

## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take, you should contact your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised pursuant to The Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Bonmarché Holdings plc please forward this document, together with the accompanying documents, to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

# Bonmarché

*Bonmarché Holdings plc*

*(Incorporated in England and Wales. Registered number: 08638336)*

## *Notice of Annual General Meeting 2016*

Contained within is notice of the 2016 Annual General Meeting and a letter from your Chairman, including an explanation of special business to be conducted at the meeting which is to be held on Thursday 28 July 2016 at 12.00pm at Jubilee Way, Grange Moor, Wakefield, West Yorkshire WF4 4SJ.

Whether or not you intend to attend the meeting, please complete and submit the enclosed Proxy Form in accordance with the instructions printed on it. The Proxy Form must be received by no later than 12.00pm on Tuesday 26 July 2016. Completion and return of the Proxy Form will not preclude you from attending and voting at the meeting in person, should you so wish. Alternatively, you can register your vote electronically no later than 12.00pm on Tuesday 26 July 2016, either by means of a website provided by Capita Asset Services, our Share Registrar: [www.capitashareportal.com](http://www.capitashareportal.com), or CREST members can use the service provided by Euroclear. Further details are provided in the notes to this document.

## *Letter from the Chairman*

### **Bonmarché Holdings plc**

(Incorporated and registered in England and Wales. No. 08638336)

### **Registered Office**

Jubilee Way  
Grange Moor  
Wakefield  
West Yorkshire  
WF4 4SJ

Date: 10 June 2016

Dear shareholder,

I am pleased to invite you to the Annual General Meeting of the Company (the 'Meeting') to be held at 12.00pm on Thursday 28 July 2016 at Jubilee Way, Grange Moor, Wakefield WF4 4SJ. You will see from the Notice of Meeting (the 'Notice'), on pages 4 to 6 of this document that, in addition to the ordinary business to be dealt with at the Meeting, there are items of special business contained in Resolutions 14 to 18.

In December 2015 we announced that our Chief Executive, Beth Butterwick, would be leaving the Company. We have appointed Helen Connolly to replace Beth, who will join us later in the year. I would like to thank Beth for her valuable contribution to the growth of the Company since 2011.

Following the step up from AIM to the Official List of the Main Market of the London Stock Exchange in October 2015, we have been looking to add an independent Non-executive Director to the Board and I am delighted that Mark McClennon joined the Board on 8 April 2016. Mark will stand for election at the Meeting. Mark's background in IT with Unilever plc will be of undoubted benefit to the business.

Sergei Spiridonov also joined the Board on 8 April 2016 as the non-independent Non-executive Director nominated by the Company's major shareholder, BM Holdings S.à r.l., an affiliate of Sun Capital Partners, Inc. and he replaces Michael Kalb, who continues in the role of Board Observer.

Sergei is currently a group chief operating officer of Sun European Partners, LLP, the European adviser to Sun, and prior to joining Sun he led the strategic transformation team at Tesco plc and, prior to that, was a partner with McKinsey & Company.

The Meeting provides a valuable opportunity for you, the shareholders, to meet the Board and ask questions and we look forward to your attendance.

### **Procedures at the Meeting**

Shareholders are permitted to appoint multiple proxies. A Proxy Form which may be used to make such appointments and give proxy instructions accompanies this document. Details of how to do this are set out in the explanatory notes on your Proxy Form.

### **Action to be taken**

A Proxy Form for use at the Meeting is enclosed with this document. Whether or not you propose to attend the Meeting in person, it is important that you complete and sign the Proxy Form in accordance with the instructions printed thereon and return it to the Registrar, Capita Asset Services, 34 Beckenham Road, Beckenham BR3 4TU as soon as possible and in any event not less than 48 hours before the time fixed for the Meeting.

