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If you have sold or otherwise transferred all of your Bonmarché Shares (other than pursuant to acceptances of the Offer), please send this document and any accompanying document(s) (but not any personalised Form of Acceptance) as soon as possible to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, these documents must not be distributed, forwarded or transmitted in or into any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction (a "**Restricted Jurisdiction**"). If you have sold or transferred only part of your holding of Bonmarché Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document in, into or from jurisdictions other than the United Kingdom and the availability of the Offer to Bonmarché Shareholders who are not resident in the United Kingdom may be restricted by the laws of those jurisdictions. Therefore persons into whose possession this document comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to sell or issue, nor the solicitation of an offer to buy or subscribe for, shares in any jurisdiction in which such offer or solicitation is unlawful.

BONMARCHÉ HOLDINGS PLC

(incorporated in England and Wales with limited liability under registration number 8638336)

RESPONSE TO THE UNCONDITIONAL MANDATORY CASH OFFER FOR BONMARCHÉ HOLDINGS PLC BY SPECTRE HOLDINGS LIMITED

The Offer is subject to the jurisdiction of the Panel.

Investec Bank plc, which is authorised by the Prudential Regulatory Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting exclusively for Bonmarché and no one else in connection with the Offer and/or other matters set out in this document and will not be responsible to anyone other than Bonmarché for providing the protections afforded to its clients or for providing advice in relation to the Offer, the contents of this document or any other matters referred to in this document.

The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the content of this document, you should consult your own legal, financial or tax adviser for legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. No dealer, salesperson or other person is authorised to give any information or to make any representations with respect to the Offer other than such information or

representations contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Bonmarché.

IMPORTANT NOTICE

Overseas jurisdictions

The distribution of this document in jurisdictions other than the United Kingdom and the ability of Bonmarché Shareholders who are not resident in the United Kingdom to accept the Offer may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Bonmarché Shareholders who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Offer is not being, and will not be, made available, directly or indirectly, in or into or by the use of the mails of, or by any other means (including, without limitation, facsimile or other electronic transmission, telex or telephone) or instrumentality of inter-state or foreign commerce of, or any facility of a national state or other securities exchange of any Restricted Jurisdiction, unless conducted pursuant to an exemption from the applicable securities laws of such Restricted Jurisdiction and will not be capable of acceptance by any such use, means or facility or from within any Restricted Jurisdiction.

Accordingly, copies of this document and all other documents relating to the Offer are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction except pursuant to an exemption from the applicable securities laws of such Restricted Jurisdiction and persons receiving this document (including, without limitation, agents, nominees, custodians and trustees) must not distribute, send or mail it in, into or from such jurisdiction. Any person (including, without limitation, any agent, nominee, custodian or trustee) who has a contractual or legal obligation, or may otherwise intend, to forward this document and/or any other related document to a jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

US investors

The Offer is being made for securities in a company incorporated in England and Wales with a listing on the Main Market of the London Stock Exchange and Bonmarché Shareholders in the United States should be aware that this document and any other documents relating to the Offer have been prepared in accordance with English law, the Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, format and style, all of which differ from those in the United States. All financial information relating to Spectre and Bonmarché that is included in this document or any other documents relating to the Offer may not be comparable to financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Offer, or passed comment upon the adequacy or completeness of this document. Any representation to the contrary is a criminal offence in the United States.

Forward-looking statements

This document, including information included or incorporated by reference in this document, may contain "forward-looking statements" concerning Bonmarché. All statements other than statements of historical fact may be forward-looking statements. Generally, the words "will", "may", "should", "continue", "believes", "expects", "intends", "anticipates" or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the relevant persons abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants and, therefore undue reliance should not be placed on such statements, which speak only as of the date of this document.

No member of the Bonmarché Group, Investec Bank plc, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee

that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

Other than in accordance with its legal or regulatory obligations, Bonmarché and Investec Bank plc are not under any obligation and Bonmarché and Investec Bank plc expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Except as expressly provided in this document, no forward-looking or other statements have been reviewed by the auditors of Bonmarché. All subsequent oral or written forward-looking statements attributable to any member of the Bonmarché Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

No profit forecasts or estimates

The Bonmarché Profit Forecast is a profit forecast for the purposes of Rule 28 of the Code. As required by Rule 28.1 of the Code, the assumptions on which the Bonmarché Profit Forecast is stated are set out in Part II of this document.

Other than the Bonmarché Profit Forecast, no statement in this document is intended to constitute a profit forecast or estimate for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or less than those of the preceding financial periods for Bonmarché.

Publication on website

This document, together with those documents listed in paragraph 10 of Part IV of this document, and all information incorporated into this document by reference to another source, will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Bonmarché's website at <http://bonmarcheplc.co.uk/mandatory-cash-offer/>, in each case until the Offer closes. For the avoidance of doubt, except as expressly provided in this document, the content of such website is not incorporated into, and does not form part of, this document.

Dealing and Opening Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company, or of any securities exchange offeror, must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a

securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

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

In accordance with, and to the extent permitted by, the Code and normal UK market practice, Investec Bank plc and its respective affiliates will continue to act as exempt principal trader in Bonmarché Shares on the London Stock Exchange and engage in certain other purchasing activities consistent with its normal and usual practice and applicable law. To the extent required by the applicable law (including the Code), any information about such purchases will be disclosed on a next day basis to the Panel and a Regulatory Information Service including the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com. To the extent that such information is made public in the United Kingdom, this information will also be deemed to be publicly disclosed in the United States.

