conditions as required by the Panel); and
- 6.2.6 MIP Holdings shall keep French Connection informed, on a regular and confidential basis, and in any event on the Business Day following receipt of a written request from French Connection, of the number of French Connection Shareholders that have validly accepted the Offer or withdrawn their acceptance of the Offer, or incorrectly submitted their acceptance or withdrawal, the identity of such shareholders and the number of French Connection Shares held by such shareholders.
- 6.3 In the event of any Agreed Switch, the parties agree that all provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Offer, the Offer Document and its implementation *mutatis mutandis*, save as set out in this Clause 6.

7. DIRECTORS AND OFFICERS INSURANCE

- 7.1 To the extent permitted by applicable Law, for six years after the Effective Date, MIP Holdings shall procure that the members of the French Connection Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective current directors and officers and to advance expenses, and provide all reasonable assistance to the current French Connection directors and officers to the extent they need to make a claim against the existing French Connection directors' and officers' insurance policy (including any associated run off cover), in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 7.2 MIP Holdings acknowledges and agrees that French Connection will purchase directors' and officers' liability insurance cover with reputable insurers for both current and former directors and officers of the French Connection Group, including directors and officers who retire or whose employment is terminated as a result of the Transaction, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date, in terms of amount and breadth at least that which is substantially the same as that provided under the French Connection Group's directors' and officers' liability insurance as at the date of this Agreement (the details of which have been disclosed to MIP Holdings prior to the date of this Agreement).
- 7.3 Save as disclosed to MIP Holdings, French Connection confirms that the terms of its directors' and officers' liability insurance cover has not been materially changed in the 12 months prior to the date of this Agreement.

8. CODE AND RELEVANT LAW

- 8.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code and any other applicable Law, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over the terms of this Agreement.
- 8.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires French Connection to take or not take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 8.3 Nothing in this Agreement shall oblige French Connection or the directors of French Connection to recommend an Offer or a Scheme proposed by MIP Holdings or any member of the MIP Holdings Group.
- 8.4 Nothing in this Agreement shall be taken to restrict the directors of any member of the MIP Holdings Group or the French Connection Group from complying with all applicable Laws, orders of court or regulations, including the Code, the Listing Rules, the rules and regulations of the Panel, the Companies Act 2006 and the Financial Conduct Authority (including the UK Listing Authority).

9. TERMINATION

- 9.1 Subject to Clauses 9.2 and 9.3, this Agreement shall terminate with immediate effect and all rights and obligations of the parties under this Agreement shall cease immediately as follows:
- 9.1.1 if agreed in writing between the parties at any time prior to the Effective Date;
- 9.1.2 if the Press Announcement is not released via a Regulatory Information Service at or before 6.00 p.m. on the date of this Agreement (unless, prior to that time, the parties have agreed another later time and date in accordance with Clause 2.1);
- 9.1.3 upon service of written notice by MIP Holdings to French Connection, if:
- (a) prior to the Long-Stop Date: (a) any Condition which has not been waived is (or has become) incapable of satisfaction by the Long-Stop Date and, notwithstanding that it has the right to waive such Condition, MIP Holdings will not do so; or (b) any Condition which is incapable of waiver has become incapable of satisfaction by the Long-Stop Date (in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel);
- (b) the board of directors of French Connection withdraws, adversely qualifies or adversely modifies its unanimous and unconditional recommendation of the Transaction (or, in the period prior to publication of the Scheme Document (or the Offer Document, as the case may be) or (if different) the document convening the Madrid Court General Meeting or the Court Meeting, withdraw, qualify or modify their

intention to give the Madrid Board Recommendation in any such document, including making any public statement to such effect, or fail to publicly reaffirm or re-issue a statement of their intention to make the Madrid Board Recommendation on an unmodified and unqualified basis) before the earlier of: (a) 5:30 p.m. on the fifth Business Day following MIP Holdings' reasonable request to do so; or (b) the time of the start of the Court Meeting (it being understood that the issue of any holding statement(s) issued to French Connection Shareholders following a change of circumstances (so long as any such holding statement contains an express statement that such recommendation is not withdrawn or adversely qualified or modified and does not contain a statement that the directors of French Connection intend to withdraw or adversely qualify or modify such recommendation) shall not constitute a withdrawal or adverse qualification or modification of such recommendation for purposes of this Clause);

- (c) the Scheme Document and any separate circular convening the French Connection General Meeting does not include, when published, a unanimous and unconditional recommendation of the Transaction from the board of directors of French Connection or French Connection makes an announcement prior to the publication of such document(s) that: (i) the board of French Connection no longer intends to make the French Connection Board Recommendation or intend to adversely qualify or modify such recommendation; (ii) it will not convene the Court Meeting and/or the French Connection General Meeting (as applicable), other than as a result of MIP Holdings having committed a breach of Clause 4; (iii) it will adjourn, or intends to adjourn the Court Meeting and/or the French Connection General Meeting (as applicable), unless such adjournment is required by applicable Law or a Relevant Authority or necessary for the proper conduct of the Court Meeting and/or the French Connection General Meeting; and/or (iv) it does not intend to post the Scheme Document or (if different) the document convening the French Connection General Meeting, other than as a result of MIP Holdings having committed a breach of Clause 4; or
- (d) a third party announces a firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for French Connection which is recommended by the board of directors of French Connection or which completes, becomes effective or is declared or becomes unconditional in all respects; or

9.1.4 upon service of written notice by either party to the other:

- (a) if the Scheme is not approved by the French Connection Shareholders at the Court Meeting or the French Connection General Meeting or the Court refuses to sanction the Scheme;
- (b) if the Scheme (or the Offer as the case may be) is withdrawn, terminates or lapses in accordance with its terms prior to the Long-Stop Date and, where required, with the consent of the Panel (other than (i) where such lapse or withdrawal is as a result of the exercise of MIP Holdings' right

to effect a switch from the Scheme to the Offer under Clause 6.1; or (ii) it is otherwise to be followed within five Business Days (or such other period as French Connection and MIP Holdings may agree) by an announcement under Rule 2.7 of the Code made by MIP Holdings or any person acting in concert with MIP Holdings to implement the Transaction by a different offer or scheme on substantially the same or improved terms);

- (c) if the Scheme Document and notices of the Court Meeting and the French Connection General Meeting accompanied by the relevant forms of proxy are not published, within 28 days of the date of the Press Announcement, unless agreed by the parties and consented to by the Panel (other than in circumstances where the same is caused by a breach by the MIP Holdings of Clause 4 or the parties have, with the consent of the Panel, agreed a later date for despatch of such documents);
- (d) if the Court Meeting and/or the Madrid General Meeting is not held on or before the later of the 22nd day after the expected date of such meetings as set out in the Scheme Document; (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval is required));or
- (e) if the Effective Date has not occurred by the Long-Stop Date.