If you do not have a Proxy Form and believe that you should have one, or if you require additional forms, please contact Capita on 0871 664 0300 or +44 371 664 0300 from overseas. Lines are open from 9.00am to 5.30pm Monday to Friday (excluding bank holidays). You may prefer to submit your proxy electronically. If so, please access the website, which is operated by Capita, where full details of the procedure are given: [www.capitashareportal.com](http://www.capitashareportal.com).

### Action to be taken continued

The deadline for receipt of electronic proxies is 12.00pm on 26 July 2016. Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the Meeting by using the CREST electronic proxy appointment service may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual.

CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider(s). The completion and return of a Proxy Form will not preclude you from attending the Meeting and voting in person if you so wish and are so entitled. Further details of submitting proxy documentation can be found in the explanatory notes on your Proxy Form.

The results of voting at the Meeting will be announced through a Regulatory News Service and our website: [www.bonmarcheplc.co.uk](http://www.bonmarcheplc.co.uk).

### Recommendation

The Directors believe the Resolutions which are to be proposed at the Meeting are in the best interests of the Company and its shareholders as a whole and therefore unanimously recommend shareholders to vote in favour of the Resolutions as each of the Directors intends to do in respect of their own shareholdings.

Yours faithfully,



**John Coleman**  
Chairman

## *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 28 July 2016 at 12.00pm for the following purposes:

### **Ordinary Business**

To consider and, if thought fit, pass the following Resolutions as Ordinary Resolutions:

1. To receive the accounts of the Company for the 52 weeks ended 26 March 2016 together with the Strategic Report and Directors' and Auditor's Reports (the 'Annual Report').
2. To declare a final dividend for the year ended 26 March 2016 of 4.64 pence per ordinary share.
3. To re-elect John Coleman as a Director of the Company.
4. To re-elect Beth Butterwick as a Director of the Company.
5. To re-elect Stephen Alldridge as a Director of the Company.
6. To re-elect Ishbel Macpherson as a Director of the Company.
7. To elect Sergei Spiridonov as a Director of the Company.
8. To elect Mark McClennon as a Director of the Company.
9. To reappoint PricewaterhouseCoopers LLP as auditor of the Company (the 'Auditor') to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
10. To authorise the Directors of the Company to agree the remuneration of the Auditor.
11. To approve the Directors' Remuneration Policy set out on pages 49 to 58 of the Company's Annual Report and Accounts for the 52-week period ended 26 March 2016.
12. To approve the Directors' Remuneration Report (other than the part constituting the Directors' Remuneration Policy) set out on pages 42 to 48 of the Company's Annual Report and Accounts for the 52-week period ended 26 March 2016.
13. That the amendments to the Bonmarché Long Term Incentive Plan ('LTIP') shown in the marked-up version of the rules of the LTIP produced to the Annual General Meeting be approved.

### **Special Business**

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 14 and 15 will be proposed and voted on as Ordinary Resolutions and Resolutions 16 to 18 will be proposed and voted on as Special Resolutions:

14. That, pursuant to Section 366 of the Companies Act 2006 (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.

## Special Business continued

15. That, in accordance with Section 551 of the Act, the Directors be and are generally and unconditionally authorised to exercise all the powers of the Company to allot Relevant Securities:

- 15.1 comprising equity securities (as defined in Section 560(1) of the Act) up to an aggregate nominal amount of £333,454 (such amount to be reduced by the aggregate nominal amount of Relevant Securities then allotted pursuant to paragraph 15.2 of this Resolution) in connection with a rights issue (as defined in the Listing Rules published by the Financial Conduct Authority):
  - 15.1.1 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
  - 15.1.2 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 treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- 15.2 otherwise than pursuant to paragraph 15.1 of this Resolution, up to an aggregate nominal amount of £166,727 (such amount to be reduced by the aggregate nominal amount of Relevant Securities then allotted pursuant to paragraph 15.1 of this Resolution in excess of £166,727),

provided that, (unless previously revoked, varied or renewed) these authorities shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution or on 28 October 2017 (whichever is the earlier), save that, in each case, the Company may make an offer or agreement before the authority expires which would or might require Relevant Securities to be allotted after the authority expires and the Directors may allot Relevant Securities pursuant to any such offer or agreement as if the authority had not expired.