Availability of hard copies

You may request hard copies of any document published on Bonmarché's website in connection with the Offer by contacting Bonmarché's registrar, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or on telephone (UK): 0871 664 0300. Calls cost 12 pence per minute plus your phone company's access charge. If you are outside the UK, please call +44 371 664 0300. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Alternatively you may submit a request in writing to the registered office of Bonmarché. You may also request that all future documents, announcements, and information to be sent to you in relation to the Offer should be in hard copy form.

Rounding

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

Definitions

Certain words and terms used in this document are defined in Part V of this document.

Time

All references to time in this document are references to London time unless otherwise stated.

Date of publication

The date of publication of this document is 7 May 2019.

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PART I
LETTER FROM THE DIRECTORS OF BONMARCHÉ
HOLDINGS PLC

(Incorporated in England and Wales with limited liability under registration number 8638336)

John Coleman	Non-Executive Chairman	Registered Office: Jubilee Way Grange Moor Wakefield West Yorkshire WF4 4SJ
Helen Connolly	Chief Executive Officer	
Stephen Alldridge	Finance Director	
Ishbel Macpherson	Senior Independent Non-Executive Director	
Mark McClennon	Independent Non-Executive Director	
(the " Board " or the " Bonmarché Directors ")		7 May 2019

To: Bonmarché Shareholders and, for information only, to persons with information rights and holders of share options and / or awards under any of the Company's employee share schemes

Dear Bonmarché Shareholder,

Response to the unconditional mandatory cash offer by Spectre Holdings Limited for Bonmarché Holdings plc

1. Introduction

The Bonmarché Directors believe that the Offer materially undervalues Bonmarché and its future prospects. This document sets out the valuation and other considerations taken into account by the Bonmarché Directors in reaching their conclusion that **Bonmarché Shareholders should reject the Offer.**

TO REJECT THE OFFER YOU NEED TO TAKE NO ACTION.

2. Background to the Offer

On 2 April 2019, Spectre, an entity wholly-owned by Mr. Philip Day, announced that it had unconditionally agreed to acquire 26,213,390 Bonmarché Shares from BM Holdings S.A.R.L. (an affiliate of Sun European Partners, LLP) ("**Sun European Partners**") at a price of 11.445 pence per Bonmarché Share (the "**Acquisition**"). The Acquisition completed on 2 April 2019, as a result of which Spectre now holds 52.4 per cent. of Bonmarché Shares carrying voting rights.

Rule 9 of the Code requires that where any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company, such person is required to make a mandatory cash offer for the entire issued share capital not already owned by that person and persons acting in concert with him. As a result of the Acquisition, and pursuant to Rule 9 of the Code, Spectre was required to make an offer for all of the Bonmarché Shares not already owned by it or by persons acting in concert with it. In accordance with the Code, Spectre was also required to make the Offer, as a minimum, at the highest price per Bonmarché Share paid by Spectre during the 12 months prior to the announcement of the Offer, being 11.445 pence per Bonmarché Share.

Accordingly, on 2 April 2019, Spectre announced a mandatory cash offer to acquire all of the Bonmarché Shares not already held by Spectre (the "**Offer**"). Since Spectre holds more than 50 per cent. of the existing issued share capital of Bonmarché, the Offer is wholly unconditional.

Details of the Offer were set out in the offer document sent to Bonmarché Shareholders on 25 April 2019 (the "**Offer Document**").

3. The Bonmarché Directors' views on the Offer Price

The Bonmarché Directors believe that the Offer, which values the entire issued and to be issued share capital of Bonmarché at approximately £5.7 million, materially undervalues Bonmarché and its future prospects.

The Offer Price of 11.445 pence per Bonmarché Share represents:

- A discount of approximately 36.4 per cent. to the Closing Price of 18.0 pence per Bonmarché Share on 1 April 2019 (being the last Business Day prior to the commencement of the Offer Period); and
- A discount of approximately 26.2 per cent. to the Closing Price of 15.5 pence per Bonmarché Share on 3 May 2019 (being the last Business Day prior to the publication of this document).

The Bonmarché Directors note that at 11.445 pence per Bonmarché Share, Spectre has chosen to offer Bonmarché Shareholders the minimum price it could have under the Code, being the price per Bonmarché Share paid by Spectre to Sun European Partners. The Bonmarché Directors had no interaction with Sun European Partners in relation to its decision to sell its shares to Spectre at a substantial discount to the prevailing share price, and therefore the Board is unable to comment on the rationale or circumstances regarding this decision.

The Bonmarché Directors do not believe that the Offer appropriately recognises the medium term prospects of Bonmarché. As referred to in the Response Announcement, prior to the Rule 2.7 Announcement the Board has been reviewing a number of cost reduction actions which have begun to be implemented.

Specifically, the following areas of cost savings have already been identified:

- **Store costs:** To mitigate the effect of lower store sales, there is an opportunity to reduce aggregate store working hours through a series of changes to the store operating model. In addition, the Board anticipates that rent reductions can continue to be negotiated as leases expire. The Company has taken a proactive approach to initiating these negotiations by seeking to engage with landlords prior to the period when such discussions have historically taken place, with the intention of realising the benefit of any such reductions sooner. The Company continues to monitor the performance of the store estate on an ongoing basis and factors this into lease renewal negotiations with landlords.
- **Marketing:** Recent trading conditions, combined with the Board's view that customers are currently less receptive to online marketing activity, has led to a decision to reduce online marketing spend.

Within direct marketing (predominantly direct mail), over the past six months Bonmarché has been trialling a number of different formats, such as postcards and 12 page mailers, as cheaper alternatives to the more traditional catalogue. Reflecting the output of these trials, there will be a reduction in the overall cost of the direct marketing activity. In addition, it is intended to achieve savings through streamlining the use of in-store point of sale materials.

- **Business simplification and head office savings:** There has been a focus on simplifying the head office operation, which will result in a number of previously planned new roles no longer being pursued, as well as a number of existing head office roles being reviewed.
- **Other operating costs:** Through a review of processes across the business, there are a number of other actions that will contribute to the cost saving initiatives.