9.2 Termination of this Agreement shall be without prejudice to the rights of either party which have or may have arisen at or prior to termination.

9.3 This Clause 9 and Clauses 1, 8 and 10 to 22 (inclusive) shall survive termination of this Agreement.

10. **WARRANTIES**

10.1 Each of the parties warrants to the other on the date of this Agreement that:

10.1.1 it has the requisite power and authority to enter into and perform its obligations under this Agreement;

10.1.2 this Agreement constitutes its legal, valid and binding obligations in accordance with its terms; and

10.1.3 the execution and delivery of, and performance of its obligations under, this Agreement shall not:

- (a) result in a breach of any provision of its constitutional documents;
- (b) result in a material breach of, or constitute a material default under, any instrument (which is material in the context of the Transaction) to which it is a party or by which it is bound; or
- (c) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound.

10.2 No party shall have any claim against the other for breach of warranty after the Effective Date (without prejudice to any liability to fraudulent misrepresentation or fraudulent misstatement).

11. NOTICES

11.1 A notice under or in connection with this Agreement (a "Notice") shall be:

11.1.1 in writing;

11.1.2 in the English language; and

11.1.3 delivered personally or sent by first class post pre-paid recorded delivery (and air mail if overseas) or by fax or email to the party due to receive the Notice at the address specified in Clause 11.2 (or to another address specified by that party by not less than seven days' written notice to the other party).

11.2 The address referred to in Clause 11.1.3 is:

11.2.1 in the case of MIP Holdings:

Address: Units 1-10 116-118 Bury New Road, Manchester, United Kingdom, M8 8EB

Email: [REDACTED]

Marked for the attention of Apinder Ghura, Director

11.2.2 in the case of French Connection:

Address: First Floor, Centro One, 39 Plender Street, London, NW1 0DX

Fax: 020 7399 7684/7201

Email: [REDACTED]

Marked for the attention of Neil Williams

and a copy to (but such copy shall not constitute Notice):

Address: Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ

DX: 149120 Canary Wharf 3

Email: [REDACTED]

Marked for the attention of [REDACTED]

11.3 Unless there is evidence that it was received earlier, a Notice is deemed given:

11.3.1 if delivered personally, when left at the address referred to in Clause 11.2;

11.3.2 if sent by post, except air mail, two Business Days after posting it;

11.3.3 if sent by air mail, six Business Days after posting it;

11.3.4 if sent by fax, when confirmation of its transmission has been recorded by the sender's fax machine; or

11.3.5 if sent by email, when sent.

Any notice sent outside the hours of 09:00 – 17:30 shall be deemed to be given at the start of the next Business Day.

11.4 The provisions of this Clause 11 shall not apply in relation to the service of any claim form, application notice, order, judgment or other document relating to any proceedings, suit or action arising out of or in connection with this Agreement, whether contractual or non-contractual.

12. **REMEDIES AND WAIVERS**

12.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by Law or under this Agreement shall:

12.1.1 affect that right, power or remedy; or

12.1.2 operate as a waiver of it.

12.2 The single or partial exercise of any right, power or remedy provided by Law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

12.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Law.

12.4 Without prejudice to any other rights and remedies which either party may have, each party acknowledges and agrees that damages alone may not be an adequate remedy for any breach by either party of the provisions of this Agreement and either party shall be entitled to seek the remedies of injunction, specific performance and other equitable remedies, for any threatened or actual breach of any such provision of this Agreement by either party and no proof of special damages shall be necessary for the enforcement by either party of the rights under this Agreement.

13. **VARIATION**

No variation of this Agreement shall be valid unless it is in writing (which, for this purpose, does not include email) and signed by or on behalf of each of the parties.

14. **INVALIDITY**

14.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, that shall not affect or impair:

14.1.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

14.1.2 the legality, validity or enforceability under the Law of any other jurisdiction of that or any other provision of this Agreement,

and, if such provision would be valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

15. ENTIRE AGREEMENT

15.1 Save for the Confidentiality Agreement (which remains in force) and any other agreements the parties agree in writing are deemed to be included in this Clause 15, this Agreement constitutes the whole and only agreement between the parties relating to the Transaction and supersedes any previous agreement whether written or oral between the parties in relation to the Transaction.

15.2 Except in the case of fraud, each party acknowledges that it is entering into this Agreement in reliance upon only this Agreement and that it is not relying upon any pre-contractual statement that is not set out in this Agreement.

15.3 Except in the case of fraud, no party shall have any right of action (including those in tort or arising under statute) against the other party arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement.

15.4 For the purposes of this Clause 15, "**pre-contractual statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time before the date of this Agreement.

16. LANGUAGE

Each Notice or other communication under or in connection with this Agreement shall be in English.

17. THIRD PARTY RIGHTS

A person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of term of, or enjoy any benefit under, this Agreement.

18. ASSIGNMENT

18.1 No party shall be entitled to assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, declare itself a trustee for a third party of, or otherwise dispose of (in any manner whatsoever) the benefit of this Agreement (or any part of it) or sub-contract in any manner whatsoever its performance under this Agreement without the prior written consent of the other party.

18.2 MIP Holdings and French Connection agree that the Transaction will be effected by MIP Holdings or, at MIP Holdings' election, by a wholly-owned subsidiary of MIP Holdings. If the Transaction is to be effected by a wholly-owned subsidiary of MIP Holdings (a "**Subsidiary**"), MIP Holdings undertakes to procure that the Subsidiary

complies with the terms of this Agreement that apply to MIP Holdings as if named herein as a party.

19. COSTS AND EXPENSES

Save as expressly provided otherwise, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement and any matter contemplated by it.

20. FURTHER ASSURANCE

- 20.1 Each party shall, at its own cost, use reasonable endeavours to, or procure that any relevant third party shall, do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement.

21. COUNTERPARTS

- 21.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.
- 21.2 Delivery of an executed counterpart signature page of this Agreement by email (pdf) or facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page on the final text of this Agreement, such counterpart signature page shall take effect with such final text as a complete authorised counterpart.