In this Resolution, Relevant Securities means shares in the Company or rights to subscribe for or to convert any security into shares in the Company; a reference to the allotment of Relevant Securities includes the grant of such a right; and a reference to the nominal amount of a Relevant Security which is a right to subscribe for or to convert any security into shares in the Company is to the nominal amount of the shares which may be allotted pursuant to that right.

These authorities are in substitution for and shall replace all existing authorities (which, to the extent unused at the date of this Resolution, are revoked with immediate effect), but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

16. That, subject to the passing of Resolution 15 above, and pursuant to Sections 570 and 573 of the Act, the Directors be and are generally empowered to allot or make offers or agreements to allot equity securities (within the meaning of Section 560(1) of the Act) for cash pursuant to the authorities granted by Resolution 15 or by way of a sale of treasury shares, as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power shall be limited:

- 16.1 to the allotment of equity securities in connection with an offer of equity securities (but, in the case of an allotment pursuant to the authority granted by paragraph 15.1 of Resolution 15, such power shall be limited to the allotment of equity securities in connection with a rights issues (as defined in the Listing Rules published by the Financial Conduct Authority)):
  - 16.1.1 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
  - 16.1.2 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 or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

## Notice of Annual General Meeting *continued*

### Special Business *continued*

16.2 in the case of an allotment pursuant to the authority granted by paragraph 15.2 of Resolution 15, to the allotment of equity securities (otherwise than pursuant to paragraph 16.1 of this Resolution) 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 28 October 2017 (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.

This power is in substitution for and shall replace all existing powers (which, to the extent unused at the date of this Resolution, are revoked with immediate effect), but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

17. That, pursuant to Section 701 of the Act, the Company be and is hereby generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the 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 (representing 10% of the Company's issued ordinary share capital);
- (b) the minimum price (excluding expenses) that may be paid for a Share shall be not less than the nominal value of such Share; and
- (c) the maximum price (excluding expenses) that may be paid for each Share shall be the higher of (i) an amount equal to 105% of the average of the middle market quotations for the Shares as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which 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,

and (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 28 October 2017 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before the expiry of this authority 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.

18. That, as permitted by Section 307A of the Act, any general meeting of the Company (other than an Annual General Meeting of the Company) may be called by notice of not less than 14 clear days in accordance with the provisions of the Articles of Association of the Company, provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution.

By order of the Board



**Stephen Alldridge**  
Director and Company Secretary  
10 June 2016

**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 close of business on 26 July 2016 (or, if the Meeting is adjourned, close of business 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.

### Attending in person

2. If you wish to attend the Meeting in person, you must comply with the procedures set out in the notes to this Notice of Meeting by the dates specified in these notes.

### Voting at the Meeting

3. Each of the Resolutions to be put to the Meeting will be voted on by a show of hands unless a poll is called in accordance with the Articles of Association. The results of the voting at the Meeting will be published on the Company's website and notified to the UK Listing Authority.

### Proxies

4. 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, speak and vote at the Meeting. A proxy need not be a shareholder of the Company.
5. 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 this note 5 and notes 6 and 7 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.

6. A Form of Proxy is enclosed. When appointing more than one proxy, complete a separate Proxy Form in relation to each appointment. The Proxy Form may be photocopied or additional Proxy Forms may be obtained by contacting the Company's Registrar on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00am and 5.30pm Monday to Friday, excluding public holidays in England and Wales. 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 12.00pm on Tuesday 26 July 2016 (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned meeting).
7. As an alternative to completing the hard copy Proxy Form, a shareholder may appoint a proxy or proxies electronically by visiting [www.capitashareportal.com](http://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 12.00pm on Tuesday 26 July 2016 (or, if the Meeting is adjourned, no later than 48 hours before the time of any adjourned Meeting).
8. 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 12.00pm on Tuesday 26 July 2016 (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.