It is the expectation of the Bonmarché Directors that the delivery of its strategy should result in the improved operational and financial performance of the business. Accordingly, the Bonmarché Directors consider that, whilst being both immediate and certain, the cash value of the Offer is unattractive when compared to the shareholder value that the Bonmarché Directors aim to create in the medium term.

4. Spectre as a majority shareholder

As a result of the Acquisition, Spectre is now the majority shareholder of the Company with a shareholding of 52.4 per cent. of Bonmarché Shares.

The Bonmarché Directors wish to highlight that Spectre could use its voting power as the majority shareholder to take actions that may be to the potential detriment of Independent Shareholders. Specifically, on any ordinary resolution put to Bonmarché Shareholders, Spectre will be able to pass the resolution on its own and, as such, Independent Shareholders will have no influence. For example, Spectre has outlined its intention not to support proposals for any dividend payments for the foreseeable future.

Bonmarché Shareholders should also be aware that, in the event that some Bonmarché Shareholders elect to accept the Offer resulting in Spectre holding in excess of 75 per cent. of Bonmarché Shares following completion of the Offer, this ability to carry the vote, and the resultant lack of influence for other Bonmarché Shareholders, would extend to special resolutions.

Relationship Agreement

As a consequence of the Acquisition, under the Listing Rules, Spectre is considered to be a controlling shareholder of Bonmarché and, if Bonmarché's listing on the Main Market of the London Stock Exchange is maintained, Spectre is required to enter into a relationship agreement with Bonmarché within six months from the date of the Acquisition. The principal purpose of a relationship agreement is to ensure that Bonmarché is capable of carrying on its business independently of Spectre and its associates.

Bonmarché entered into a relationship agreement with Sun European Partners and Sun Capital Partners Management V, LLC (the "**BM Relationship Agreement**") on 15 November 2013 (as amended and restated on 18 September 2015) which has terminated as a result of the Acquisition.

Bonmarché is required to ensure that Spectre enters into a relationship agreement which would require Spectre and its associates (the "**Controllers**"), for so long as Spectre exercises or controls, in aggregate, 30 per cent. or more of the rights to vote at a general meeting of Bonmarché, to:

- (a) conduct all transactions and arrangements entered into between any member of the Bonmarché Group and the Controllers on an arm's length basis and on normal commercial terms;
- (b) not take any action that would have the effect of preventing the Bonmarché Group from complying with its obligations under the Listing Rules; and
- (c) not propose or procure the proposal of a resolution of the Bonmarché Shareholders which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

If Spectre is unwilling to enter into a relationship agreement with Bonmarché, a more onerous regulatory regime will govern related party transactions between Bonmarché and Spectre under the Listing Rules (with the effect that a broader scope of transactions between Bonmarché and Spectre would require the approval of Independent Shareholders). This more restrictive regime would continue to apply until (a) a relationship agreement is entered into between Bonmarché and Spectre, (b) the Company's annual report contains a statement of compliance in the form required by the Listing Rules, or (c) Spectre holds less than 30 per cent. of Bonmarché Shares.

Delisting

The Board notes Spectre's intention to procure that Bonmarché applies to the London Stock Exchange for the cancellation of the premium listing of Bonmarché Shares on the Main Market,

should Spectre succeed in increasing its aggregate shareholding to the threshold required under the Listing Rules, the details and process of which are described below.

In order to effect a delisting, Spectre must have: (i) acquired or agreed to have acquired, 75 per cent. of the total voting rights of Bonmarché and (ii) obtained acceptances of the Offer (or acquired or agreed to acquire Bonmarché Shares) from Independent Shareholders representing a majority of the voting rights held by all Independent Shareholders as at the date of the Rule 2.7 Announcement, being 2 April 2019.

Where these conditions are not met as part of the Offer, any subsequent attempts to delist Bonmarché will require a separate circular to be sent to all Bonmarché Shareholders and the prior approval of Bonmarché Shareholders at a general meeting of Bonmarché sought from: (i) a majority of not less than 75 per cent. of the votes attaching to the Bonmarché Shares voted on the Bonmarché Shareholder resolution; and (ii) a majority of the votes attaching to the Bonmarché Shares held by the Independent Shareholders at that time.

The Board believes that the cancellation of Bonmarché's listing on the Main Market is not in the best interests of the Independent Shareholders, for the following reasons:

- (a) it will significantly reduce the liquidity and marketability of any Bonmarché Shares held by Bonmarché Shareholders who have not accepted the Offer, prejudicing their ability to realise (or have access to a readily available valuation of) their investment in Bonmarché;
- (b) Bonmarché Shareholders who have not accepted the Offer will own shares in an unlisted company, and will not benefit from the protection afforded to them under the Listing Rules (including in particular the related party rules in Chapter 11 of the Listing Rules) nor, as a direct consequence, the UK Corporate Governance Code, and will not benefit from the regulatory oversight currently provided by the FCA;
- (c) Spectre has indicated that it will seek to have Bonmarché re-registered as a private company, which will result in Bonmarché losing certain protections afforded to public companies under the Act, and (after ten years have elapsed) by the Code and enforced by the Panel; and
- (d) because Spectre will control sufficient voting rights to pass or block ordinary resolutions and block special resolutions of Bonmarché (including the ability to pass or block resolutions to pay dividends and to pass or block resolutions to remove and/or appoint directors), any Bonmarché Shareholders who have not accepted the Offer will have very limited ability, if any, to influence the affairs of Bonmarché by the exercise of their voting rights, and will have only limited statutory protection against the conduct of Bonmarché's affairs in a manner that is unfairly prejudicial to their interests.