22. GOVERNING LAW AND JURISDICTION

- 22.1 This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.
- 22.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set out above

EXECUTED BY



acting for and on behalf of
MIP Holdings Ltd

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EXECUTED BY

acting for and on behalf of
French Connection Group PLC

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EXECUTED BY

acting for and on behalf of
French Connection Group PLC

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SCHEDULE 1
PRESS ANNOUNCEMENT

FOR IMMEDIATE RELEASE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

RECOMMENDED ACQUISITION

of

French Connection Group PLC ("French Connection" or the "Company")

by

MIP Holdings Ltd ("MIP")

a newly incorporated entity directly owned and controlled by Apinder Singh Ghura, Amarjit Singh Grewal and KJR Brothers Limited

**to be effected by way of a scheme of arrangement
under Part 26 of the Companies Act 2006**

Summary

- Further to the strategic review and formal sale process undertaken by the Company subsequent to the announcement on 2 March 2021, and further to the announcement released by French Connection on 23 September 2021 regarding a possible offer for the Company, the boards of MIP and French Connection are pleased to announce that they have reached agreement on the terms and conditions 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. It is currently intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.
- Apinder Singh Ghura beneficially owns 24,518,465 French Connection Shares (comprising approximately 25.4 per cent. of the issued share capital of French Connection on 1 October 2021 (being the last Business Day prior to the date of this Announcement)). 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.
- Under the terms of the Acquisition, each French Connection Scheme Shareholder will be entitled to receive:

for each Scheme Share:	30 pence in cash
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- The Acquisition Price values the entire issued and to be issued ordinary share capital of French Connection at approximately £28.98 million, which 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 the Possible Offer 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 this 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 Announcement 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.

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 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, the French Connection Directors intend to recommend unanimously that French Connection Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting (or, if (with the consent of the Panel and in accordance with the terms of the Cooperation Agreement) MIP exercises its right to implement the Acquisition by way of a Takeover Offer, accept or procure acceptances of such Takeover Offer). Stephen Marks, being the only French Connection Director holding French Connection Shares, has irrevocably undertaken to vote in favour of the Scheme and the Resolution(s) (or to accept a Takeover Offer) in respect of his entire holding of French Connection Shares, being a total of 37,812,690 French Connection Shares (representing, in aggregate, approximately 39.1 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement)).

Irrevocable undertakings

- In total, including the irrevocable undertaking from Stephen Marks, MIP has received irrevocable undertakings, as described below, in respect of a total of 42,094,190 French Connection Shares (representing, in aggregate, approximately 43.6 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement)).
- MIP has received an irrevocable undertaking from Nicole Farhi to vote in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting (or, if (with the consent of the Panel and in accordance with the terms of the Cooperation Agreement), MIP exercises its right to implement the Acquisition by way of a Takeover Offer, accept or procure acceptances of such Takeover Offer) in respect of 2,000,000 French Connection Shares (representing, in aggregate, approximately 2.1 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement)).

- MIP has received an irrevocable undertaking 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 Resolution(s) at the General Meeting (or, if (with the consent of the Panel and in accordance with the terms of the Cooperation Agreement), MIP exercises its right to implement the Acquisition by way of a Takeover Offer, accept or procure acceptances of such Takeover Offer) in respect of 1,506,500 French Connection Shares (representing, in aggregate, approximately 1.6 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement)).
- MIP has received an irrevocable undertaking from Candice Marks to vote in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting (or, if (with the consent of the Panel and in accordance with the terms of the Cooperation Agreement), MIP exercises its right to implement the Acquisition by way of a Takeover Offer, accept or procure acceptances of such Takeover Offer) in respect of 775,000 French Connection Shares (representing, in aggregate, approximately 0.8 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement)).
- Further details of these irrevocable undertakings and the irrevocable undertaking from Stephen Marks (including the circumstances in which they cease to be binding) are set out in Appendix III to this Announcement.

Timetable and conditions

- It is intended that the Acquisition will be implemented by way of the Scheme (or, if (with the consent of the Panel and in accordance with the terms of the Cooperation Agreement), MIP exercises its right to implement the Acquisition by way of a Takeover Offer). The purpose of the Scheme is to provide for MIP to become the owner of the entire issued and to be issued ordinary share capital of French Connection not already owned by Apinder Singh Ghura. Ordinary shares in the capital of French Connection owned by Apinder Singh Ghura are to be transferred to MIP pursuant to the Conditional Sale Agreement with effect on and from the completion of the Acquisition. The Scheme will be put to French Connection Scheme Shareholders at the Court Meeting and at the General Meeting. In order to become effective, the Scheme must be approved by a majority in number of the French Connection Scheme Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares voted. The approval of the Resolution(s) by the requisite majority of the French Connection Shareholders at the General Meeting (to be held directly after the Court Meeting) is also required for the implementation of the Scheme together with the sanction of the Scheme by the Court. French Connection Shares owned by Apinder Singh Ghura will not be eligible to vote at the Court Meeting.
- The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting and which will be accompanied by the Forms of Proxy, will be published as soon as practicable and, in any event, within 28 days of the date of this Announcement, unless MIP and French Connection otherwise agree, and the Panel consents, to a later date. The Scheme Document will specify the actions to be taken by French Connection Scheme Shareholders and will contain an expected timetable for the implementation of the Scheme.
- The Scheme is expected to become Effective before the end of Q4 2021, subject to the satisfaction or waiver of the Conditions set out in Appendix I to this Announcement.

Commenting on the Acquisition, Apinder Singh Ghura, Director of MIP said:

"We are pleased to have reached an agreement with the French Connection Directors on this recommended acquisition. We are looking forward to working with French Connection's management to execute and implement MIP's strategic plans to facilitate the future growth and profitability for the business."

Commenting on the Acquisition, Stephen Marks, Chairman of French Connection, said:

"Over the last 5 years, French Connection has made significant progress in its plans to rationalise the size of its store portfolio and to return the French Connection Group to profitability. It was always our intention to look at the most appropriate ownership structure for the business once it was back on track, and, having conducted a formal sale process, the French Connection Board has concluded that the offer being made by MIP is fair and reasonable."

The price we have negotiated is at a significant premium to the share price prior to the commencement of the Offer Period and demonstrates the potential offered by the French Connection brand. The French Connection Board is unanimous in recommending the Acquisition to shareholders."

When the transaction closes, I will retire from French Connection. This is an appropriate time for me to step back from the business that I founded in 1972, and I would like to take this opportunity to thank all our people for their contribution to our achievements over the years. I wish them all every success in the future."

