

Bonmarché

Notice of Meeting 2015

Bonmarché Holdings plc (the 'Company')

will be held at Jubilee Way, Grange Moor, Wakefield,
West Yorkshire WF4 4SJ on 30 July 2015 at 1.00pm

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Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the 'Meeting') of Bonmarché Holdings plc (the 'Company') will be held at Jubilee Way, Grange Moor, Wakefield, West Yorkshire WF4 4SJ on 30 July 2015 at 1.00pm to consider and, if thought fit, to pass the resolutions set out below. Resolutions 1 to 13 will be proposed as Ordinary Resolutions and Resolutions 14 and 15 will be proposed as Special Resolutions.

Ordinary resolutions

Reports and Accounts

1. To receive the Annual Accounts of the Company for the 52 weeks ended 28 March 2015 together with the Strategic Report and Directors' and Auditors' Reports.

Dividend

2. THAT, a final dividend of 4.5p per ordinary share in the capital of the Company, be declared for the year ended 28 March 2015, to be paid to shareholders on 4 August 2015 whose names appear on the register at the close of business on 26 June 2015.

Directors

3. THAT, Mr John Coleman be re-elected as a Director of the Company.
4. THAT, Mrs Beth Butterwick be re-elected as a Director of the Company.
5. THAT, Mr Stephen Alldridge be re-elected as a Director of the Company.
6. THAT, Mr Michael Kalb be elected as a Director of the Company.
7. THAT, Mrs Ishbel Macpherson be re-elected as a Director of the Company.

Directors' Remuneration Report

8. To approve the Directors' Remuneration Report for the 52 weeks ended 28 March 2015.

Auditors

9. THAT, PricewaterhouseCoopers LLP be reappointed as auditors of the Company (the 'Auditors') to hold office until the conclusion of the next general meeting of the Company at which the accounts are laid before the Company.
10. THAT, the Directors of the Company be authorised to agree the remuneration of the Auditors.

Directors' authority to allot shares

11. THAT, in accordance with Section 551 of the Companies Act 2006 (the 'Act'), the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into shares in the Company:
 - (a) up to a maximum aggregate nominal amount of £166,727; and
 - (b) comprising equity securities (as defined in Section 560(1) of the Act) of the Company up to a further nominal amount of £166,727 in connection with an offer by way of a rights issue.

These authorities shall apply in substitution for all previous authorities pursuant to Section 551 of the Act and shall expire on the date of the next Annual General Meeting or on 30 October 2016, whichever is the earlier, but, in each case save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities under any such offer or agreement as if the authority conferred by this resolution had not expired.

For the purposes of this resolution, 'rights issue' means an offer to:

- i. ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- ii. people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe for further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

Ordinary resolutions continued

Political donations and political expenditure

12. THAT, pursuant to section 366 of the Act, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution is effective be and are authorised, in aggregate:

- (a) to make political donations to political parties and/or to independent election candidates not exceeding £50,000 in total;
- (b) to make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) to incur political expenditure not exceeding £50,000 in total,

in each case, during the period beginning with the date on which this resolution is passed and ending at the conclusion of the next annual general meeting of the Company held after such date, provided that (i) the aggregate amount of political donations made and political expenditure incurred by the Company and its subsidiaries pursuant to this authority shall not exceed £50,000; and (ii) each of the amounts referred to in this resolution may comprise one or more sums in different currencies which, for the purposes of calculating any such amount, shall be converted at such rate as the Directors may, in their absolute discretion, determine to be appropriate.

In this resolution, the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in sections 363 to 365 of the Act.

Long Term Incentive Plan

13. THAT, the Bonmarché Long Term Incentive Plan, the main terms of which are summarised in Appendix 1 to this Notice, be approved and adopted AND THAT the Directors of the Company be and are hereby authorised to do all things necessary or desirable to carry the Bonmarché Long Term Incentive Plan into effect.

Special resolutions

Disapplication of pre-emption rights

14. THAT, subject to the passing of Resolution 11 above, the Directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 11 and to sell ordinary shares held by the Company as treasury shares for cash as if section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities or sale of treasury shares:

- (a) in connection with an offer of such securities (by way of rights issue, open offer or otherwise):
 - (i) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and
 - (ii) to holders of other equity securities in the capital of the Company, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary;

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, treasury shares, record dates or any legal, regulatory or practical problems arising in any laws of any territory, by virtue of the requirements of any applicable regulatory body or any stock exchange or any other matter; and

- (b) (other than pursuant to sub-paragraph (a) above) up to an aggregate nominal value of £50,018;

and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 30 October 2016 (whichever is the earlier), save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired.