5. The Bonmarché Directors' views on the effect of the implementation of the Offer on Bonmarché's interests, employees and locations

The Code requires the Bonmarché Directors to give their views on the effect of the implementation of the Offer on all Bonmarché's interests, including, specifically, employment and their views on Spectre's strategic plans for Bonmarché and their likely repercussions on the employment and the locations of Bonmarché's places of business.

In fulfilling their obligations under the Code, the Bonmarché Directors can only comment on the details provided in the Offer Document and in doing so have considered, in particular, paragraph 7 of Part I of the Offer Document.

The Bonmarché Directors welcome Spectre's intention to ensure the long-term future of the Bonmarché business as a retailer of women's clothing and accessories through a portfolio of profitable stores and concessions across the UK and via other channels (including its website). The Bonmarché Directors also welcome Spectre's statement that it has no intention to close or relocate Bonmarché's head office or Bonmarché's UK distribution centre.

Furthermore, the Bonmarché Directors note that Spectre plans to undertake a detailed review of the business with the involvement of Bonmarché's existing management, and welcome the opportunity to work with Spectre on the future plans for the business as well as having the

opportunity to discuss with Spectre the existing plans for the business, including the cost reduction plans outlined in paragraph 3 above.

The Board notes the statements made by Spectre in paragraph 7 of Part I of the Offer Document, including in particular the review of the head office function, the UK distribution centre and the store-by-store profitability assessment. In addition, the Bonmarché Directors note that Spectre believes that as a result of its review, and based purely on public information, Spectre expects a material reduction in headcount across Bonmarché. Spectre has stated that it will ensure that the existing statutory employment rights, including any pension rights, of the management and employees of Bonmarché will be fully safeguarded.

The Bonmarché Directors also note that Spectre has only had access to and reviewed publicly available information on Bonmarché and has not had any discussions with the Bonmarché Directors or management in relation to the Offer, and Spectre's statement in its Offer Document that its detailed review of the business will take approximately three to four months following discussions with Bonmarché's management and access to the relevant information.

Accordingly, given that there remains significant work to be undertaken (which will take several months to complete) in order for Spectre to finalise its review of the Bonmarché business, the Board is unable to express a more detailed opinion on the impact of the Offer on Bonmarché's management, employees and locations of business.

6. The Bonmarché Directors' views on Spectre's proposals for the Bonmarché LTIP and the Bonmarché Share Option Plan

Your attention is drawn to paragraph 8 of the letter from Spectre in Part I of the Offer Document in relation to the proposals to be made in respect of the Bonmarché share option schemes.

Details of the effect of the Offer in respect of the Options will be communicated to the participants in the Share Option Schemes as soon as possible following publication of this document.

7. Current trading of Bonmarché

Trading statement made on 19 March 2019

Within Bonmarché's trading statement announcement, which was released on 19 March 2019, the Board stated that:

"Sales since Christmas had been slightly above the level required to meet the revised forecast range, and despite the additional discounting, our expectation was that the underlying PBT for the year would be within the lower end of the breakeven to £4.0m loss range of underlying PBT outcomes set out in December's announcement. However, trading since the beginning of March has been significantly weaker, reversing sales gains made in the previous months. In light of this, we now believe there is a likelihood of sales levels for the remainder of the month continuing to follow this trend, which would make the underlying PBT loss for the year greater than £4.0m. Accordingly, we now estimate that the underlying PBT loss will be between £5.0m and £6.0m."

Trading since 19 March 2019 until the end of the 2018/2019 financial year, being the 52 week period ended 30 March 2019, was in line with the Board's expectations and, pursuant to Rule 28.1(c)(i) of the Takeover Code, the Bonmarché Directors confirm that Bonmarché's Profit Forecast remains valid, that it has been properly compiled on the basis of assumptions stated and that the basis of accounting used in making the Bonmarché Profit Forecast is consistent with Bonmarché's accounting policies. Further details of the Bonmarché Profit Forecast including the basis of preparation and the assumptions used in making the Bonmarché Profit Forecast, are set out in Part II of this document.

Trading update

As stated above, the Bonmarché Group's underlying loss before taxation for the 52 week period ended 30 March 2019 was in line with that anticipated at the time of Bonmarché's trading statement announcement on 19 March 2019. The Bonmarché Group's bank facility was

sufficient to cover the then borrowing requirement, traditionally the annual low point in the Bonmarché Group's cash balance.

As at the date of this document, only four weeks of the 52 week period ending 28 March 2020 have elapsed and it is therefore too early for the Board to comment on the outlook for the full year, although trading during this period has been in line with the Board's expectations.

However, as has been widely reported, fashion retailing remains challenging, particularly on the High Street, and Bonmarché is not immune to the prevailing economic climate. The cost reduction programme described above is a high priority for the business and its implementation is expected to continue over the next few months. The Bonmarché Directors will continue to monitor sales closely and will adapt the cost reduction programme as they believe necessary.

Separately, the Company announced on 13 December 2018 that in light of its trading performance, it will be necessary to review the fixed asset impairment calculation, which could result in a significant increase in the provision. This would have no impact on the Company's cash position and would be treated in the profit and loss account as a non-underlying item.

8. Take No Action

Your decision as to whether you accept the Offer will depend upon your individual circumstances. If you are in any doubt as to what action you should take, you should seek your own independent professional advice. However, the Bonmarché Directors, who have been so advised by Investec as to the financial terms of the Offer, consider that the Offer materially undervalues Bonmarché and its prospects and, in light of this and notwithstanding the other considerations outlined above, unanimously recommend that Bonmarché Shareholders reject the Offer.

Investec is providing independent financial advice to the Bonmarché Directors for the purposes of Rule 3 of the Code and, in doing so, has taken into account the commercial assessments of the Bonmarché Directors.