This summary should be read in conjunction with and is subject to the full text of this Announcement and its appendices.

The Acquisition shall be subject to the Conditions and further terms that are set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the sources of information and bases of calculations set out in this Announcement. Appendix III to this Announcement contains further details of the irrevocable undertakings referred to in this Announcement. Appendix IV to this Announcement contains definitions of certain terms used in this summary and in this Announcement. The appendices form part of this Announcement.

Enquiries:

MIP

Apinder Singh Ghura

via **Walbrook PR** (public relations adviser to MIP)

Tel: +44 (0) 20 7933 8787

Paul McManus

info@walbrookpr.com

French Connection Group PLC

Tel: +44 (0) 20 7036 7063

Neil Williams, Chief Operating Officer

Lee Williams, Chief Financial Officer

WH Ireland (Financial Adviser and Corporate Broker to French Connection) Tel: +44 (0) 20 7220 1666

Adrian Hadden

Ben Good

Paternoster Communications (public relations adviser to French Connection) Tel: +44 (0) 20 3012 0241

Tom Buchanan

Shoosmiths LLP is acting as legal adviser to MIP. Clifford Chance LLP is acting as legal adviser to French Connection.

IMPORTANT NOTICES:

Disclaimers

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 Announcement or any matter referred to in this Announcement. 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 paragraph 11 of this Announcement.

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 Announcement and will not regard any other person as its client in relation to the matters in this Announcement 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.

This Announcement is for information purposes only and is not intended to, and does not constitute, or form part of any offer, invitation, inducement or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of or exercise rights in respect of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document and the accompanying Forms of Proxy (or by any other document by which the Acquisition is made), which will together contain the full terms and conditions of the Acquisition and the Scheme, including details of how to vote in respect of the Acquisition and the Scheme. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document or any document by which the Acquisition is made.

In accordance with normal UK practice, MIP or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase French Connection Shares, other than pursuant to the Acquisition, until the date on which the Scheme (or Takeover Offer, if applicable) becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK and will be reported to a regulatory information service and will be available on the London Stock Exchange website at www.londonstockexchange.com

Overseas Shareholders

The availability of the Acquisition to Overseas Shareholders and the distribution of this Announcement 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 Announcement comes should inform themselves of, and observe, any such restrictions. Any person (including without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this Announcement, the Scheme Document or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action. If any Overseas Shareholder remains in any doubt, it should consult an appropriate independent professional adviser in its relevant jurisdiction without delay. In particular, the ability of persons who are not resident in the United Kingdom to vote their French Connection Shares at the Court Meeting or the General Meeting or to execute and deliver Forms of Proxy appointing another to vote their French Connection Shares in respect of the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located.

Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with the law of England and Wales and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Additional Information for US Investors

*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 Announcement and the Scheme documentation has*

been or will have 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 Announcement or the Scheme documentation 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 a Takeover Offer and determines to extend such Takeover Offer into the US, such Takeover 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 a Takeover 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 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 Takeover 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 Takeover Offer during the period in which such Takeover 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 Announcement 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 Announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the United States.

Forward-Looking Statements

This Announcement (including any information that is incorporated by reference into this Announcement) contains statements about the Wider MIP Group and the Wider French Connection Group that are or may be forward-looking statements which are prospective in nature. All statements other than statements of historical facts may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "could", "would", "may", "anticipates", "estimates", "synergy", "cost-saving", "projects", "goal" or "strategy" or, words or terms of similar substance or the negative thereof. Forward-looking statements may include

statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Wider MIP Group or the Wider French Connection Group and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on the businesses of the Wider MIP Group or the Wider French Connection Group.

These forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to the Wider MIP Group or the Wider French Connection Group or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. MIP and French Connection disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law.

No Profit Forecasts or Estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for French Connection for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for French Connection.

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.

Right to switch to a Takeover Offer

MIP reserves the right, with the consent of the Panel and in accordance with the terms of the Cooperation Agreement, to elect to implement the Acquisition by means of a Takeover Offer for the entire issued and to be issued share capital of French Connection and to make appropriate amendments to the terms of the Acquisition arising from the change of structure from a Scheme to a Takeover Offer.

Information Relating to French Connection Shareholders

Please be aware that addresses, electronic addresses and certain other 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 required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on Website and availability of Hard Copies

A copy of this Announcement will be available free of charge (subject to any applicable restrictions with respect to persons resident in Restricted Jurisdictions) on French Connection's website (<http://www.frenchconnection.com>), by no later than 12 noon on 5 October 2021.

Neither the content of this website nor the content of any other website accessible from hyperlinks on any such website is incorporated into, or forms part of, this Announcement.

French Connection Shareholders may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement), free of charge, by contacting Link Group during business hours on 0371 664 0300 (local) and +44 (0) 371 664 0300 or by submitting a request in writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines will be open between 9:00 a.m. to 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Unless French Connection Shareholders make such a request, a hard copy of this Announcement and any such information incorporated by reference in it will not be sent to French Connection Shareholders. French Connection Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition be in hard copy form.

If French Connection Shareholders are in any doubt about the contents of this Announcement or what action they should take, they are recommended to seek their own personal financial, tax and

legal advice immediately from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

Rounding

Certain figures included in this Announcement 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.

Time

All times shown in this Announcement are London times, unless otherwise stated.

- 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 the Possible Offer 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 this 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 Announcement 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.

It is expected that:

- the Scheme Document will be published as soon as practicable and, in any event, on or before 2 November 2021 (unless otherwise agreed between French Connection and MIP with the consent of the Panel);
- the Court Meeting and the General Meeting will be held in Q4 2021; and
- subject to the satisfaction or waiver of the Conditions set out in Appendix I to this Announcement, the Scheme will become Effective before the end of Q4 2021.

An expected timetable of events relating to the Acquisition will be provided in the Scheme Document.

The Acquisition is conditional, amongst other things, on the Scheme becoming Effective no later than the Long-Stop Date.

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. Recommendation

French Connection's 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 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, the French Connection Directors intend to recommend unanimously that French Connection Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting (or, if (with the consent of the Panel and in accordance with the terms of the Cooperation Agreement) MIP exercises its right to implement the Acquisition by way of a Takeover Offer, accept or procure acceptances of such Takeover Offer). Stephen Marks, being the only French Connection Director holding French Connection Shares, has irrevocably undertaken to vote in favour of the Scheme and the Resolution(s) (or to accept a Takeover 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, in aggregate, approximately 39.1 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement)).