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

### **Proxies** continued

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.

### **Corporate representatives**

9. 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 they do not do so in relation to the same shares.

### **Total voting rights**

10. As at 8 June 2016 (being the last practicable date before the publication of this Notice of Meeting), the Company's issued share capital consists of 50,018,150 ordinary shares of £0.01 each, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 8 June 2016 are 50,018,150.

### **Nominated persons**

11. Where a copy of this Notice is being received by a person who has been nominated to enjoy information rights under Section 146 of the Act (the 'Nominated Person'):
- 11.1 the Nominated Person may have a right under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed, or to have someone else appointed, as a proxy for the Meeting; or
  - 11.2 if the Nominated Person has no such right or does not wish to exercise such right, he/she may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in notes 4 to 8 above do not apply to a Nominated Person. The rights described in such notes can only be exercised by shareholders of the Company.

### **Website publication of audit concerns**

12. A shareholder or shareholders who meet the qualification criteria set out in note 13 below may require the Company to publish on its website a statement setting out any matter that such shareholders propose to raise at the Meeting relating to the external audit of the Company's accounts (including the Auditor's Report and the conduct of the external audit) that are to be laid before the Meeting in accordance with Section 527 of the Act.

Any such request must:

- 12.1 identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported;
- 12.2 comply with the requirements set out in notes 13 and 14 below; and
- 12.3 be received by the Company at least one week before the Meeting.

Where the Company is required to publish such a statement on its website:

- (i) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;
- (ii) it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website; and
- (iii) the statement may be dealt with as part of the business of the Meeting.



### Website publication of audit concerns continued

13. In order to require the Company to publish audit concerns as set out in note 12 above, the relevant request must be made by:

- 13.1 a shareholder or shareholders having a right to vote at the Meeting and holding at least 5% of the total voting rights of the Company; or
- 13.2 at least 100 shareholders having a right to vote at the Meeting and holding, on average, at least £100 of paid-up share capital.

For information on voting rights, including the total voting rights of the Company, see note 10 on page 8 and the website referred to in note 17 below.

14. Any request by a shareholder or shareholders to require the Company to publish audit concerns as set out in note 12:

- 14.1 may be made either:
  - (i) in hard copy, by sending it to the Company Secretary, Bonmarché Holdings plc, Jubilee Way, Grange Moor, Wakefield, WF4 4SJ; or
  - (ii) in electronic form, by sending it by email to Steve.Alldrige@Bonmarche.co.uk (please state 'Bonmarché Holdings plc: AGM' in the subject line of the email);
- 14.2 must state the full name(s) and address(es) of the shareholder(s); and
- 14.3 where the request is made in hard copy form, it must be signed by the shareholder(s).

### Questions at the Meeting

15. Shareholders have the right to ask questions at the Meeting relating to the business being dealt with at the Meeting in accordance with Section 319A of the Act. The Company must answer any such questions unless:

- 15.1 to do so would interfere unduly with the preparation for the Meeting or would involve the disclosure of confidential information;
- 15.2 the answer has already been given on a website in the form of an answer to a question; or
- 15.3 it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

### Documents available for inspection

16. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this Notice until the time of the Meeting. They will also be available for inspection at the place of the Meeting from at least 15 minutes before the Meeting until it ends:

- 16.1 copies of the service contracts of the Executive Directors;
- 16.2 copies of the letters of appointment of the Non-executive Directors; and
- 16.3 amendment to the rules of the LTIP.

### Website providing information about the Meeting

17. The information required by Section 311A of the Act to be published in advance of the Meeting, which includes the matters set out in this Notice and information relating to the voting rights of shareholders, is available at [www.bonmarcheplc.co.uk](http://www.bonmarcheplc.co.uk).

### Biographical details of Directors

18. Biographical details of all those Directors who are offering themselves for election and re-election at the Meeting are set out in the Annual Report on pages 30 to 31.