Accordingly, the Bonmarché Directors unanimously recommend that **YOU SHOULD TAKE NO ACTION in relation to the Offer and that YOU SHOULD NOT SIGN ANY DOCUMENT WHICH SPECTRE OR ITS ADVISERS SEND TO YOU.** If you have already accepted the Offer, there are certain circumstances in which you can withdraw your acceptance of the Offer and a summary of the rights of withdrawal is set out in paragraph 3 of Part II of the Offer Document.

The Bonmarché Directors who hold Bonmarché Shares do not intend to accept the Offer in respect of their own beneficial interests in those Bonmarché Shares.

Yours faithfully

John Coleman

Non-Executive Chairman

for and on behalf of the Bonmarché Directors

PART II

THE BONMARCHÉ PROFIT FORECAST

1. Introduction

Within the trading update announcement released by Bonmarché on 19 March 2019, the Board stated that in respect of the 52 week period ended 30 March 2019 ("**FY 2019**"):

"Sales since Christmas had been slightly above the level required to meet the revised forecast range, and despite the additional discounting, our expectation was that the underlying PBT for the year would be within the lower end of the breakeven to £4.0m loss range of underlying PBT outcomes set out in December's announcement. However, trading since the beginning of March has been significantly weaker, reversing sales gains made in the previous months. In light of this, we now believe there is a likelihood of sales levels for the remainder of the month continuing to follow this trend, which would make the underlying PBT loss for the year greater than £4.0m. Accordingly, we now estimate that the underlying PBT loss will be between £5.0m and £6.0m."

This constitutes an ordinary course profit forecast for the purposes of Rule 28 of the Code and was published before Spectre announced its mandatory bid for Bonmarché and therefore the requirements of Rule 28.1(c) of the Code apply.

2. Basis of preparation

The Bonmarché Directors prepared the Bonmarché Profit Forecast released on 19 March 2019 on the basis of the Bonmarché Group's latest forecast for FY 2019. In confirming the Bonmarché Profit Forecast, the Bonmarché Directors have reconfirmed the Bonmarché Group's latest forecast for FY 2019, and have made the following assumption in respect of such period.

Assumption outside of Bonmarché's influence or control:

The audit of the Bonmarché financial statements in respect of FY 2019 is in progress. It has been assumed that no material adjustments to the Bonmarché Profit Forecast will be required as a result of the completion of the audit.

3. Bonmarché Directors' confirmation

The Bonmarché Directors have considered the Bonmarché Profit Forecast and confirm that it remains valid as at the date of this document, that the Bonmarché Profit Forecast has been properly compiled on the basis set out above and that the basis of accounting used is consistent with Bonmarché's accounting policies, which are in accordance with IFRS and are those that Bonmarché expects to apply in preparing its financial statements for the financial year ended 30 March 2019.

PART III

FINANCIAL INFORMATION RELATING TO BONMARCHÉ

The following sets out financial information in respect of Bonmarché as required by Rule 24.3 of the Code. The documents referred to below (or parts thereof), the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code.

Document	Website address
Half yearly report for the 26 week period ended 29 September 2018	http://bonmarcheplc.co.uk/wp-content/uploads/2018/11/BM-Interim-Results-FY19-draft-5.1-FINAL.pdf
Annual Report and Accounts for the 52 week period ended 31 March 2018	http://bonmarcheplc.co.uk/wp-content/uploads/2019/04/Bonmarche-Holdings-plc-ARA2018-PDF-for-Website-updated-12.04.191.pdf
Annual Report and Accounts for the 53 week period ended 1 April 2017	http://bonmarcheplc.co.uk/wp-content/uploads/2017/06/Bonmarche-Holdings-Plc-Annual-Report-2017.pdf

The information above is available free of charge in a read only, printable format from the hyperlinks set out above.

Availability of hard copies

You may request hard copies of any document published on Bonmarché's website in connection with the Offer by contacting Bonmarché's registrar, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or on telephone (UK): 0871 664 0300. Calls cost 12 pence per minute plus your phone company's access charge. If you are outside the UK, please call +44 371 664 0300. Calls outside the UK will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales. Alternatively you may submit a request in writing to the registered office of Bonmarché. You may also request that all future documents, announcements, and information to be sent to you in relation to the Offer should be in hard copy form.

No incorporation of website information

Save as set out above, neither the Bonmarché website, nor the content of any website accessible from hyperlinks on the Bonmarché website, is incorporated into, or forms part of, this document.

PART IV

ADDITIONAL INFORMATION

1. Responsibility

The issue of this document has been approved by the Bonmarché Directors. The Bonmarché Directors, whose names appear in paragraph 2 below, accept responsibility for the information contained in this document. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this document (other than any information relating to Spectre, Spectre's directors or their immediate families, related trusts and connected persons) for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

The Bonmarché Directors and their respective positions are set out below:

Name	Position
John Coleman	Non-Executive Chairman
Helen Connolly	Chief Executive Officer
Stephen Alldridge	Finance Director
Ishbel Macpherson	Senior Independent Non-Executive Director
Mark McClennon	Independent Non-Executive Director

The registered office of Bonmarché and the service address of each Bonmarché Director is Jubilee Way, Grange Moor, Wakefield, West Yorkshire WF4 4SJ. The registered number of Bonmarché is 8638336.