6. Information on 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. Further details on MIP will be contained in the Scheme Document.

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.

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).

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 (comprising approximately 25.4 per cent of the issued share capital of French Connection on 1 October 2021 (being the last Business Day prior to the date of this Announcement)). 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 Rafiq Daud Patel, Gafoor 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, a major supplier to retailers such as NEXT, Matalan and Asda.

7. Information on French Connection

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.

8. French Connection current trading and outlook

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.

9. 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 redevelop 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 16, 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 9 are “post-offer undertakings” for the purpose of Rule 19.5 of the Takeover Code.

10. Irrevocable undertakings

In addition to the irrevocable undertaking received from Stephen Marks referred to in paragraph 5 above, MIP has received irrevocable undertakings from Nicole Farhi, Candice Marks 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 Resolution(s) at the General Meeting, in respect of a total of 4,281,500 French Connection Shares, representing approximately 4.4 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement).

Accordingly, MIP has received in total irrevocable undertakings in respect of 42,094,190 French Connection Shares in aggregate, representing approximately 43.6 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement).

Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

11. Financing

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

- i. 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
- ii. 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.

Singer Capital Markets is satisfied that sufficient resources are available to MIP to satisfy in full the cash consideration payable to French Connection Shareholders under the terms of the Acquisition.

12. 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 1 October 2021 (being the last Business Day prior to the date of this Announcement)) for 30 pence in cash per French Connection Share, with £5.05 million of the consideration being left outstanding on the terms of the ASG Loan Agreement and £2.2 million of the consideration being left outstanding on the terms of the Amarjit Loan Agreement respectively. Completion of the Conditional Sale Agreement is conditional only on the Acquisition becoming Effective.

13. Offer-related arrangements

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.

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 a Takeover 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; or (ii) the French Connection Board withdraws, adversely qualifies or adversely modifies the French Connection Board's unanimous and unconditional recommendation of the Acquisition; or (iii) the Scheme 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; or (ii) the Scheme has not been implemented by the Long-Stop Date (unless MIP has exercised its right to switch to a Takeover 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.

14. Structure of the Acquisition

The Scheme

It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between French Connection and the French Connection Scheme Shareholders under Part 26 of the Companies Act, although MIP reserves the right to elect to implement the offer by means of a Takeover Offer with the consent of the Panel and in accordance with the terms of the Cooperation Agreement.

The purpose of the Scheme is 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. Following the Scheme becoming Effective, the Scheme Shares will be transferred to MIP, in consideration for which French Connection Scheme Shareholders whose names appear on the register of members of French Connection at the Scheme Record Time will receive 30 pence in cash.

The French Connection Shares held by Apinder Singh Ghura will be acquired by MIP pursuant to the terms of the Conditional Sale Agreement with effect from the Acquisition becoming Effective.

Conditions

Implementation of the Scheme will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, on or before the Long-Stop Date or such later date (if any) as MIP and French Connection may agree and the Panel and the Court may allow. In summary, the Acquisition will be conditional, amongst other things, upon:

- the approval of the Scheme by a majority in number of the French Connection Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting (or any adjournment thereof), representing not less than 75 per cent. in value of the Scheme Shares held by such French Connection Scheme Shareholders and such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date (if any) as MIP and French Connection may agree);
- the resolution(s) required to approve and implement the Scheme, as set out in the notice of the General Meeting (including, without limitation, the Resolution(s), being duly passed by the requisite majorities of French Connection Shareholders at the General Meeting (or at any adjournment thereof) and such General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date (if any) as MIP and French Connection may agree); and
- the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to MIP and French Connection) and the delivery of a copy of the Court Order to the Registrar of Companies and the Court Hearing being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date (if any) as MIP and French Connection may agree); and

- the other conditions not otherwise identified above (but set out in the Scheme Document) either being satisfied or, with the exception of certain conditions which are not capable of waiver, waived.

The deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing to sanction the Scheme as set out above may be waived by MIP, and the Long-Stop Date may be extended by agreement between French Connection and MIP.

Once the necessary approvals from French Connection Shareholders and the Court have been obtained and the other Conditions have been satisfied or (where applicable) waived, the Scheme shall then become effective upon delivery of the Court Order to the Registrar of Companies.

As a result of his interest in the Offer, Apinder Singh Ghura will not be entitled to vote at the Court Meeting in respect of the Scheme and his relevant holding of French Connection Shares (comprising approximately 25.4 per cent. of the issued share capital of French Connection as at 1 October 2021) will not count towards the majorities required to approve the Scheme. Apinder Singh Ghura is however entitled to vote at the General Meeting.

In order that the Court can be satisfied that the votes cast constitute a fair representation of the views of French Connection Shareholders, it is important that as many votes as possible are cast in person or by proxy at the Court Meeting.

It is expected that the Scheme Document will be dispatched to French Connection Shareholders within 28 days of this Announcement (unless otherwise agreed between French Connection and MIP with the consent of the Panel). Subject to the satisfaction or waiver of the Conditions set out in Appendix I to this Announcement, it is expected that the Scheme will become effective before the end of Q4 2021.

If the Scheme is not effective by the Long-Stop Date (or such later date (if any) as French Connection and MIP may, with the consent of the Panel, agree and (if required) the Court may allow), the Scheme will not be implemented and the Acquisition will not proceed.

Upon the Scheme becoming Effective: (i) it shall be binding on all French Connection Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not 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 held within the CREST system will be cancelled. The consideration for the transfer of Scheme Shares to MIP will be despatched to French Connection Scheme Shareholders no later than 14 days after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. 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 also be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Right to switch to a Takeover Offer

MIP reserves the right, with the consent of the Panel and in accordance with the terms of the Cooperation Agreement, a summary of which is set out in paragraph 13 above, to elect to implement the Acquisition by means of a Takeover Offer for the entire issued and to be issued share capital of French Connection and to make appropriate amendments to the terms of the Acquisition arising from the change of structure from a Scheme to a Takeover Offer. In such event, the Acquisition will 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).

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, MIP intends to: (i) make a request to the UK Listing Authority to cancel the listing of the French Connection Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in French Connection Shares on the Main Market; and (iii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining French Connection Shares in respect of which the Takeover Offer has not been accepted.

15. Disclosure of interests in French Connection

Apinder Singh Ghura a director and shareholder of MIP made a public Opening Position Disclosure in respect of the interests in the relevant securities of French Connection held by him on 5 February 2021 (the "**ASG Opening Position Disclosure**").