Notice of Annual General Meeting **continued**

Special resolutions *continued*

Authority to purchase own shares

15. THAT, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693(4) of that Act) of ordinary shares of £0.01 each in the capital of the Company ('Shares'), provided that:
- (a) the maximum number of Shares that may be purchased is 5,001,815;
 - (b) the minimum price (excluding expenses) that may be paid for a Share shall be not less than the nominal value of such Share;
 - (c) the maximum price (excluding expenses) that may be paid for each Share shall be the higher of (i) an amount equal to five per cent above the average of the middle market quotation for the Shares as derived from the Daily Official List of the London Stock Exchange for the five business days immediately prior to the day the purchase is made and (ii) an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out;
 - (d) (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or on 30 October 2016 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired; and
 - (e) the Company may enter into a contract to purchase Shares under this authority prior to its expiry, which will or may be executed wholly or partly after such expiry.

By order of the Board

Stephen Alldridge
Director and Company Secretary
29 June 2015

Registered Office:
Bonmarché Holdings plc
Jubilee Way
Grange Moor
Wakefield
West Yorkshire WF4 4SJ
United Kingdom

Company number: 08638336

Notes to the Notice of Annual General Meeting

Entitlement to attend and vote

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.00pm on 28 July 2015 (or, if the meeting is adjourned, 6.00pm on the date which is two working days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Proxies

2. A shareholder is entitled to appoint another person as his or her proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. A proxy need not be a shareholder of the Company.
3. A shareholder may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid.

A proxy may only be appointed in accordance with the procedures set out in notes 4 to 6 below and the notes to the proxy form.

The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

4. A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar on 0871 664 0300 or +44 208 639 3399 if you are calling from outside the UK or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, a proxy form must be received by post or (during normal business hours only) by hand at the offices of the Company's registrar, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 1.00pm on Tuesday 28 July 2015 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).

5. As an alternative to completing the hard copy proxy form, a shareholder may appoint a proxy or proxies electronically by visiting www.capitashareportal.com. Shareholders will need to enter their Investor Code as printed on the Form of Proxy and agree to certain terms and conditions. For an electronic proxy appointment to be valid, the appointment must be received by Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 1.00pm on Tuesday 28 July 2015 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).
6. CREST members who wish to appoint a proxy or proxies for the meeting (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message ('CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Capita Asset Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 1.00pm on Tuesday 28 July 2015 (or, if the meeting is adjourned, no later than 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Notes to the Notice of Annual General Meeting **continued**

Corporate representatives

7. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Documents on display

8. Copies of the letters of appointment between the Company and its Non-executive Directors, any Executive Directors' service contracts and the rules of the Bonmarché Long Term Incentive Plan will be available at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) until the date of the meeting and also at the place of the meeting from 15 minutes prior to the commencement of the meeting until the conclusion thereof.

Biographical details of Directors

9. Biographical details of all those Directors who are offering themselves for reappointment at the meeting are set out on page 7 below.

Directors' Biographies

John Coleman

Non-executive Chairman (Independent)

John Coleman has 14 years of experience acting as a non-executive director on the boards of various companies in different sectors, including builders merchants, travel/leisure and retail and the value fashion retail segment. As well as acting as a non-executive director, John worked as CEO of House of Fraser between 1996 and 2006 and as CEO of Texas Homecare and Ladbrokes plc between 1993 and 1995. Before that he was managing director of Dorothy Perkins from 1991 to 1993, managing director of Topman and Topshop from 1990 to 1991 and managing director of Topshop from 1986 to 1990, all at the Burton Group. John is a qualified accountant.

Beth Butterwick

Chief Executive

Appointed to the Group in 2011, Beth Butterwick led the turnaround of the new business strategy. This enabled the acquisition of the business and assets of Bonmarché by Bonmarché Limited, an affiliate of Sun Capital Partners, Inc., in January 2012. With over 21 years' retail experience, Beth started her career as a graduate trainee with Marks & Spencer, where she progressed to head of buying for the Accessories Group. She joined Gap Inc. as part of the senior management team responsible for the European expansion. Following this, Beth was appointed as commercial director at MS Mode BV, based in the Netherlands, where she played a key part in its performance improvement, prior to its acquisition by Excellent Retail Brands Group in January 2011.