3. Interests and dealings

(a) *Definitions*

For the purposes of this paragraph 3 only:

- (i) **acting in concert** with a party means any such person acting or deemed to be acting in concert with that party for the purposes of the Code and/or the Offer. Persons who will be presumed to be acting in concert with other persons in the same category include:
 - (A) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status);
 - (B) a company with any of its directors (together with their close relatives and related trusts);
 - (C) a company with any of its pensions schemes and the pension schemes of any company covered in (A);
 - (D) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant accounts; and
 - (E) connected advisers (and persons controlling, controlled by or under the same control as such connected advisers) with their clients;

- (ii) **connected adviser** includes an organisation which: (i) is advising Spectre or (as the case may be) Bonmarché in relation to the Offer; (ii) is a corporate broker to Spectre or (as the case may be) Bonmarché; or (iii) is advising a person acting in concert with Spectre or (as the case may be) Bonmarché in relation to the Offer or in relation to the matter which is the reason for that person being a member of the concert party;
 - (iii) **control** means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the holding or holdings gives de facto control;
 - (iv) **dealing** includes: (i) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or of general control of relevant securities; (ii) the taking, granting, acquisition, disposal of, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities; (iii) subscribing or agreeing to subscribe for relevant securities; (iv) the exercise or conversion, whether in respect of any new or existing securities, or any relevant securities carrying conversion or subscription rights; (v) the acquisition, disposal of, entering into, closing out, exercising (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and (vii) the redemption or purchase of, or taking or exercising of any option over, and of its relevant securities by Bonmarché; and (viii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
 - (v) **derivative** includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
 - (vi) **disclosure date** means 3 May 2019, being the latest practicable date before publication of this document;
 - (vii) **exempt fund manager** means a person who manages investment accounts on a discretionary basis and is recognised by the Panel as an exempt fund manager for the purposes of the Code;
 - (viii) a person has an **interest** or is **interested** in relevant securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he only has a short position in such securities) and in particular if: (i) he owns them; (ii) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them; (iii) by virtue of any agreement to purchase, option or derivative, he: (A) has the right or option to acquire them or call for their delivery; or (B) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or (iv) he is party to any derivative: (I) whose value is determined by reference to their price; and (II) which results, or may result, in his having a long position in them; and
 - (ix) **relevant securities** includes: (i) Bonmarché Shares and any other securities of Bonmarché conferring voting rights; (ii) equity share capital of Bonmarché; and (iii) securities of Bonmarché carrying conversion or subscription rights into any of the foregoing.
- (b) **Bonmarché Directors**

As at the disclosure date, the interests of the Bonmarché Directors in the issued share capital of the Company are as follows:

Name	Number of Bonmarché Shares held	Percentage of Bonmarché Shares held (%)
John Coleman	-	-
Helen Connolly	42,542	0.09
Stephen Alldridge	508,910	1.02
Ishbel Macpherson	25,000	0.05
Mark McClennon	-	-
Total	559,952	1.16

As at the disclosure date, the Bonmarché Directors have the following rights to subscribe for interests in Bonmarché Shares under the Bonmarché LTIP:

Name of Director	Award date	Vesting date	Market price at award date (pence)	Interest as at the disclosure date
Helen Connolly	27 July 2018	27 July 2021	122.50	136,607
	27 July 2017	27 July 2020	98.00	171,821
	23 December 2016	23 December 2019	85.50	173,611
Stephen Alldridge	27 July 2018	27 July 2021	122.50	92,892
	27 July 2017	27 July 2020	98.00	116,838
	23 December 2016	23 December 2019	85.50	118,055

Each of the above awards is structured as an option with a nil exercise price and subject to the performance conditions of the Bonmarché LTIP.

In addition to the Bonmarché LTIP awards referred to above, each of Helen Connolly and Stephen Alldridge hold a tax-advantaged option over 34,722 Bonmarché Shares (as compared to the Bonmarché LTIP awards which are not tax-advantaged). The additional options have an exercise price of 86.40 pence per Bonmarché Share and to the extent that these awards are exercised, the number of shares which are subject to the Bonmarché LTIP awards will be reduced to take account of such exercise.

(c) ***Persons acting in concert with Bonmarché***

As at the disclosure date, in addition to the Bonmarché Directors (together with their close relatives and related trusts and connected persons), the interests of the persons who are acting in concert with Bonmarché in the issued share capital of the Company are as follows:

Persons acting in concert	Number of Bonmarché Shares held	Percentage of Bonmarché Shares held (%)
Investec Bank plc	53,083	0.10
Cantor Fitzgerald Europe	44,343	0.09

(d) **General**

Save as disclosed in this paragraph 3, as at the disclosure date;

(i) none of:

- (A) the Bonmarché Directors (and their close relatives and related trusts and connected persons); nor
- (B) so far as Bonmarché is aware, any other person acting in concert with Bonmarché,

held any interest in or right to subscribe for or any short position, including any short position under a derivative in relation to, is party to any agreement to sell or has any delivery obligation or right to require another person to purchase or take delivery of any relevant securities of Bonmarché;

(ii) none of:

- (A) Bonmarché; nor
- (B) so far as Bonmarché is aware, any other person acting in concert with Bonmarché,

save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities of Bonmarché (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

(iii) none of:

- (A) Bonmarché; nor
- (B) the Bonmarché Directors,

held any interest in or right to subscribe for or any short position, including any short position under a derivative in relation to, is party to any agreement to sell or has any delivery obligation or right to require another person to purchase or take delivery of any relevant securities of Spectre; and

(iv) none of:

- (A) the Bonmarché Directors (and their close relatives and related trusts and controlled companies); nor
- (B) so far as Bonmarché is aware, any other person acting in concert with Bonmarché,

has dealt in any relevant securities of Bonmarché between the start of the Offer Period and the disclosure date; and

(v) none of:

- (A) Bonmarché;
- (B) the Bonmarché Directors; nor
- (C) so far as Bonmarché is aware, any other person acting in concert with Bonmarché,

has dealt in any relevant securities of Spectre between the start of the Offer Period and the disclosure date.