As set out in the ASG Opening Position Disclosure, 24,470,119 French Connection Shares were held by Apinder Singh Ghura as at the opening of trading on 5 February 2021. On 5 February 2021, Apinder Singh Ghura acquired (over a series of transactions) a further 306,846 French Connection Shares, and disposed of 258,500, bringing his total shareholding to 24,518,465 French Connection Shares (representing approximately 25.4 per cent. of the ordinary share capital of French Connection in issue on 1 October 2021 (being the last Business Day prior to the date of this Announcement)).

It is intended that the French Connection Shares held by Apinder Singh Ghura will be acquired by MIP pursuant to the terms of the Conditional Sale Agreement with effect from the Acquisition becoming Effective.

Other than as disclosed above and except for the irrevocable undertakings referred to in paragraph 10 above, as at the close of business on 1 October 2021 (being the last Business Day prior to the date of this Announcement), none of MIP or any MIP Directors or, so far as MIP is aware, any person acting, or deemed to be acting, in concert with MIP for the purposes of the Acquisition:

- had an interest in, or right to subscribe for, relevant securities of French Connection;
- had any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, relevant securities of French Connection;
- had procured an irrevocable commitment or letter of intent to accept the terms of the Acquisition in respect of relevant securities of French Connection; or
- had borrowed or lent any French Connection Shares.

Furthermore, save for the irrevocable undertakings described in paragraph 10 above, no arrangement exists between MIP or French Connection or a person acting in concert with MIP or French Connection in relation to French Connection Shares. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of

whatever nature, relating to French Connection Shares which may be an inducement to deal or refrain from dealing in such securities.

16. Delisting and re-registration

The last day of dealings in French Connection Shares is expected to be the Business Day prior to the 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 Effective Date, French Connection will be re-registered as a private limited company. A resolution to approve the re-registration will be proposed at the General Meeting.

17. Overseas Shareholders

The ability of Overseas Shareholders to participate in the Acquisition and the distribution of this Announcement 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 Announcement comes should inform themselves of, and observe, any such restrictions. Any person (including without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this Announcement, the Scheme Document, the Forms of Proxy or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action. If any Overseas Shareholder remains in any doubt, it should consult an appropriate independent professional adviser in its relevant jurisdiction without delay. In particular, the ability of persons who are not resident in the United Kingdom to vote their French Connection Shares at the Court Meeting or the General Meeting or to execute and deliver Forms of Proxy appointing another to vote their French Connection Shares in respect of the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

18. Documents published on website

Copies of the following documents will be made available on French Connection's website at <http://www.frenchconnection.com> by no later than 12 noon on 5 October 2021 (being the Business Day following the date of this Announcement) until the end of the Offer Period:

- this Announcement;
- the irrevocable undertakings referred to in paragraph 10 above;
- the Confidentiality Agreement;
- the Cooperation Agreement;
- the Conditional Sale Agreement;
- the MIP Shareholders' Agreement;

- the Facility Agreement;
- the ASG Loan Agreement;
- the Amarjit Loan Agreement; and
- the KJR Loan Agreement.

Neither the contents of French Connection's website, nor the content of any other website accessible from hyperlinks on such website, is incorporated into or forms part of, this Announcement.

19. General

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

Shoosmiths LLP are acting as legal adviser to MIP.

WH Ireland is acting as financial adviser and corporate broker to French Connection. Clifford Chance LLP is acting as legal adviser to French Connection.

The terms and conditions contained in this Announcement are set out in Appendix I to this Announcement. The sources of certain financial information and bases of calculation contained in this Announcement are set out in Appendix II to this Announcement. Certain terms and expressions used in this Announcement are defined in Appendix IV to this Announcement.

Enquiries:

MIP

Apinder Singh Ghura

via **Walbrook PR** (public relations adviser to MIP)

Tel: +44 (0) 20 7933 8787

Paul McManus

info@walbrookpr.com

French Connection Group PLC

Tel: +44 (0) 20 7036 7063

Neil Williams, Chief Operating Officer

Lee Williams, Chief Financial Officer

WH Ireland (Financial Adviser and Corporate Broker to French Connection) Tel: +44 (0) 20 7220 1666

Adrian Hadden

Ben Good

Paternoster Communications (public relations adviser to French Connection)

Tom Buchanan

Tel: +44 (0) 20 3012 0241

IMPORTANT NOTICES:

Disclaimers

Singer Capital Markets is acting exclusively as financial adviser for 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 Announcement or any matter referred to in this Announcement. 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 paragraph 11 of this Announcement.

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 Announcement and will not regard any other person as its client in relation to the matters in this Announcement 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.

This Announcement is for information purposes only and is not intended to, and does not constitute, or form part of any offer, invitation, inducement or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of or exercise rights in respect of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document and the accompanying Forms of Proxy (or by any other document by which the Acquisition is made), which will together contain the full terms and conditions of the Acquisition and the Scheme, including details of how to vote in respect of the Acquisition and the Scheme. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document or any document by which the Acquisition is made.

In accordance with normal UK practice, MIP or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase French Connection Shares, other than pursuant to the Acquisition, until the date on which the Scheme (or Takeover Offer, if applicable) becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK and will be reported to a regulatory information service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Overseas Shareholders

The availability of the Acquisition to Overseas Shareholders and the distribution of this Announcement 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 Announcement comes should inform themselves of, and observe, any such restrictions. Any person (including without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this Announcement, the Scheme Document or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action. If any Overseas Shareholder remains in any doubt, it should consult an appropriate independent professional adviser in its relevant jurisdiction without delay. In particular, the ability of persons who are not resident in the United Kingdom to vote their French Connection Shares at the Court Meeting or the General Meeting or to execute and deliver Forms of Proxy appointing another to vote their French Connection Shares in respect of the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located.

Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purposes of complying with the law of England and Wales and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Additional Information for US Investors

*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 Announcement and the Scheme documentation has*

been or will have 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 Announcement or the Scheme documentation 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 a Takeover Offer and determines to extend such Takeover Offer into the US, such Takeover 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 a Takeover 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 Takeover 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 Takeover Offer during the period in which such Takeover 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 Announcement 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 Announcement is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the United States.

Forward-Looking Statements

This Announcement (including any information that is incorporated by reference into this Announcement) contains statements about the Wider MIP Group and the Wider French Connection Group that are or may be forward-looking statements which are prospective in nature. All statements other than statements of historical facts may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "could", "would", "may", "anticipates", "estimates", "synergy", "cost-saving", "projects", "goal" or "strategy" or, words or terms of similar substance or the negative thereof. Forward-looking statements may include

statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Wider MIP Group or the Wider French Connection Group and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on the businesses of the Wider MIP Group or the Wider French Connection Group.

These forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to the Wider MIP Group or the Wider French Connection Group or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. MIP and French Connection disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law.

No Profit Forecasts or Estimates

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for French Connection for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for French Connection.

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.

Right to switch to a Takeover Offer

MIP reserves the right, with the consent of the Panel and in accordance with the terms of the Cooperation Agreement, to elect to implement the Acquisition by means of a Takeover Offer for the entire issued and to be issued share capital of French Connection and to make appropriate amendments to the terms of the Acquisition arising from the change of structure from a Scheme to a Takeover Offer.

Information Relating to French Connection Shareholders

Please be aware that addresses, electronic addresses and certain other 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 required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on Website and availability of Hard Copies

A copy of this Announcement will be available free of charge (subject to any applicable restrictions with respect to persons resident in Restricted Jurisdictions) on French Connection's website (<http://www.frenchconnection.com>), by no later than 12 noon on 5 October 2021.

Neither the content of this website nor the content of any other website accessible from hyperlinks on any such website is incorporated into, or forms part of, this Announcement.

French Connection Shareholders may request a hard copy of this Announcement (and any information incorporated by reference in this Announcement), free of charge, by contacting Link Group during business hours on 0371 664 0300 (local) and +44 (0) 371 664 0300 or by submitting a request in writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines will be open between 9:00 a.m. to 5:30 p.m., Monday to Friday excluding public holidays in England and Wales. Unless French Connection Shareholders make such a request, a hard copy of this Announcement and any such information incorporated by reference in it will not be sent to French Connection Shareholders. French Connection Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition be in hard copy form.

If French Connection Shareholders are in any doubt about the contents of this Announcement or what action they should take, they are recommended to seek their own personal financial, tax and

legal advice immediately from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

Rounding

Certain figures included in this Announcement 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.

Time

All times shown in this Announcement are London times, unless otherwise stated.

APPENDIX I
CONDITIONS AND FURTHER TERMS OF THE ACQUISITION AND THE SCHEME

Part A: Conditions of the Acquisition and the Scheme

1. The Acquisition will be conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, on or before the Long-Stop Date.
2. The Scheme will be 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 to be set out in the Scheme Document (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 to be set out in the Scheme Document (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 to be set out in the Scheme Document in due course (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 will be 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 this 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 this 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 this Announcement and which has not prior to the date of this 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: 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 will 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 this 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 Announcement 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 this 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 this Announcement.

The Acquisition will be governed by the law of England and Wales and will be subject to the jurisdiction of the English courts. The Acquisition will be made on and subject to the conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel and the London Stock Exchange.

APPENDIX II

SOURCES OF INFORMATION AND BASES OF CALCULATION

The value of French Connection as implied by the Acquisition Price stated in paragraph 2 of this Announcement is based on the issued and to be issued ordinary share capital as at 1 October 2021 (the last Business Day prior to the date of this Announcement).

Further sources of information regarding premia and other data reported in this Announcement are as follows:

- the Closing Price per French Connection Share of 15.7 pence on 4 February 2021 (being the last Business Day prior to the commencement of the Offer Period) is the closing middle market price derived from the Daily Official List of the London Stock Exchange;
- the Closing Price per French Connection Share of 23.1 pence on 22 September 2021 (being the last Business Day prior to the date of the Possible Offer Announcement) is the closing middle market price derived from the Daily Official List of the London Stock Exchange; and
- unless otherwise stated, the financial information relating to French Connection is extracted from the audited consolidated financial statements of French Connection for the financial year ended 31 January 2021.

**APPENDIX III
IRREVOCABLE UNDERTAKINGS**

PART A - Director shareholder irrevocable undertakings

Stephen Marks, being the only French Connection Director holding French Connection Shares, has given an irrevocable undertaking in respect of his own beneficial holding of French Connection Shares to vote in favour of the Scheme at the Court Meeting and the Resolution(s) at the General Meeting (or to accept a Takeover Offer to implement the Acquisition) as set out below:

Name	Number of French Connection Shares	% of French Connection Shares in issue
Stephen Anthony Marks	37,812,690	39.14
TOTAL	37,812,690	39.14

The undertaking detailed in this Part A 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 Scheme Document is not published within 28 days of this Announcement being released (or such later date as agreed with the Panel but in any event not being longer than six weeks);
- (iii) the Acquisition lapses or is withdrawn; and
- (iv) the Acquisition has not become Effective by 11:59 p.m. on the Long-Stop Date.

The irrevocable undertaking remains binding in the event of a competing offer.

PART B - Non-director shareholder irrevocable undertakings

MIP has also received irrevocable undertakings from Nicole Farhi, Candice Marks 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 Resolution(s) at the General Meeting (or to accept a Takeover Offer to implement the Acquisition) as set out below:

Name	Number of French Connection Shares	% of French Connection Shares in issue
Nicole Farhi	2,000,000	2.07
David Convisser and Stephen Anthony 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
TOTAL	4,281,500	4.43

The undertakings detailed in this Part B 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 Scheme Document is not published within 28 days of this Announcement being released (or such later date as agreed with the Panel but in any event not being longer than six weeks);
- (iii) the Acquisition lapses or is withdrawn; and
- (iv) the Acquisition has not become Effective by 11:59 p.m. on the Long-Stop Date.

The irrevocable undertakings remain binding in the event of a competing offer.

APPENDIX IV DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise.

"£", or "pence"	the lawful currency of the United Kingdom;
"Acquisition"	the 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 a Takeover Offer and, in either case, where the context admits, any subsequent variation, revision, extension or renewal thereof;
"Acquisition Price"	30 pence in cash per French Connection Share;
"agreed form"	is a reference to a document in the form approved and for the purposes of identification initialled by or on behalf of the Company and MIP at the date of this Announcement;
"Amarjit Loan Agreement"	the unsecured shareholder term loan agreement dated 4 October 2021 between MIP and Amarjit Singh Grewal;
"Announcement"	this announcement;
"ASG Loan Agreement"	the unsecured shareholder term loan agreement dated 4 October 2021 between MIP and Apinder Singh Ghura;
"Authorisations"	regulatory authorisations, orders, recognitions, grants, determinations, consents, clearances, confirmations, certificates, licences, permissions, exemptions or approvals;
"Business Day"	a day (other than Saturdays, Sundays and public holidays) on which banks are open for normal business in London;
"Closing Price"	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"	the Companies Act 2006, as amended from time to time;
"Conditional Sale Agreement"	the agreement between MIP and Apinder Singh Ghura entered into on 4 October 2021 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 on the terms of the ASG Loan Agreement and the Amarjit Loan Agreement respectively;
"Conditions"	the conditions to the Acquisition and the Scheme, as set out in Appendix I of this Announcement and to be set out in the Scheme Document;
"Cooperation Agreement"	the agreement between French Connection and MIP entered into on 4 October 2021 regulating the conduct of the parties in respect of the Acquisition;
"Court"	the High Court of Justice in England and Wales;
"Court Hearing"	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act 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"	the meeting of French Connection Shareholders to be convened pursuant to an order of the Court under section 896 of the Companies Act for the purposes of considering and, if thought fit, approving the Scheme (with or without amendment) including any adjournment thereof, notice of which is to be contained in the Scheme Document;
"Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
"CREST"	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations);
"Dealing Disclosure"	has the meaning given by Rule 8 of the Takeover Code;
"Disclosed"	the information fairly disclosed by, or on behalf of, French Connection: <ul style="list-style-type: none"> (a) in the French Connection annual report and accounts in respect of the financial year ended 31 January 2021; (b) in this 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 this Announcement; or

	(d) in any public announcement by French Connection to a Regulatory Information Service prior to the date of this Announcement;
"Effective"	in the context of the Acquisition: <ul style="list-style-type: none"> (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 a Takeover Offer, the Takeover Offer having been declared or become unconditional in all respects in accordance with the requirements of the Takeover Code;
"Effective Date"	the date on which: <ul style="list-style-type: none"> (a) the Scheme becomes Effective; or (b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer becomes Effective;
"Excluded Shares"	any French Connection Shares: <ul style="list-style-type: none"> (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;
"Facility Agreement"	the £25.0 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" or "Financial Conduct Authority"	the UK Financial Conduct Authority or its successor from time to time;
"Forms of Proxy"	the forms of proxy for use at the Court Meeting and the General Meeting which will accompany the Scheme Document;
"French Connection" or "Company"	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 Board" or "French Connection Directors"	the directors of French Connection as at the date of this Announcement or, where the context so requires, the board of directors of French Connection from time to time;
"French Connection Group"	French Connection and its subsidiary undertakings and where the context permits, each of them;
"French Connection Scheme Shareholders"	the holders of Scheme Shares as shown on the register of members at any relevant date or time;
"French Connection Shares"	the ordinary shares of one penny each in the capital of French Connection;
"French Connection Shareholders" or "Shareholders"	the holders of French Connection Shares;
"FSMA"	the Financial Services and Markets Act 2000;
"General Meeting"	the general meeting of French Connection Shareholders (and any adjournment thereof) to be convened in connection with the Scheme, notice of which is to be contained in the Scheme Document;
"KJR Loan Agreement"	the unsecured shareholder term loan agreement dated 4 October 2021 between MIP and KJR Brothers Limited;
"London Stock Exchange"	London Stock Exchange plc or its successor;
"Long-Stop Date"	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;
"Main Market"	the main market operated by the London Stock Exchange;
"MIP"	MIP Holdings Ltd, a private company incorporated in England and Wales, with registered number 12981062, whose registered office is at Units 1-10 116-118 Bury New Road, Manchester, United Kingdom, M8 8EB;
"MIP Directors"	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 Period"	the offer period (as defined by the Takeover Code) relating to French Connection, which commenced on 5 February 2021;

"Official List"	the official list of the FCA;
"Opening Position Disclosure"	has the meaning given by Rule 8 of the Takeover Code;
"Overseas Shareholders"	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"	the Panel on Takeovers and Mergers;
"Possible Offer Announcement"	the announcement relating to the possible offer for French Connection by a consortium of bidders including Apinder Singh Ghura, Amarjit Singh Grewal and KRJ Brothers Limited, released by French Connection on 23 September 2021;
"Registrar of Companies"	the Registrar of Companies in England and Wales;
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
"Regulatory Information Service"	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
"Resolution(s)"	the resolution(s) to be proposed at the General Meeting in connection with, amongst other things, the approval of the Scheme and such other matters as may be necessary to implement the Acquisition;
"Restricted Jurisdiction"	any jurisdiction where the making of the Acquisition may: <ul style="list-style-type: none"> (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"	the proposed scheme of arrangement under Part 26 of the Companies Act between French Connection and French Connection Scheme Shareholders in connection with the Acquisition, the full terms and conditions of which will be set out in the Scheme Document, with or subject to any

	modification, addition or condition approved or imposed by the Court and agreed by French Connection and MIP;
"Scheme Document"	the document to be sent to, among others, French Connection Shareholders, containing and setting out, among other things, the Scheme, the notices convening the Court Meeting, the General Meeting and the further particulars required by Part 26 of the Companies Act;
"Scheme Record Time"	the time and date specified in the Scheme Document as being the record time for the Scheme;
"Scheme Shares"	<p>the French Connection Shares:</p> <p>(a) in issue at 6:00 p.m. on the date of the Scheme Document;</p> <p>(b) (if any) issued after 6:00 p.m. on the date of the Scheme Document and prior to the Voting Record Time; and</p> <p>(c) (if any) issued on or after the Voting Record Time and on or prior to 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,</p> <p>and in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares;</p>
"Singer Capital Markets"	Singer Capital Markets Advisory LLP, the financial adviser to 1903 Partners, LLC and Aurelius Finance Company Limited (the lenders to MIP) in relation to the Acquisition;
"Substantial Interest"	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) of such undertaking;
"Takeover Code"	the City Code on Takeovers and Mergers as issued from time to time by or on behalf of the Panel;
"Takeover Offer"	a takeover offer as defined in section 974 of the Companies Act;
"Third Party"	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"	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	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 Exchange Act"	US Securities Exchange Act of 1934 (as amended), and the rules and regulations promulgated thereunder;
"US GAAP"	generally accepted accounting principles in the US;
"Voting Record Time"	the time and date specified in the Scheme Document as being the record time for voting at the Court Meeting;
"WH Ireland"	WH Ireland Limited with registered office at 24 Martin Lane, London EC4R 0DR;
"Wider MIP Group"	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"	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.

For the purposes of this Announcement, "associated undertaking", "parent undertaking", "subsidiary undertaking" and "undertaking" have the respective meanings given thereto by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Announcement.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.