Stephen Alldridge

Finance Director

Stephen Alldridge joined the Group in 2003 and has an in-depth knowledge of Bonmarché. With Beth Butterwick, he led the acquisition of the business in January 2012 and has since been closely involved in the development of strategy, as well as overseeing Bonmarché's logistics and IT operations, and leading the successful IPO in November 2013. Before joining Bonmarché, he was a financial controller at The Peacock Group plc, which he joined in 1996. He qualified as a Chartered Accountant with Ernst & Young, following which he spent two further years with the firm working as a corporate recovery manager.

Michael Kalb

Non-executive Director (Non-independent)

Michael Kalb joined the Board in April 2015 as a Non-executive Director. Michael has over 20 years of leveraged buyout and mergers and acquisitions experience and is the senior managing director of Sun European Partners, LLP, the European affiliate of Sun Capital. Michael joined Sun Capital in 1999 and since then has led more than 100 buyout transactions and numerous capital market transactions in a broad range of industries. Prior to joining Sun Capital, Michael worked at Goldsmith, Agio, Helms and Company, a middle market investment bank acquired by Lazard.

Ishbel Macpherson

Senior Independent Non-executive Director

Ishbel Macpherson has eight years of experience acting as a non-executive director on the boards of various companies in different sectors, including pharmaceuticals, retail and support services. Prior to acting as a non-executive director, Ishbel worked in the finance sector, as head of UK emerging companies, corporate finance at Dresdner Kleinwort Wasserstein between 1999 and 2005, head of smaller companies, corporate finance at Hoare Govett between 1994 and 1999, and director of corporate finance at BZW between 1989 and 1994.

Explanatory Notes on Resolutions

Reports and Accounts (Resolution 1)

The first resolution is to receive the Company's Annual Accounts, Strategic Report and Directors' and Auditors' Reports for the year ended 28 March 2015.

Declaration of dividend (Resolution 2)

The second resolution approves the final dividend for the year ended 28 March 2015 of 4.5 pence per ordinary share, such dividend to be paid on 4 August 2015 to those shareholders on the register at the close of business on 26 June 2015.

Reappointment of current Directors (Resolutions 3 to 7)

All Directors currently in office are seeking election or re-election in accordance with the UK Corporate Governance Code. The Board has reviewed the role of each of the Directors and remains satisfied that each of the Directors continues to be fully competent to carry out their responsibilities as a member of the Board of Directors. Biographical details of the Directors are provided on page 7.

Directors' Remuneration Report (Resolution 8)

The Company is seeking shareholder approval of the Directors' Remuneration Report, which describes how the Company's Directors' remuneration policy has been implemented during the previous financial year. This vote is advisory only.

Re-appointment of the Auditors (Resolution 9)

The ninth resolution approves the reappointment of PricewaterhouseCoopers LLP as auditors of the Company.

Remuneration of the Auditors (Resolution 10)

The tenth resolution authorises the Directors to determine the remuneration of the auditors.

Directors' authority to allot shares (Resolution 11)

The authority in paragraph (a) of this resolution, if passed, would provide the Directors with a general authority to allot new shares and grant rights to subscribe for, or convert other securities into, shares up to a nominal amount of £166,727 which is equal to approximately one third of the Company's current issued ordinary share capital. Paragraph (b) under resolution 11 will grant the Directors additional authority to allot new shares and grant rights to subscribe for, or convert other securities into, shares in connection with a rights issue up to a further nominal amount of £166,727, which is equal to approximately one third of the issued share capital of the Company. This amount (before any reduction) represents approximately 67% of the current issued share capital of the Company.

This resolution complies with guidance issued by the ABI in December 2008 and revised in 2009 (ABI subsequently merged with Investment Managements Association and has since been renamed The Investment Association (IA)) to allot a maximum aggregate nominal amount which represents no more than two-thirds of the Company's issued share capital in connection with a rights issue. In addition, in accordance with ABI guidance, it is envisaged that if the authority under paragraph (b) of resolution 11 is utilised, all of the directors will be offering themselves up for re-election at the Company's next Annual General Meeting. The resolution would give the Board of Directors the maximum flexibility permitted by investor guidelines to respond to market developments; however, there are no current plans to allot shares. This authority will expire at the earlier of 30 October 2016 or at the conclusion of the Company's next Annual General Meeting. It is the intention of the Directors to seek renewal of each aforementioned authority every year.