4. Market quotations

The following table sets out the Closing Price for Bonmarché Shares on:

- (a) the first dealing day in each of the six months prior to the disclosure date (as defined in paragraph 3 of this Part IV);
- (b) 1 April 2019 (being the last dealing day before commencement of the Offer Period); and
- (c) on the disclosure date.

<i>Date</i>	<i>Price per Bonmarché Share (pence)</i>
(a) 1 May 2019	15.50
1 April 2019	18.00
1 March 2019	38.00
1 February 2019	38.50
2 January 2019	35.00
3 December 2018	81.00
(b) 1 April 2019	18.00
(c) 3 May 2019	15.50

5. Material contracts and dealing arrangements

Save as set out below, there are no dealing arrangements and there have been no material contracts entered into by or any other member of the Bonmarché Group other than in the ordinary course of business within the period of two years prior to the date of the Rule 2.7 Announcement, being 2 April 2019, and which are or may be considered to be material and there have been no material changes to any such contracts or any other such material contracts entered into since the date of publication of the Offer Document.

Multi Currency Overdraft Facility

On 14 February 2019, Barclays Bank PLC ("**Barclays**") provided BML with an on demand £5,500,000 gross limit/£5,000,000 net limit multi-currency overdraft facility for working capital purposes. Such borrowings are subject to 3.15 per cent. per annum over the base rate of the Bank of England for sterling or Barclays' reference rate for euros and US dollars. The facility is secured by a debenture granted by BML and is subject to terms customary to a transaction of this nature.

Documentary Letter of Credit Facility

On 8 February 2019, Barclays provided BML with an uncommitted £3,000,000 documentary letter of credit facility for the financing of the purchase of goods or services. Such borrowings are subject to fees as agreed between Barclays and BML, and BML shall pay Barclays the tariffs in respect of each documentary letter of credit in amounts specified by Barclays from time to time. The facility is secured by a debenture granted by BML and is subject to terms customary to a transaction of this nature.

Bonds, Guarantees and/or Indemnities Facility

On 8 February 2019, Barclays provided BML with an uncommitted £4,000,000 standby letters of credit, bonds, guarantees and/or indemnities facility for general corporate purposes. Such borrowings are subject to fees as agreed between Barclays and BML, and BML shall pay Barclays ancillary fees and charges for ancillary services and disbursements provided or incurred by Barclays in respect of each standby letter of credit, bond, guarantee and/or indemnity in amounts notified by Barclays from time to time or

otherwise agreed between Barclays and BML. Any standby letter of credit, bond, guarantee and/or indemnity issued for the purpose of guaranteeing duty deferment payments, BML's liability will be twice the face value of such standby letter of credit, bond, guarantee and/or indemnity. The facility is secured by a debenture granted by BML and is subject to terms customary to a transaction of this nature.

6. Directors' employment arrangements

Save as is set out below there are no service agreements in force between any Bonmarché Director or any proposed director of Bonmarché and Bonmarché or any of its subsidiaries and no such contracts have been entered into or amended within six months of the date of this document. Particulars of the Bonmarché Directors' current service agreements or letters of appointment with Bonmarché are as follows:

Director	Position	Effective date of contract	Current annual remuneration (including other benefits)	Notice period	Compensation on early termination
John Coleman	Non-Executive Chairman	14 October 2016	£125,000	3 months	None
Helen Connolly	Chief Executive Officer	28 July 2016	£434,000 which includes: <ul style="list-style-type: none"> • car allowance; • pension contribution; • life assurance; • private medical insurance; and • permanent health insurance. 	12 months	Payment in lieu of notice on basic salary only
Stephen Alldridge	Finance Director	5 March 2003	£301,000 which includes: <ul style="list-style-type: none"> • car allowance; • pension contribution; • life assurance; • private medical insurance; and • permanent health insurance. 	12 months	Payment in lieu of notice which includes basic salary and contractual benefits
Ishbel Macpherson	Senior Independent Non-Executive Director	14 October 2016	£60,000	3 months	None
Mark McClennon	Non-Executive Director	18 April 2019	£45,000	3 months	None

7. Bases and sources of information

Unless otherwise stated, the following constitute the bases and sources of information referred to in this document:

- (a) the financial information relating to Bonmarché is extracted (without adjustment) from the audited consolidated financial statements of Bonmarché for the relevant years prepared in accordance with IFRS;
- (b) the value attributed to Bonmarché's entire issued and to be issued share capital (but not taking into account the value of all outstanding options) as implied by the Offer Price stated in paragraph 2 of Part I of this document is based on 50,018,150 Bonmarché Shares in issue as at close of business on 3 May 2019 (being the last dealing day prior to the date of this document) and an Offer price of 11.445 pence per Bonmarché Share;
- (c) all prices and closing prices for Bonmarché Shares are closing middle market prices derived from the Daily Official List; and
- (d) the International Securities Identification Number for the Bonmarché Shares is GB00BF8H6F45.

8. General

- (a) Investec has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which it appears.
- (b) Save as disclosed in paragraph 7 of Part I of this document, there has been no significant change in the trading or financial position of the Bonmarché Group since 29 September 2018, the date to which the Company's most recent half yearly report has been prepared.

9. Fees and expenses

The estimated aggregate fees and expenses expected to be incurred by Bonmarché in connection with the Offer are £345,000 - £355,000 (exclusive of VAT and expenses). This aggregate amount comprises the following categories (in each case excluding VAT and expenses):

- (a) financial and corporate broking advice: £200,000;
- (b) legal advice: £100,000;
- (c) accounting advice: N/A ;
- (d) public relations advice: £15,000 - £20,000;
- (e) other professional services: N/A; and
- (f) other costs and expenses: £30,000 - £35,000.