### Chairman

19. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes that are the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's shares already held by the Chairman, result in the Chairman holding such numbers of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result, any member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

## *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 Auditor's Reports for the year ended 26 March 2016.

### **Declaration of dividend (Resolution 2)**

A final dividend for the year ended 26 March 2016 of 4.64 pence per ordinary share is recommended by the Directors. Subject to approval at the Meeting, the dividend will be paid on 5 August 2016 to those shareholders on the register at the close of business on 24 June 2016. The shares will become ex-dividend on 23 June 2016. An interim dividend of 2.5 pence per ordinary share was paid on 22 January 2016.

### **Election and re-election of Directors (Resolutions 3–8)**

All Directors currently in office are seeking election or re-election in accordance with the UK Corporate Governance Code. The Board, having considered the mix of skills, knowledge and experience of each of the Directors, confirms that it remains satisfied that each of the Directors continues to perform his or her duties effectively. Biographical details of the Directors are provided on pages 30 and 31 of the Annual Report.

### **Reappointment of the auditor (Resolution 9)**

The Company is required to appoint an external auditor at each Annual General Meeting at which accounts are laid before the shareholders to hold office until the conclusion of the next such meeting. This Resolution seeks the approval of the reappointment of PricewaterhouseCoopers LLP as auditor of the Company.

### **Remuneration of the auditor (Resolution 10)**

Resolution 10 authorises the Directors to determine the remuneration of the auditor.

### **Directors' Remuneration Report (Resolutions 11 and 12)**

Following admission of the Company's shares to the Official List of the London Stock Exchange on 19 October 2015, the Company is required, in accordance with the Companies Act 2006, to seek approval both for its Directors' Remuneration Policy and, by separate Resolution, the other parts of its Directors' Remuneration Report.

Resolution 11 seeks shareholder approval of the Company's forward-looking Directors' Remuneration Policy set out on pages 49 to 58 of the Company's Annual Report for the 52-week period ended 26 March 2016 (the 'Policy'). Subject to shareholder approval, the Policy will be effective from the conclusion of the Annual General Meeting. Once the Policy has become effective, any remuneration payment or payment for loss of office made to a Director must be consistent with the Policy, unless it has been approved by shareholder resolution. In accordance with the applicable legislation, the Company will be required to seek shareholder approval for its Directors' Remuneration Policy at least once every three years.

Resolution 12 seeks shareholder approval of the Directors' Remuneration Report on pages 42 to 48 of the Company's Annual Report for the 52-week period ended 26 March 2016 (other than the Policy referred to above in relation to Resolution 11). The vote on Resolution 12 is advisory only and does not affect the remuneration of any individual Director.

### **Long Term Incentive Plan (Resolution 13)**

The Bonmarché Long Term Incentive Plan ('LTIP') was approved by shareholders at the 2015 Annual General Meeting. Amendments to the LTIP are proposed in order that it reflects the Policy (referred to above in relation to Resolution 11) and is appropriate for the Company's purposes going forwards. The amendments requiring shareholder approval, which are principally of a minor nature are summarised below (other administrative amendments to the LTIP which do not require shareholder approval are proposed to be adopted at the same time), and the rules of the LTIP marked up to show the proposed amendments will be available for inspection during normal business hours at the offices of Deloitte LLP (Company Secretarial Department), 2 New Street Square, London, EC4A 3BZ from the date of this Notice until the close of the Annual General Meeting, and will also be available at the place of the Annual General Meeting for at least 15 minutes before and during the Meeting.

## Long Term Incentive Plan (Resolution 13) continued

Provision	LTIP as adopted	LTIP as proposed to be amended
Individual limit on participation	Awards may be granted to a participant in a year over shares with a value of up to 125% of the participant's salary.	To reflect the Policy and to give the Remuneration Committee flexibility to make appropriate awards over the life of the LTIP, it is proposed that the limit be increased to 150% of salary.  However, for FY17 the Committee intends that awards to Executive Directors will continue to be 50% of salary, and there is no current intention to utilise the additional headroom introduced by this amendment.  The Company proposes that the limit be measured by reference to awards in respect of a year rather than in a year in order to take account of, for example, circumstances where regulatory reasons mean an award cannot be granted in a particular year.
Overall limit on participation	The number of shares which may be issued under the LTIP and any other share plan in any 10-year period may not exceed 5% of the Company's issued share capital, but if LTIP awards are granted to employees who are neither Directors nor other senior executives, the limit is increased to 10%. Shares issued to satisfy awards granted prior to 20 November 2013 do not count towards these limits.	It is proposed that the limit be simplified to reflect best practice as follows: <ul style="list-style-type: none"> <li>• in any 10-year period, the number of shares which may be issued under the LTIP and any other discretionary share plan may not exceed 5% of the Company's issued share capital; and</li> <li>• in any 10-year period, the number of shares which may be issued under the LTIP and any other employees' share plan adopted by the Company may not exceed 10% of the share capital.</li> </ul> Shares issued to satisfy awards granted prior to 20 November 2013 will continue to be excluded for the purposes of these limits.
Dividend equivalents	No provision.	To reflect the Policy, and in accordance with typical practice, it is proposed that the Remuneration Committee has discretion to provide a benefit (in cash or additional shares) on the vesting of an LTIP award equal in value to dividends that would have been paid on the vested shares over a period ending no later than the vesting date. The amount of the benefit may assume the reinvestment of dividends.
Clawback	Clawback powers included.	The same clawback powers have been retained, but the rules have been clarified to reflect that clawback can be exercised for up to two years following vesting.

## *Explanatory notes on Resolutions continued*

### **Political donations and political expenditure (Resolution 14)**

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. This 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, this Resolution 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 14 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 14, then separate authorisation will be sought at the next AGM of the Company. It is the Directors' intention to renew this authority each year.

### **Directors' authority to allot shares (Resolution 15)**

Generally, the Directors may only allot shares in the Company (or grant rights to subscribe for, or to convert any security into, shares in the Company) if they have been authorised to do so by shareholders.

Resolution 15 renews a similar authority given at last year's Annual General Meeting held on 30 July 2015 and is in two parts:

- (a) **Rights Issue:** In line with The Investment Association guidance (formerly known as The ABI guidance) part one of Resolution 15 will authorise the Directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) in connection with a rights issue only up to an aggregate nominal amount of £333,454 (as reduced by the aggregate nominal amount of any shares allotted or rights granted under part two of Resolution 15). This amount (before any reduction) represents approximately two-thirds of the issued share capital of the Company as at 8 June 2016, being the last practicable date before the publication of this document.
- (b) **Allotment of Shares:** If passed, part two of Resolution 15 will authorise the Directors to allot shares in the Company (and to grant rights to subscribe for, or to convert any security into, shares in the Company) up to an aggregate nominal amount of £166,727 as reduced by the aggregate nominal amount of any shares allotted or rights granted under paragraph 15.1 of Resolution 15 in excess of £166,727. This amount (before any reduction) represents approximately one-third of the issued ordinary share capital of the Company as at 8 June 2016, being the last practicable date before the publication of this document.

If granted, these authorities will expire at the conclusion of the Company's next Annual General Meeting or 15 months from the passing of the Resolution (whichever is earlier). It is the Directors' intention to renew the allotment authorities each year.

The Directors have no current intention to exercise either of the authorities sought under Resolution 15. However, the Directors consider that it is in the best interests of the Company to have the authorities available so that they have the maximum flexibility permitted by investor guidelines to allot shares or grant rights without the need for a general meeting should they determine that it is appropriate to do so to respond to market developments or to take advantage of business opportunities as they arise. If the Directors do exercise this authority, the Directors intend to follow best practice as regards to its use.

### **Disapplication of pre-emption rights (Resolution 16)**

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 16 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.

### Disapplication of pre-emption rights (Resolution 16) continued

The purpose of Resolution 16 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 28 October 2017, 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 16:

- (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 16 will be proposed as a Special Resolution.

### Authority to purchase own shares (Resolution 17)

Resolution 17 will be proposed as a Special Resolution for the renewal of the Company's authority 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 investor guidelines, the maximum number of shares which may be purchased is 5,001,815, representing approximately 10% 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 28 October 2017, whichever is the earlier.

The Board has no present intention of exercising this power and the granting of this authority should not be taken to imply that any ordinary shares will be purchased. Any purchases would be made on the London Stock Exchange. No purchase of shares will be made unless it is expected that the effect will be to increase earnings per share and the Board considers it to be in the best interests of shareholders as a whole.

Under the Act, the Company is allowed to hold its own shares in treasury following a buy-back, instead of having to cancel them. The Board has not yet decided whether any shares purchased pursuant to this authority would be cancelled or held as treasury shares and a decision would be taken in light of the prevailing circumstances at the time of any purchase.

As at 8 June 2016 (being the latest practicable date prior to the publication of this Notice), there were options to subscribe for ordinary shares issued by the Company outstanding over approximately 90,984 shares, which represent 0.2% of the Company's issued ordinary share capital (excluding treasury shares) at that date. If the authority to purchase the Company's ordinary shares was exercised in full, these options would represent 0.2% of the Company's issued share capital (excluding treasury shares).

### Notice period for general meetings (Resolution 18)

Resolution 18 will be proposed as a Special Resolution and would allow the Company to hold general meetings (other than Annual General Meetings) on 14 clear days' notice. Annual General Meetings must always be called with at least 21 clear days' notice but other general meetings of the Company may be called on less notice if shareholders agree to a shorter notice period. The shorter notice period would not be used as a matter of routine for such meetings, but only where flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole and the matter to be considered is time sensitive. The Company meets the requirements for electronic voting under the directive.

## Information on the 2016 Annual General Meeting

### Bonmarché Holdings plc – Annual General Meeting

Thursday 28 July 2016 at 12.00pm.

#### Location

The 2016 AGM is being held at the Bonmarché Holdings headquarters at 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 the bottom of the slip road and follow the road until you reach a **roundabout** (A62) – **turn right**.

Follow the road up the hill until you reach your 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 ahead 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 ahead on your right. Bonmarché is at the far end of Jubilee Way.

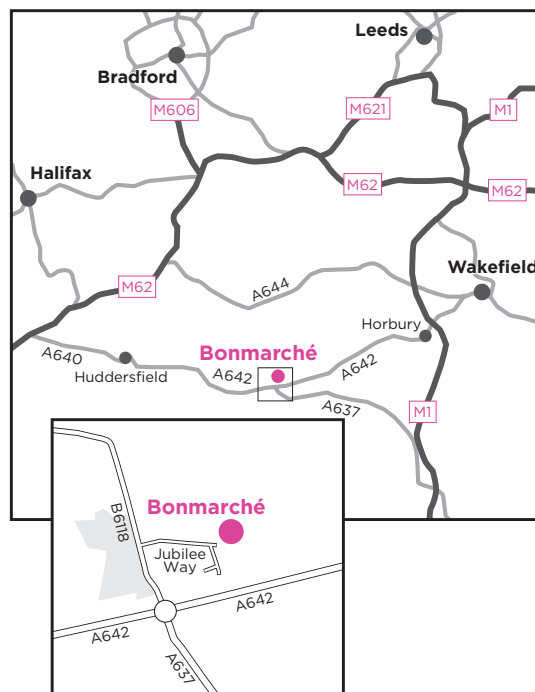
##### From the M1 (southbound)

**Leave M1 at junction 39** signposted Huddersfield.

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

Continue straight **through the next roundabout**.

**Jubilee Business Park** is 200 metres ahead 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 11.30am.

**Bonmarché Holdings plc**  
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+44 1924 700100





Bonmarché

**BONMARCHÉ HOLDINGS PLC**

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