Political donations and political expenditure (Resolution 12)

It is not the Company's policy to make donations to political parties, or to make other political donations within the normal meaning of that expression, and the Directors have no intention of changing that policy. However, as a result of the wide definitions of political expenditure, political donations and political organisations in the Act, normal business activities and expenditure which might not be thought to be political expenditure or a political donation to a political organisation in the usual sense may fall within the restrictions of the Act. For example, sponsorship of industry forums, funding of seminars and other functions to which politicians are invited, matching employees' donations to certain charities, expenditure on organisations concerned with matters of public policy, law reform and representation of the business community, and communicating with the Government and political parties at local, national and European level might be construed as political expenditure or as a political donation to a political organisation. The twelfth resolution does not purport to authorise any particular donation or expenditure, but is expressed in general terms, as required by the Act, and is intended to authorise normal donations and expenditure while avoiding inadvertent infringement of the Act. If passed, resolution 12 would allow the Company and its subsidiaries to make political donations to political parties, other political organisations and independent election candidates and to incur political expenditure up to an aggregate limit of £50,000 in the period beginning with the date on which resolution 12 is passed and ending at the conclusion of the next Annual General Meeting of the Company. The authority will not be used to make political donations within the normal meaning of that expression. If the Company uses the authority given under resolution 12, then separate authorisation will be sought at the next AGM of the Company. It is the Directors' intention to renew this authority each year.

Bonmarché Long Term Incentive Plan (Resolution 13)

The Long Term Incentive Plan (the 'Plan') is being introduced in order to help the Company to attract, retain and motivate Executive Directors and other key employees. No individual may be granted awards over Shares worth more than 125 per cent of their annual salary in any financial year of the Company and it is intended that initial awards will be over shares worth no more than 50 per cent of salary. No more than 5 per cent of the Company's share capital may be issued under the Plan in any 10-year period, increasing to 10 per cent if awards are granted to employees below senior executive level. The main terms of the Plan are summarised in Appendix 1 to this Notice.

Disapplication of pre-emption rights (Resolution 14)

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

There may be circumstances, however, when it is in the interests of the Company to be able to allot new equity securities for cash other than on a pre-emptive basis. The Board considers the authority in Resolution 14 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

The purpose of Resolution 14 is to authorise the Directors to allot new shares, pursuant to the authority given therein, or sell treasury shares for cash (a) in connection with a pre-emptive offer or rights issue or (b) otherwise up to a nominal value of £50,018, equivalent to 10% of the total issued ordinary share capital of the Company excluding and including treasury shares (the Company holds no shares in treasury), in each case without the shares first being offered to existing shareholders in proportion to their existing holdings.

Such authority, if given, will expire at the conclusion of the next annual general meeting or 30 October 2016, whichever is the earlier.

The Board intends to adhere to the provisions in the Pre-emption Group's Statement of Principles, as updated in March 2015, not to allot shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 14:

- (i) in excess of an amount equal to 5% of the total issued ordinary share capital of the Company, excluding treasury shares; or
- (ii) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company, excluding treasury shares, within a rolling three-year period, without prior consultation with the Company's shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Resolution 14 will be proposed as special resolution.

Authority to purchase own shares (Resolution 15)

The fifteenth resolution authorises the Company to make market purchases of its own shares, should the Directors consider this to be appropriate and in the best interests of shareholders generally. In line with current institutional shareholder guidelines, the maximum number of shares which may be purchased is 5,001,815, representing approximately 10 per cent of the current issued ordinary share capital of the Company. This authority will expire at the next Annual General Meeting of the Company or on 30 October 2016, whichever is the earlier.

Appendix 1

Summary of the main terms of the Bonmarché Long Term Incentive Plan (the 'Plan')

The Plan will be administered by the Remuneration Committee ('Committee') of the Board of Directors which will make decisions about participation and the size and timing of grants. The main provisions of the Plan are summarised below.

Types of award

The Committee may grant rights to acquire ordinary shares of 1 pence each in the capital of the Company ('Shares') in the following forms:

Conditional Share Awards: conditional rights to acquire Shares on the vesting date for no payment.

Share Options: rights to acquire Shares which must be exercised by the participants between the vesting date and the expiry date. In the case of a Share Option which will be satisfied by the issue of new Shares, the exercise price may not be less than the nominal value of a Share.

The Committee may also determine that an award will be settled by a cash payment to the participant equivalent to the market value of the shares which would have otherwise been acquired on vesting of a Conditional Share Award or on exercise of a Share Option (less any exercise price which would have been payable).

Eligibility

The Committee may grant an award to any Executive Director or other employee of the Company or any of its subsidiaries (the 'Group').

Timing of grants

Awards may be granted within the period of 42 days starting on the date when the Plan is adopted by shareholders or on the dealing day following the date of publication of the Company's annual results or the notification of the Company's half-yearly report. They may also be granted at any other time when the Committee considers that there are circumstances which justify the grant (for example on recruitment of a senior executive or if a grant has been delayed due to a proscribed period); but no award may be granted during a proscribed period or more than 10 years after the Plan is adopted by shareholders.

Consideration for awards

No consideration is payable by the participant for the grant of an award.

Individual limit

The maximum value of the Shares subject to all awards granted to an individual in any financial year of the Company is 125 per cent of the participant's annual rate of basic salary.

Share capital limits

Awards may be satisfied by the issue of new Shares or by funding an employee benefit trust ('EBT') or other intermediary to purchase existing Shares on the stock market.

The number of Shares which may be issued or issuable to satisfy awards granted under the Plan or under any other employee share plan operated by a member of the Group in any 10-year period may not exceed 5 per cent of the Company's issued ordinary share capital. If awards are granted under the Plan to employees who are not Executive Directors or other senior executives, this limit is increased to 10 per cent.

These limits do not include any Shares issued or issuable pursuant to any awards granted before the Shares were admitted to trading on AIM (20 November 2013) or any existing Shares which are purchased on the stock market by an EBT or other intermediary.

Vesting and performance conditions

Awards will not normally vest earlier than three years after the grant date. The Committee may make the extent of vesting conditional on satisfaction of performance conditions, which it determines to be challenging and aligned with the Company's strategic goals and the long term interests of the Company's shareholders.

For the initial awards to Executive Directors, it is intended that vesting will be determined by the following performance conditions over a period of three years:

- › 25% of the awards will vest according to the Company's total shareholder return ('TSR') relative to the TSR of a group of comparable companies over a period of not less than three years starting no earlier than 1 April 2015. 25% of this portion of the awards will vest if the Company's performance is at the median, rising to 100% for upper quartile performance or better.
- › 75% of the awards will vest according to the Company's three-year earnings per share ('EPS') growth over the base year ended 31 March 2015. 25% of this portion of the awards will vest if annualised EPS growth is 8%, 50% for 12% and 100% for 20% or better.

Performance conditions may be adjusted if an event occurs which causes the Committee to decide that the performance conditions are no longer appropriate and that the adjusted conditions will be reasonable in the circumstances.

Expiry date

The expiry date for a Share Option may not be later than 10 years after its grant date.

Summary of the main terms of the Bonmarché Long Term Incentive Plan (the 'Plan') continued

Cessation of employment

As a general rule, an award will lapse immediately if the participant ceases to be employed within the Group before the award has vested. However, if a participant leaves employment because of injury, disability, ill health, retirement, redundancy, the company or business which employs him ceasing to be part of the Group or another reason at the Committee's discretion, the award will vest on the normal vesting date (or an earlier date if the Committee determines). The extent of vesting will be determined by any performance conditions and will be reduced to the proportion of the normal vesting period which had elapsed at the date of cessation. In the case of certain participants who entered restricted share agreements in connection with the admission of the Shares to trading on AIM, the normal vesting period will be deemed to start for this purpose on the final vesting date (as defined in the relevant restricted share agreement). Share Options will be exercisable within six months of the vesting date.

If the participant dies before an award has vested, the award will vest immediately, irrespective of the Company's performance to date. The participant's legal personal representatives will be able to exercise a Share Option within 12 months of the participant's death.

Corporate events

If there is a change in control of the Company (other than as part of an internal reorganisation) or a voluntary winding up of the Company, the Committee may determine that part of an award will vest taking account of the Company's performance since the grant date, the proportion of the normal vesting period which has elapsed and any entitlement of the participant under another employee share plan operated by a member of the Group. Share Options will be exercisable for a limited period. Alternatively, awards may be exchanged for equivalent awards over shares in the acquiring company.

If there is an internal reorganisation, a variation in the Company's share capital, a demerger transaction, payment of a special dividend or other circumstances the Committee considers appropriate, the number of Shares subject to awards and the exercise price for a Share Option may be adjusted in a fair and reasonable way.

Malus and clawback

The Committee may decide to reduce or cancel an award or require the repayment of a benefit already received in the event of a material misstatement of the Company's results or serious wrongdoing of the participant (including gross misconduct).

Rights of participants

Awards granted under the Plan are not transferable except to the legal personal representatives on a participant's death.

An award does not confer any shareholder rights on a participant until the Shares have been issued or transferred to the participant following the vesting of a Conditional Share Award or the exercise of a Share Option.

Any Shares allotted under the Plan will rank equally with Shares then in issue, except for rights arising for a record date before their allotment.

The benefit of Shares or cash acquired under the Plan will not be pensionable.

Overseas plans

The Board of Directors may, without shareholder approval, establish further plans in overseas territories. Any such plan must be similar to the Plan but may be modified to take account of local tax, exchange control, securities law or other regulations. Any awards granted under such plans will be included in the limits on individual and overall participation in the Plan.

Amendments to the Plan

The Board of Directors, on the recommendations of the Committee, may amend the Plan at any time, except that provisions relating to:

- › the persons to whom an award may be granted;
- › the limits on the number of Shares which may be issued;
- › the limit on the value of Shares over which awards may be granted to any individual; and
- › the basis for determining a participant's entitlement to, and the terms of, Shares to be acquired and their adjustment.

cannot be amended to the advantage of participants without the prior approval of the Company's shareholders in a general meeting, except for an amendment of a minor nature to benefit the administration of the Plan or which is made to take account of a change of legislation or to obtain or maintain favourable tax, exchange control, securities law or regulatory treatment for participants or any member of the Group.

No amendment may adversely affect the existing rights of a participant without the participant's consent.

Information on the 2015 Annual General Meeting

Bonmarché Holdings plc – Annual General Meeting

Thursday 30 July 2015 at 1.00pm.

Location

The 2015 AGM is being held at the Bonmarché Holdings plc office, Jubilee Way, Grange Moor, Wakefield WF4 4SJ.

Directions to Bonmarché Head Office

From the M62 (westbound)

Leave M62 at junction 25 signposted Dewsbury A644.

Turn **left** at bottom of slip road, and follow the road until you reach a **roundabout** (A62) – **turn right**.

Follow the road up the hill until the first set of **traffic lights** – **turn left** onto the B6118.

Continue **through a roundabout, over a humpback bridge and bear left at the bottom of the hill following the signs for Kirkheaton**.

Keep on this road until you reach a set of traffic lights (approximately two miles). **Go straight across at the lights**.

Continue along the B6118 to the village of Grange Moor. Past the church on your right and 200 metres on your left is Jubilee Business Park. Bonmarché is at the far end of Jubilee Way.

From the M62 (eastbound)

Leave M62 at junction 25 – go right under the motorway, taking the first left exit signposted Huddersfield, then as above.

From the M1 (northbound)

Leave M1 at junction 38 signposted Huddersfield A637.

Follow this road, straight **through the roundabout** and through the village of Flockton.

Continue straight **through the next roundabout**.

Jubilee Business Park is 200 metres on your right. Bonmarché is at the far end of Jubilee Way.

From the M1 (southbound)

Leave M1 at junction 39 signposted Huddersfield.

Continue to the top of the hill, then turn **right at the roundabout** and through the village of Flockton.

Continue straight **through the next roundabout**.

Jubilee Business Park is 200 metres on your right. Bonmarché is at the far end of Jubilee Way.

Security

Please note that, for security reasons, all hand luggage may be subject to examination prior to entry to the Annual General Meeting. Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with potential to cause disorder and such other items as the Chairman of the Meeting may specify.

Persons who are not shareholders of the Company (or their appointed proxy) will not be admitted to the Annual General Meeting unless prior arrangements have been made with the Company.

We ask all those present at the Annual General Meeting to facilitate the orderly conduct of the meeting and we reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.

Shareholders should note that the doors to the Annual General Meeting will open at 12.30pm.

Bonmarché Holdings plc

bonmarcheplc.co.uk

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