10. Documents available for inspection

Copies of the documents referred to below will be available, free of charge, for inspection on Bonmarché's website (<http://bonmarcheplc.co.uk/mandatory-cash-offer/>) while the Offer remains open for acceptance:

- (a) this document;
- (b) the Rule 2.7 Announcement;
- (c) copies of the Company's announcement dated 2 April 2019 and the Response Announcement;
- (d) the material contracts referred to in paragraph 5 of Part IV of this document;
- (e) the Offer Document and the accompanying Form of Acceptance;

- (f) the audited consolidated financial statements of Bonmarché for the 53 week period ended 1 April 2017 and the 52 week period ended 31 March 2018 and the half yearly report for Bonmarché for the 26 week period ended 29 September 2018; and
- (g) the articles of association of Bonmarché.

For the avoidance of doubt, the content of the website referred to above is not incorporated into and, save for the information specifically incorporated by reference into this document, does not form part of this document.

PART V

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

Acquisition	has the meaning set out in paragraph 2 of Part I of this document;
Act	means the Companies Act 2006 (as amended);
Barclays	has the meaning set out in paragraph 5 of Part IV of this document;
BML	means Bonmarché Limited, a company registered in England & Wales with registered number 07909526, and whose registered office is at Jubilee Way, Grange Moor, Wakefield, West Yorkshire, WF4 4SJ;
BM Relationship Agreement	has the meaning set out in paragraph 4 of Part I of this document;
Board or the Bonmarché Directors	means the directors of Bonmarché at the date of this document;
Bonmarché or the Company	means Bonmarché Holdings plc, a company incorporated in England and Wales with limited liability under registration number 8638336;
Bonmarché Group	means Bonmarché and its subsidiaries from time to time;
Bonmarché LTIP	means the Bonmarché long term incentive plan;
Bonmarché Profit Forecast	means the profit forecast within Bonmarché's trading statement announcement released on 19 March 2019 in respect of the 52 week period ended 30 March 2019, as detailed further in Part II of this document;
Bonmarché Shares	means the existing issued or unconditionally allotted and paid (or credited as fully paid) ordinary shares of 1 pence each in the capital of Bonmarché and any further shares which are unconditionally allotted or issued fully paid (or credited as fully paid) on or prior to the date on which the Offer closes (but excluding, for the avoidance of doubt, any treasury shares held by Bonmarché);
Bonmarché Shareholders	means the holders of Bonmarché Shares;
Business Day	means a day which is not a Saturday, Sunday or a public holiday in England and Wales;
Closing Price	means the closing middle market quotations of a share derived from the Daily Official List;
Code or Takeover Code	means the City Code on Takeovers and Mergers;
Controllers	has the meaning set out in paragraph 4 of Part I of this document;
Daily Official List	means the daily official list of the London Stock Exchange;
Dealing Disclosure	has the same meaning as in Rule 8 of the Code;
Disclosure Guidance and Transparency Rules	means the disclosure guidance and transparency rules of the FCA;
FCA	means the Financial Conduct Authority;
Form of Acceptance	the form of acceptance and authority for use by Bonmarché Shareholders holding Bonmarché Shares in certificated form in connection with the Offer;
FY 2019	has the meaning set out in paragraph 1 of Part II of this document;

IFRS	means international accounting standards and international financial reporting standards and interpretations thereof, approved or published by the International Accounting Standards Board and adopted by the European Union;
Independent Shareholder	means any Bonmarché Shareholder entitled to vote on the election of a director of Bonmarché, other than Spectre;
Investec	means Investec Bank plc;
Listing Rules	means the listing rules of the FCA;
London Stock Exchange	means London Stock Exchange plc;
Main Market	means the London Stock Exchange's Main Market for listed securities;
Market Abuse Regulation	means the Market Abuse Regulation (2014/596/EU);
Offer	has the meaning set out in paragraph 2 of Part I of this document;
Offer Document	has the meaning set out in paragraph 2 of Part I of this document;
Offer Period	means the period commencing on 2 April 2019 and ending on the 21st day after the date of publication of the Offer Document or (if that day is a Saturday, Sunday or public holiday) the next succeeding business day (unless extended);
Offer Price	means 11.445 pence in cash, being the consideration payable by Spectre for each Bonmarché Share under the terms of the Offer;
Opening Position Disclosure	means an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Offer if the person concerned has such a position;
Options	means the share options granted under the terms of the Share Option Schemes;
Panel	means the Panel on Takeovers and Mergers;
Regulatory Information Service	means an information service authorised from time to time by the FCA for the purposes of disseminating regulatory announcements;
Response Announcement	means the announcement made by Bonmarché on 12 April 2019, responding to the Offer;
Restricted Jurisdiction	means, subject always to the requirements of Rule 23.2 of the Code in relation to the distribution of offer documentation to jurisdictions outside the UK, any jurisdiction where extension of the Offer would violate the law of that jurisdiction;
Rule 2.7 Announcement	means the announcement of a firm intention to make an offer for the entire issued and to be issued share capital of Bonmarché pursuant to Rule 2.7 of the Code made by Spectre on 2 April 2019;
Share Option Schemes	means the Bonmarché LTIP and the non-qualifying option granted to Mark Matthews under an option agreement dated 30 January 2019;
Spectre	means Spectre Holdings Limited, a company registered in Dubai with the Jebel Ali Free Zone Authority with registered number 187570, and whose registered office is at PO Box 34002, Dubai, United Arab Emirates;
subsidiaries	has the meaning given to that term in the Act;
Sun European Partners	has the meaning set out in paragraph 2 of Part I of this document;
United Kingdom or UK	means the United Kingdom of Great Britain and Northern Ireland and

its dependent territories; and

United States or US

means the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof.