

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN DOUBT ABOUT THIS OFFER YOU SHOULD CONSULT AN INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 IF YOU ARE RESIDENT IN THE UNITED KINGDOM OR, IF YOU ARE NOT, ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IN THE RELEVANT TERRITORY OUTSIDE OF THE UNITED KINGDOM.

This document sets out the details of a proposed recommended acquisition of the Company by Mirfield 1964 Plc to be effected by way of a scheme of arrangement between the Company and the Scheme Shareholders under Part 26 of the Companies Act 2006. If the Scheme becomes effective, it will be binding on all Scheme Shareholders, including those who do not attend and/or vote at the Meetings to approve the Scheme or who attend and/or vote against it at the Meetings, and it will result in the cancellation of the trading of all the TF Shares on AIM. Definitions used in this document are set out on pages 12 to 17 (inclusive) of this document. All times referred to are London times unless otherwise stated.

You should read the whole of this document and the information incorporated by reference. In addition, this document should be read in conjunction with the accompanying blue and white Forms of Proxy and the green Form of Election.

If you have sold or otherwise transferred all of your TF Shares, please send this document and the accompanying documents (other than the personalised Form of Election and Proxy Forms) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws in that jurisdiction. If you have sold or otherwise transferred only part of your TF Shares you should retain these documents and consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

Mirfield B Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state in the United States. The Share Alternative is not being made available to Shareholders who are US Persons or other Restricted Overseas Shareholders. Accordingly, Scheme Shareholders who are US Persons or other Restricted Overseas Shareholders shall receive cash notwithstanding any election made by them for the Share Alternative, and there shall be no issuance of Mirfield B Shares to such Scheme Shareholders.

Mirfield B Shares have not been, and will not be, registered under the applicable securities laws of any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. Accordingly, the Mirfield B Shares may not be offered, sold, delivered or transferred, directly or indirectly, in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction or to or for the account or benefit of any national, resident or citizen of any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

The availability of Mirfield B Shares and the Share Alternative to persons who are not resident in the United Kingdom and the publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom into whose possession this document comes should inform themselves about, and observe, any applicable legal and regulatory requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. Further details in relation to Overseas Shareholders are contained in paragraph 7 of Part II of this document.

Recommended Acquisition
of
THEO FENNEL PLC
by
MIRFIELD 1964 PLC

**to be implemented by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006**

**Circular to Theo Fennell Plc Shareholders and Explanatory Statement
under section 897 of the Companies Act 2006
and
Notices of Court Meeting and General Meeting**

Notices of the Court Meeting and the General Meeting, both of which will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on 16 September 2013, are set out at the end of this document. The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). Your attention is drawn to the letter from the Chairman of the Company, who is one of the Independent Directors, contained in Part I of this document, which contains the unanimous recommendation of the Independent Directors that Independent Shareholders vote in favour of the Resolution to be proposed at the Court Meeting and that all Shareholders vote in favour of the Resolutions to be proposed at the General Meeting on which they are entitled to vote. An Explanatory Statement from Opus Corporate Finance LLP explaining the Scheme is set out in Part II of this document.

The action to be taken in respect of the Meetings is set out in pages 9 to 11 (inclusive) and also in paragraph 9 of Part II of this document. Shareholders will find accompanying this document a blue Form of Proxy for use at the Court Meeting (Independent Shareholders only) and a white Form of Proxy for use at the General Meeting. To be valid, the relevant Form of Proxy and any authority under which such documents are executed (or a copy of the authority certified notarially or in some other way approved by the Independent Directors) must be completed and returned in accordance with the instructions printed thereon by post or (during normal business hours only) by hand to the Company's Registrar, Capita Registrars at: PXS, 34 Beckenham Road, Beckenham, BR3 4TU, as soon as possible, but in any event so as to be received at least 48 hours before the time appointed for the relevant Meeting. If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. In the case of the General Meeting, unless the white Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either the Court Meeting or the General Meeting (as appropriate), or any adjournment thereof, if you so wish and are so entitled.

If you held your shares in uncertificated form (that is in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual.

Shareholders who hold their TF Shares in certificated form (other than Restricted Overseas Shareholders) will also find accompanying this document a personalised green Form of Election to be used if they wish to make an election under the Share Alternative. Shareholders (other than Restricted Overseas Shareholders) who hold their TF Shares in uncertificated form (that is in CREST) should follow the instructions in paragraph 9 of Part II of this document if they wish to make an election under the Share Alternative.

Opus Corporate Finance LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and no-one else in connection with the Acquisition and this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Opus Corporate Finance LLP nor for providing advice in relation to the Acquisition or the content of, or any matter or arrangement referred to in, this document.

finnCap Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Mirfield and no-one else in connection with the Acquisition and this document and will not be responsible to anyone other than Mirfield for providing the protections afforded to clients of finnCap Limited nor for providing advice in relation to the Acquisition or the content of, or any matter or arrangement referred to in, this document.

IMPORTANT NOTICE

This document does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document, the Acquisition, the Share Alternative or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document does not constitute a prospectus or a prospectus equivalent document. This document and the accompanying documents have been prepared for the purposes of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom. This document is not an offer to sell securities in the United States. Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved of or passed an opinion on the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Notice to US investors in the Company: the Acquisition relates to the shares of an English company and is to be made by means of a scheme of arrangement provided for under the laws of England and Wales. This document is subject to the disclosure requirements and practices applicable in England and Wales to schemes of arrangement, which differ from the disclosure and other requirements of the US securities laws and tender offer rules. The financial information included in, and incorporated by reference into, this document has been prepared in accordance with International Financial Reporting Standards (“IFRS”) that may not be comparable to the financial statements of US companies. US generally accepted accounting principles differ in certain significant respects from IFRS. None of the financial information included in, or incorporated by reference into, this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public the Company Accounting Oversight Board (United States).

The receipt of cash by a US holder of the TF Shares as consideration for the cancellation of its TF Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US holder of TF Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Scheme applicable to him.

It may be difficult for US holders of TF Shares to enforce their rights and claims arising out of US federal securities laws, since Mirfield and the Company are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of TF Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment.

Mirfield may purchase TF Shares otherwise than under the Acquisition, such as in the open market or through privately negotiated purchases. Such purchases may be made either directly or through a broker and must comply with the applicable laws of England and Wales, as well as (as applicable) the AIM Rules, the rules of the London Stock Exchange and the City Code. Information about any such purchases must be made available from a Regulatory Information Service.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained herein constitute forward-looking statements. The forward-looking statements contained herein include statements about the expected effects of the Acquisition, the expected timing and scope of the Acquisition and other statements other than in relation to historical facts. Forward-looking statements including, without limitation, statements typically containing words such as “intends”, “anticipates”, “targets”, “estimates”, “believes”, “should”, “plans”, “will”, “expects” and similar expressions or statements that are not historical facts are intended to identify those expressions or statements as forward-looking statements. The statements are based on the current expectations of Mirfield and the Company and are naturally subject to uncertainty and changes in circumstances. By their nature, forward-looking statements involve risk and uncertainty and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction or waiver of the conditions to the Acquisition, local and global political and economic conditions, foreign exchange rate fluctuations and

interest rate fluctuations (including those from any potential credit rating decline) and legal or regulatory developments and changes. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements.

The statements contained herein (or incorporated by reference into 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 forth herein (or incorporated by reference into this document) since such date. Nothing contained herein (or incorporated by reference into this document) shall be deemed to be a profit forecast, projection or profit estimate of the financial performance of the Company or the Wider Group or Mirfield. No statement in this document should be interpreted to mean that future earnings per TF Share or Mirfield B Share for current and future financial periods will necessarily match or exceed the historical or published earnings per TF Share.

Neither the Company nor Mirfield, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied by any forward-looking statements contained herein will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority and the City Code), neither the Company nor Mirfield is under any obligation and each of them 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.

Certain figures included in this document have been subject 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.

DISCLOSURE REQUIREMENTS OF THE CITY CODE

Under Rule 8.3(a) of the City Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper 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 paper 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 paper 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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper 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 paper offeror, 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 pm (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 paper 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.

PUBLICATION ON WEBSITES AND AVAILABILITY OF DOCUMENTS

In accordance with Rule 30.4 of the City Code, a copy of this document, the information incorporated by reference in this document, and the Forms of Proxy and Form of Election will be made available on the websites of the Company – www.theofennell.com – and EME Capital – www.eme-capital.com – in each case until the end of the Offer Period (or, if later, the end of any competition reference period).

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on any such website is incorporated into, or forms any part of, this document, save where specifically stated herein.

Copies of this document and any revisions thereto and the documents available for inspection referred to in paragraph 15 of Part IV of this document will be available for inspection at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP during normal business hours on any Business Day and at www.eme-capital.com, until the end of the Offer Period.

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SUMMARY OF THE TERMS OF THE ACQUISITION

Shareholders should not rely solely on this summary, which must be read in conjunction with the full text of this document of which it forms part. Defined terms in this summary are set out in full in the table of definitions starting on page 12 of this document.

- The board of Mirfield and the Independent Directors of the Company announced on 1 August 2013 that they had reached agreement on the terms of a recommended cash offer, with a share alternative, to be made by Mirfield, for the whole of the issued and to be issued ordinary share capital of the Company. Mirfield was incorporated on 11 June 2013 specifically for the purpose of making the Acquisition on behalf of EME Capital LLP and its co-investors.
- It is proposed that the Acquisition will be made by way of a Scheme of Arrangement between the Company and its shareholders under Part 26 of the 2006 Act.
- Under the terms of the Acquisition, Scheme Shareholders will be entitled to receive:

12.5 pence in cash for each TF Share

valuing the existing issued ordinary share capital of the Company at approximately £2.9 million.

- In addition, Mirfield will offer a share alternative to the Cash Offer on the basis of:

0.08796 unlisted Mirfield B Shares for each TF Share

Scheme Shareholders who are not Restricted Overseas Shareholders may elect to receive the Share Alternative in respect of all, but not some, of their holding of TF Shares. However, the maximum number of Mirfield B Shares that may be issued under the Share Alternative will be 611,111 Mirfield B Shares, which would represent 10% of the issued share capital of Mirfield upon completion of the Scheme. This means that the Share Alternative will be available for a maximum of 6,947,601 TF Shares, which is equivalent to 30% of the issued share capital of the Company as at 22 August 2013, being the last practicable Business Day prior to the date of this document. If the maximum number of Mirfield B Shares available under the Share Alternative is not sufficient to satisfy all valid elections for the Share Alternative in full, entitlements will be scaled back *pro rata* and to the extent that, following such scale-back, any Scheme Shareholder does not receive Mirfield B Shares in respect of all the Scheme Shares which are the subject of his election for the Share Alternative, he will instead receive the Cash Consideration for the remaining Scheme Shares. Scheme Shareholders who do not validly elect to receive the Share Alternative will receive Cash Consideration in respect of all of their Scheme Shares.

- The Mirfield B Shares will be unlisted and there are no plans to seek a public quotation on any recognised investment exchange or other market for the Mirfield B Shares which may be issued to Scheme Shareholders pursuant to the Share Alternative, nor in respect of any other Mirfield Shares.
- As part of the Acquisition, the Company will also acquire all the shares in The Original Design Partnership Limited which are not already held by it. ODP is currently owned as to 20% by the Company, 60% by Mr Fennell, 12% by Alasdair Hadden-Paton and the remaining 8% is owned by other employees and former employees of the Company. Both of Mr Fennell and Mr Hadden-Paton are currently directors of the Company and ODP.
- Also, as part of the Acquisition, Mr Fennell and Mr Hadden-Paton will continue as directors of the Company and have entered into new service agreements with the Company and Mirfield which are conditional on completion of the Acquisition, when Mr Fennell and Mr Hadden-Paton will also be appointed to the board of Mirfield.
- Upon completion of the Acquisition, Mirfield will have four classes of shares: Mirfield A Shares subscribed for by the original investors in Mirfield, Mirfield B Shares which will be issued to Scheme Shareholders under the Share Alternative, and Mirfield C Shares and Mirfield D Shares which will be issued as 'sweet equity' to incentivise Jurek Piasecki (the proposed CEO following completion of the Acquisition) and Mr Fennell respectively.
- Immediately following the Acquisition, and assuming full take up of the Share Alternative, Mr Fennell will own Mirfield B Shares and Mirfield D Shares representing 9.1% of the total Mirfield Shares.
- Mirfield considers the "Theo Fennell" brand as crucial to its business plan and the success of the Acquisition. As part of the Acquisition, Mr Fennell has agreed to assign and transfer to the Company all rights he owns in the name "Theo Fennell" and associated intellectual property.

- Mirfield recognises the Company's brand and existing creative talent remain of the calibre required to enhance and expand the Company's position as a highly respected designer and retailer. Mirfield intends to add additional retail experience to the Company's management.
- Upon completion of the Acquisition, the Company will become a wholly-owned subsidiary of Mirfield and an application will be made for the admission of the TF Shares to trading on AIM to be cancelled.
- Implementation of the Scheme will be subject, amongst other things, to the sanction of the Court and the approval by Shareholders of the Resolutions to be proposed at the Court Meeting and the General Meeting.
- Mirfield has received irrevocable undertakings from Shareholders holding 33.5% of the existing share capital of the Company to vote in favour of the Scheme, as well as irrevocable undertakings to consent to be bound by the Scheme, should it be approved, from Shareholders holding an additional 16.2% of the existing share capital of the Company.
- In addition, Mirfield has received irrevocable undertakings from Shareholders holding 16.1% of the existing share capital of the Company to accept the Share Alternative, subject to possible scale back.
- The Independent Directors, who have been so advised by Opus Corporate Finance LLP, consider the terms of the Acquisition to be fair and reasonable. However, the Independent Directors do not express any view on the terms of the Share Alternative. In providing its advice to the Independent Directors, Opus Corporate Finance LLP has taken into account the commercial assessments of the Independent Directors.
- For the purpose of Rule 16 of the City Code, Opus Corporate Finance LLP considers the terms of the ODP Sale Agreement, the Brand Repatriation Agreement, the New Service Agreements for Mr Fennell and Mr Hadden-Paton and the Sweet Equity Arrangements for Mr Fennell to be fair and reasonable insofar as the Shareholders other than Mr Fennell, the TF SIPP and Mr Hadden-Paton are concerned.
- **Accordingly, the Independent Directors unanimously recommend that Independent Shareholders vote in favour of the Resolution to be proposed at the Court Meeting and all Shareholders vote in favour of those Resolutions that they are entitled to vote on at the General Meeting.**

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Time and/or Date
Latest time for lodging BLUE Forms of Proxy/CREST Proxy Instructions for the Court Meeting	11.00 a.m. on 14 September 2013 ⁽¹⁾
Latest time for lodging WHITE Forms of Proxy/CREST Proxy Instructions for the General Meeting	11.15 a.m. on 14 September 2013 ⁽¹⁾
Voting Record Time	6.00 p.m. on 14 September 2013 ⁽²⁾
Court Meeting	11.00 a.m. on 16 September 2013
General Meeting	11.15 a.m. on 16 September 2013⁽³⁾
<i>The following dates are subject to change; please see note 4 below</i>	
Latest time for withdrawals of Share Elections in respect of the Share Alternative	1.00 p.m. on 30 September 2013 ⁽⁵⁾
Latest time for receipt of GREEN Forms of Election or settlement of TTE instructions for Share Election through CREST	1.00 p.m. on 1 October 2013 ⁽⁶⁾
Scheme Record Time	6.00 p.m. on 2 October 2013
Last day of dealings in, and registration of transfers of, TF Shares	2 October 2013
Suspension of trading in TF Shares	7.30 a.m. on 3 October 2013
Court Hearing to sanction the Scheme and confirm the Reduction of Capital	3 October 2013
Filing of Court Order	4 October 2013
Effective Date	4 October 2013
Cancellation of admission of the TF Shares to trading on AIM	7.00 a.m. on 4 October 2013
Mirfield B Shares issued	on or about 4 October 2013
Latest date for despatch of Consideration (cheques and/or share certificates for Mirfield B Shares)	18 October 2013
Long Stop Date, being the latest date by which the Scheme can become effective	31 December 2013 (or such later date as the Company and Mirfield may agree and, if applicable, the Court may approve)

All times shown are London times unless otherwise stated.

The Court Meeting and the General Meeting will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP.

NOTES

- 1 *If the blue Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to Capita Registrars, on behalf of the chairman of the Court Meeting, at the Court Meeting before the taking of the poll. However, the white Form of Proxy for the General Meeting must be returned by no later than 11.15 a.m. on 14 September 2013 (or, in the case of an adjourned General Meeting, not less than 48 hours prior to the time and date set for the adjourned meeting) to be valid.*
- 2 *If any of the Meetings are adjourned, then the Voting Record Time for the adjourned Meeting will be 6.00 p.m. on the day which is two days before such adjourned Meeting.*
- 3 *If the Court Meeting has not been concluded or adjourned prior to the scheduled commencement of the General Meeting, the commencement of the General Meeting will be delayed until the Court Meeting has been concluded or adjourned.*
- 4 *These times and dates are indicative only and will depend, among other things, on the date on which the Court sanctions the Scheme and confirms the Reduction of Capital and the date on which the Conditions are satisfied or waived. If any of the expected dates changes, the Company will, unless the Panel otherwise consent, give notice of the change by issuing an announcement through a Regulatory Information Service.*
- 5 *If the Court Hearing to sanction the Scheme and confirm the Reduction of Capital is postponed, then Share Elections may be withdrawn up to the date which is three days prior to such later Court Hearing.*
- 6 *If the Court Meeting and/or the General Meeting are adjourned, the latest time for receipt of GREEN Forms of Election or settlement of TTE instructions for the Share Election through CREST shall be 1.00 p.m. on the date of the latest to be held of such adjourned Meetings.*

ACTION TO BE TAKEN

You will find enclosed with this document:

- if you are an Independent Shareholder, a blue reply-paid Form of Proxy for use in respect of the Court Meeting on 16 September 2013 at 11.00 a.m. (attaching an attendance card in relation to the Court Meeting);
- a white reply-paid Form of Proxy for use in respect of the General Meeting on 16 September 2013 at 11.15 a.m. (attaching an attendance card in relation to the General Meeting); and
- unless you are a Registered Overseas Shareholder, a green reply-paid Form of Election (for use if you hold your TF Shares in certificated form and are not a Restricted Overseas Shareholder) in respect of the Share Alternative.

If you have not received all of the documents that you should have received, please contact Capita Registrars at once on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.

If you are a resident of the United States and certain other Restricted Jurisdictions, you should not have received a green Form of Election. The attention of persons resident in, or citizens of, jurisdictions outside of the United Kingdom is drawn to paragraph 7 of Part II of this document which contains important information for such Shareholders.

The Court Meeting and the General Meeting will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on 16 September 2013 at 11.00 a.m. and 11.15 a.m. respectively (or, in the case of the General Meeting, if later, as soon as the Court Meeting has been concluded or adjourned).

Holders of TF Shares in Certificated Form

Whether or not you plan to attend the Meetings **if you are an Independent Shareholder, please complete and sign BOTH the BLUE and WHITE Forms of Proxy** and return them as soon as possible, but in any event so as to be received by Capita Registrars at PXS, 34 Beckenham Road, Beckenham, BR3 4TU by 11.00 a.m. in the case of the Blue Proxy Form (Court Meeting) and by 11.15 a.m. in the case of the White Proxy Form (General Meeting) on 14 September 2013 (or, if a Meeting is adjourned, at least 48 hours before the time appointed for the relevant adjourned Meeting).

The return of the blue and white Forms of Proxy will enable your votes to be counted at the Meetings in the event of your absence. All Forms of Proxy are reply-paid, for use in the United Kingdom only, for your convenience.

If the BLUE Form of Proxy, for use at the Court Meeting, is not lodged with Capita Registrars (at the address provided in his document) at least 48 hours before the time appointed for the Court Meeting it may be handed to Capita Registrars on behalf of the Chairman of the Court Meeting at such Meeting at any time prior to the calling of the poll in respect of the Resolution to be proposed at the Court Meeting and will still be valid.

In the case of the General Meeting, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it shall be invalid.

The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either the Court Meeting or the General Meeting (as appropriate), or any adjournment thereof, if you so wish and are so entitled.

Holders of TF Shares in Uncertificated Form (i.e. in CREST)

If you hold your TF Shares in uncertificated form (that is, in CREST), you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the notes to the notices convening the Court Meeting and the General Meeting set out at the end of this document and the notes to the Forms of Proxy). Proxies submitted through CREST (under CREST participant ID **RA10**) must be received by Capita Registrars by no later than

11.00 a.m. on 14 September 2013 in the case of the Court Meeting and by no later than 11.15 a.m. on 14 September 2013 in the case of the General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting).

For the reasons explained in paragraph 3 of Part II of this document, James Brearley Crest Nominees Limited (as nominee for Theo Fennell and Mr Fennell's self-invested personal pension) is not entitled to be present at, counted in the quorum for or vote at the Court Meeting.

Elections under the Share Alternative

You may only elect to receive the Share Alternative in respect of all, and not some only, of your TF Shares, subject always to any scale-back as explained in paragraph 2 of Part I of this document.

Restricted Overseas Shareholders will not be eligible to make an election under the Share Alternative. Please refer to paragraph 7 of Part II of this document if you are an Overseas Shareholder.

The Share Alternative is **NOT** the subject of a recommendation by the Independent Directors. Shareholders are recommended to consider carefully, in light of their own investment objectives, whether they wish to elect for the Share Alternative, and are strongly advised to seek their own independent financial advice before making any such election.

SHAREHOLDERS WHO MAY BE CONSIDERING MAKING AN ELECTION FOR THE SHARE ALTERNATIVE SHOULD READ PARAGRAPH 2 OF PART I OF THIS DOCUMENT (INCLUDING THE OTHER CONSIDERATIONS RELATING TO THE SHARE ALTERNATIVE) AND THE RISK FACTORS RELATING TO MIRFIELD B SHARES SET OUT IN SECTION 2 OF PART III OF THIS DOCUMENT.

To make an election in respect of the Share Alternative:

- **If you hold TF Shares in certificated form**, please complete the green Form of Election in accordance with the instructions printed thereon and return it, either by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event by 1.00 p.m. on 1 October 2013 (or such later time (if any) to which the right to make an election may be extended).
- **If you hold TF Shares in uncertificated form (that is, in CREST)**, you should follow the procedures set out in section 9.5 on pages 40 to 43 of Part II of this document. You must ensure that any transfer to escrow (TTE) instructions settles by no later than 1.00 p.m. on 1 October 2013 (or such later time (if any) to which the right to make an election may be extended).

If you fail or choose not to make such an election or your Share Election is or is deemed to be invalid, or if you are a Restricted Overseas Shareholder, you will not be entitled to participate in the Share Alternative and upon the Scheme becoming effective you will instead be entitled to receive Cash Consideration as set out in this document.

<p>SHAREHOLDERS WHO DO NOT WISH TO PARTICIPATE IN THE SHARE ALTERNATIVE AND WHO WANT TO RECEIVE ONLY CASH CONSIDERATION SHOULD <u>NOT</u> COMPLETE OR RETURN THE FORM OF ELECTION OR MAKE SUCH ELECTION ELECTRONICALLY THROUGH CREST.</p>
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Helpline

If you have any questions relating to this document or the completion and return of the Forms of Proxy or the Form of Election, please contact Capita Registrars:

- in writing, at *Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU*; or
- by telephone on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.

**PLEASE NOTE THAT, FOR LEGAL REASONS, THE HELPLINE CANNOT PROVIDE
ADVICE ON THE MERITS OF THE ACQUISITION OR THE SHARE ALTERNATIVE OR
GIVE ANY LEGAL, TAX OR FINANCIAL ADVICE.**

DEFINITIONS

In this document, unless inconsistent with the subject or context or defined otherwise under the Scheme, the following expressions bear the following meanings:

“£” “pounds”, “pence” “p” or “sterling”	British pounds and pence sterling, the lawful currency of the United Kingdom;
“2006 Act”	the Companies Act 2006 (as amended from time to time);
“Acquisition”	the proposed acquisition by Mirfield of the entire issued and to be issued share capital of the Company (not already held by Mirfield) to be effected by way of the Scheme and subject to the Conditions and on the terms of this document;
“AHP Compromise Agreement”	the compromise agreement dated 1 August 2013 between Mr Hadden-Paton, the Company and Mirfield, which is conditional on the Scheme becoming effective, as described in paragraph 6.1(b) of Part IV of this document;
“AHP Consultancy Agreement”	the consultancy agreement dated 1 August 2013 made between the Company, Mirfield and Mr Hadden-Paton relating to the appointment of Mr Hadden-Paton as a consultant to the Company, which is conditional on the Scheme becoming effective, as described in paragraph 6.1(b) of Part IV of this document;
“AHP Service Agreement”	the agreement dated 1 August between Mr Hadden-Paton, Mirfield and the Company relating to Mr Hadden-Paton’s appointment as a non-executive director of Mirfield and the Company, which is conditional on the Scheme becoming effective, as described in paragraph 6.1(b) of Part IV of this document;
“AIM”	the AIM market operated by the London Stock Exchange;
“AIM Rules”	the AIM Rules for Companies issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;
“Announcement”	the announcement made by Mirfield on 1 August 2013 regarding Mirfield’s firm intention to make the Acquisition pursuant to Rule 2.7 of the City Code;
“Articles”	the articles of association of the Company from time to time;
“Board” or “Directors”	the board of directors of the Company as at the date of this document, being Rupert Hambro, Francis McKay, Theo Fennell and Alasdair Hadden-Paton;
“Brand Repatriation Agreement”	the agreement dated 1 August 2013 made between Mr Fennell, the Company and Mirfield relating to the transfer by Mr Fennell to the Company of certain intellectual property in the “Theo Fennell” brand, which is conditional on the Scheme becoming effective, as described in paragraph 7.1(b) of Part IV of this document;
“Business Day”	any day, other than a Saturday or Sunday or public holiday in England, on which banks are open for normal business in the City of London;
“Capita Registrars”	a trading name of Capital Registrars Limited;
“Cash Consideration”	the entitlement for Scheme Shareholders under the terms of the Acquisition to receive 12.5 pence in cash as consideration for each TF Share;
“Cash Offer”	the offer by Mirfield to the Scheme Shareholders to acquire their TF Shares for the Cash Consideration;
“certificated form” or “in certificated form”	in respect of TF Shares means such TF Shares that are not held in uncertificated form in CREST;

“City Code”	The City Code on Takeovers and Mergers (as amended from time to time);
“Close of Business”	in respect of a Business Day, 6.00 p.m. on that Business Day;
“Closing Price”	as regards securities quoted on AIM, the closing middle market quotation of a share derived from AIM;
“Clydesdale”	Clydesdale Bank Plc;
“Company”	Theo Fennell Plc, a company incorporated in England and Wales with company number 1955534;
“Conditions”	the “Conditions to the Implementation of the Scheme and Further Terms of the Acquisition” set out in Section 1 of Part III of this document and “Condition” means any one of them;
“Connected Person”	has the meaning given to it in section 252 of the 2006 Act;
“Consideration”	together the Cash Consideration and the Mirfield B Shares offered under the Share Alternative;
“Court”	the High Court of Justice of England and Wales;
“Court Hearing”	the hearing by the Court to sanction the Scheme and confirm the Reduction of Capital;
“Court Meeting”	the meeting (and any adjournment thereof) of Independent Shareholders convened by an order of the Court pursuant to section 896 of the 2006 Act to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, WC2A 1AP at 11.00 a.m. on 16 September 2013, at which the Independent Shareholders will be asked to consider and, if thought fit, approve the Scheme (with or without amendment), notice of which is set out at the end of this document;
“Court Order”	the order of the Court sanctioning the Scheme under section 899 of the 2006 Act and confirming the Reduction of Capital;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (the “Regulations”)) in respect of which Euroclear is the Operator (as defined in the Regulations) and in accordance with which securities may be held or transferred in uncertificated form;
“Effective Date”	which the Reduction Court Order is registered by the date on which the Court Order and related statement of capital are delivered to the Registrar of Companies in England and Wales for registration and accordingly the Scheme becomes effective in accordance with its terms;
“Election Deadline”	1.00 p.m. on 1 October 2013, or, if the Court Meeting and/or the General Meeting are adjourned, 1.00 p.m. on the date of the latest to be held of such adjourned Meetings, or such later time and date as the Company and Mirfield may agree and the Company may announce through a Regulatory Information Service, being the latest time for receipt of the Form of Election or submission through CREST of a valid TTE instruction in respect of the Share Election;
“EME Capital”	EME Capital LLP, an investor in Mirfield;
“EME Advisory Agreement”	the agreement dated 1 August 2013 made between EME Capital and Mirfield described in paragraph 7.1(f) of Part IV of this document;
“EME Warrants”	the warrants granted to EME Capital by Mirfield to subscribe for shares in Mirfield pursuant to the warrant agreement dated 1 August 2013 described in paragraph 7.2(j) of Part IV of this document;

“Enlarged Group”	Mirfield as enlarged by the acquisition of the Company and ODP, subject to the Scheme becoming effective;
“Euroclear”	Euroclear UK & Ireland Limited;
“finnCap”	finnCap Limited of 60 New Broad Street, London EC2M 1JJ, Mirfield’s financial adviser;
“Form of Election”	the green form of election for Scheme Shareholders (other than Restricted Overseas Shareholders) to make the Share Election in respect of the Share Alternative;
“Forms of Proxy”	the blue form of proxy and the white form of proxy for use in connection with the Court Meeting and the General Meeting respectively, or any of them as the context requires;
“General Meeting”	the general meeting (and any adjournment thereof) of Shareholders convened in connection with the Scheme to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, WC2A 1AP at 11.15 a.m. on 16 September 2013 (or if later, as soon as the Court Meeting has been concluded or adjourned), to consider and, if thought fit, to approve the General Meeting Resolutions (with or without amendment), notice of which is set out at the end of this document;
“General Meeting Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the notice of General Meeting at the end of this document and as summarised in paragraph 3 of Part II of this document;
“HMRC”	HM Revenue & Customs;
“Holder”	a registered holder of shares and includes any person(s) entitled by transmission;
“Independent Directors”	Rupert Hambro and Francis McKay;
“Independent Shareholders”	the Scheme Shareholders other than James Brearley Crest Nominees Limited (as nominee for Mr Fennell and Mr Fennell’s self-invested personal pension) and, if it or its nominee is a Shareholder, Mirfield or its nominee;
“JP Consultancy Agreement”	the consultancy agreement dated 1 August 2013 made between the Company, Mirfield, Lock End Investments Limited and Mr Piasecki relating to the provision by Lock End Investments Limited of the services of Mr Piasecki as a consultant to the Company, which is conditional on the Scheme becoming effective, as described in paragraph 7.1(d) of Part IV of this document;
“JP Engagement Letter”	the non-executive engagement letter dated 1 August 2013 made between the Company, Mirfield and Mr Piasecki, which is conditional on the Scheme becoming effective, as described in paragraph 7.1(e) of Part IV of this document;
“London Stock Exchange”	the London Stock Exchange PLC;
“Maximum Mirfield B Share Amount”	611,111 Mirfield B Shares, being the maximum number of Mirfield B Shares that may be issued under the Scheme pursuant to the Share Alternative (which would represent approximately 10% of the entire issued share capital of Mirfield as at the Effective Date);
“Meetings”	each of the Court Meeting and the General Meeting;
“Mirfield”	Mirfield 1964 Plc, a company incorporated in England and Wales with company number 8564652;
“Mirfield A Shares”	the A ordinary shares of £0.01 each in the capital of Mirfield, to be issued to the original founders of Mirfield, conditional upon the Scheme becoming effective;

“Mirfield B Shares”	the B ordinary shares of £0.01 each in the capital of Mirfield, proposed to be issued and credited as fully paid under the Share Alternative pursuant to the Scheme;
“Mirfield C Shares”	the C ordinary shares of £0.01 each in the capital of Mirfield, to be issued to Mr Piasecki under the Sweet Equity Arrangements;
“Mirfield D Shares”	the D ordinary shares of £0.01 each in the capital of Mirfield, to be issued to Mr Fennell under the Sweet Equity Arrangements;
“Mirfield Directors”	the directors of Mirfield as at the date of this document, being Rahan Shaheen and Ahmad Salam;
“Mirfield Investors”	the founder shareholders of Mirfield, being Mike Jatania, Sir Keith Mills, Jon Moulton, Jurek Piasecki and EME Capital;
“Mirfield Shares”	the issued share capital of Mirfield from time to time;
“Mr Fennell”	Alister Theodore Fennell;
“Mr Hadden-Paton”	Alasdair Kinloch Hadden-Paton;
“Mr Piasecki”	Jurek Piasecki;
“New Service Agreements”	each of the AHP Compromise Agreement, the AHP Consultancy Agreement, the AHP Service Agreement and the TF Service Agreement;
“New TF Shares”	the new TF Shares to be allotted and issued to Mirfield upon implementation of the Scheme;
“ODP”	the Original Design Partnership Limited;
“ODP Sale Agreement”	the agreement dated 1 August 2013 made between Mirfield, the Company, Mr Fennell, Mr Hadden-Paton and other minority shareholders of ODP pursuant to which the Company has agreed, subject to the Scheme becoming effective, to purchase all of the shares in ODP not already owned by it for £200,000 in cash as described in paragraph 7.1(a) of Part IV of this document;
“Offer Period”	the period commencing on 5 September 2012 and ending on the earlier to occur of the Scheme becoming effective or an announcement being made via a Regulatory Information Service by the Company and/or Mirfield that the Scheme has lapsed or been withdrawn;
“Options”	each option over a TF Share which has been granted to pursuant to an Option Scheme;
“Option Schemes”	each of the Theo Fennell Plc 2002 Unapproved Employee Share Option Scheme, the Unapproved Employee Share Option Scheme and the Enterprise Management Incentive Scheme;
“Opus”	Opus Corporate Finance LLP of 1 Bell Yard, London WC2A 2JR, the Company’s financial adviser appointed pursuant to Rule 3 of the City Code;
“Overseas Shareholders”	Shareholders who are resident in, or nationals or citizens of, jurisdictions outside the United Kingdom or who are nominees of, or custodians or trustees for, citizens or nationals of countries other than the United Kingdom;
“Panel” or “Takeover Panel”	the Panel on Takeovers and Mergers;
“Receiving Agent”	Capita Registrars, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, acting in its capacity as receiving agent;
“Reduction of Capital”	the reduction of the share capital of the Company under section 648 of the 2006 Act by the cancellation and extinguishing of the X Shares and Y Shares, to be effected as part of the Scheme, as described in Part II of this document;

“Registrars”	the Company’s registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
“Regulation S”	Regulation S under the US Securities Act;
“Regulatory Information Service”	has the same meaning as defined in the AIM Rules;
“Resolutions”	the resolutions to be proposed at the Court Meeting (or any adjournment thereof) and the General Meeting (or any adjournment thereof);
“Restricted Jurisdiction”	the United States, Canada, Australia, Japan and any other jurisdiction where the Company and/or Mirfield are advised that making the Share Alternative available would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which the Company and/or Mirfield (acting reasonably) regards as unduly onerous;
“Restricted Overseas Shareholder”	an Overseas Shareholder who is in, or resident in, or whom the Company and Mirfield reasonably believe to be in, or resident in, a Restricted Jurisdiction;
“Rule 16 Resolutions”	General Meeting Resolutions 2, 3, 4, 5 and 6 which approve certain arrangements with Mr Fennell and Mr Hadden-Paton in accordance with Rule 16 of the City Code, and which will be taken on a poll, further details of which are set out in paragraph 3 of Part II of this document;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Part 26 of the 2006 Act between the Company and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Mirfield, the full terms of which are set out in Part VI of this document and (as the case may be) any supplemental circular(s);
“Scheme Document”	this document;
“Scheme Record Time”	6.00 p.m. on the day before the date of the Court Hearing;
“Scheme Shareholders”	the Holders of Scheme Shares at the Scheme Record Time;
“Scheme Shares”	<ul style="list-style-type: none"> ● the TF Shares in issue as at 6.00 p.m. on the date of this document; ● (if any) the TF Shares issued after 6.00 p.m. on the date of this document and before the Voting Record Time; and ● (if any) the TF Shares issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares shall be bound by the Scheme, or in respect of which the original or any subsequent holders of such shares are, or shall have agreed in writing to be, bound by the Scheme, other than any TF Shares held or beneficially owned by Mirfield;
“SEC”	the US Securities and Exchange Commission;
“Share Alternative”	the alternative whereby Scheme Shareholders (other than Restricted Overseas Shareholders) may elect to receive Mirfield B Shares (subject to scale back) pursuant to the Scheme instead of all of the Cash Consideration which they would otherwise be entitled to receive under the Acquisition, as described in paragraph 2 of Part I of this document;
“Share Election”	a valid election by a Scheme Shareholder under the Share Alternative to receive Mirfield B Shares (subject to scale back) in respect of all of the Scheme Shares held by such Scheme Shareholder pursuant to the Scheme;

“Shareholders”	the holders of TF Shares from time to time;
“subsidiary”	has the meaning given by section 1159 of the 2006 Act;
“subsidiary undertaking”	has the meaning given by section 1162 of the 2006 Act;
“substantial interest”	in relation to an undertaking, an interest, direct or indirect, in 20 per cent. or more of the voting rights exercisable in relation to the undertaking or in the capital or any class of the capital of such undertaking;
“Sweet Equity Arrangements”	the arrangements set out in paragraph 9 of Part IV whereby Mr Piasecki and Mr Fennell will be entitled to receive Mirfield C Shares and Mirfield D Shares respectively to incentivise them as part of their ongoing arrangements with the Company;
“takeover offer”	the acquisition of the entire issued and to be issued ordinary share capital of the Company by means of a takeover offer made pursuant to the City Code;
“TF Service Agreement”	the agreement dated 1 August 2013 made between the Company, Mirfield and Mr Fennell pursuant to which, conditional upon the Scheme becoming effective, Mr Fennell will serve as a director of the Company and Mirfield and provide his services as Creative Director, as more fully described in paragraph 6.1(a) of Part IV of this document;
“TF Share(s)”	ordinary shares of £0.05 each in the capital of the Company;
“TF SIPP”	Mr Fennell’s self-invested personal pension;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or in “uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST;
“United States” or “US”	the United States of America, its territories and possessions, any states of the United States and the District of Columbia;
“US Exchange Act”	the US Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
“US Persons”	US Persons as defined under Regulation S including, but not limited to, any natural person in the United States;
“US Securities Act”	the United States Securities Act of 1933 (as amended from time to time) and the rules and regulations promulgated thereunder;
“Voting Record Time”	6.00 p.m. on 14 September 2013 or, in the event that the Court Meeting is adjourned by more than 48 hours, 6.00 p.m. on the day which is two days before such adjourned meeting;
“Wider Group”	the Company and ODP;
“X Shares”	those Scheme Shares reclassified as X shares of nominal value £0.05 each in the capital of the Company under the terms of clause 1 of the Scheme; and
“Y Shares”	those Scheme Shares reclassified as Y shares of nominal value £0.05 each in the capital of the Company under the terms of clause 1 of the Scheme.

Unless otherwise indicated, all references in this document to times are to London times.

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated.

PART I

LETTER OF RECOMMENDATION FROM THE CHAIRMAN OF THEO FENNEL PLC ON BEHALF OF THE INDEPENDENT DIRECTORS

Independent Directors:

Rupert Hambro
Francis McKay

23 August 2013

Registered office:

2b Pond Place
London SW3 6TF

To Theo Fennell Plc Shareholders and, for information only, to persons with information rights and participants in the Option Schemes.

Dear Shareholder,

RECOMMENDED ACQUISITION OF THEO FENNEL PLC BY MIRFIELD 1964 PLC

1. Introduction

On 1 August 2013, the board of Mirfield 1964 Plc, a newly incorporated company established by EME Capital LLP and certain other investors, announced that it had reached agreement with the Independent Directors on the terms of a recommended cash offer, with a Share Alternative, by Mirfield for the entire issued and to be issued share capital of the Company.

At the time of the initial approach by EME Capital, a committee of non-executive directors comprising Rupert Hambro and Francis McKay, being those Directors who are independent of both EME Capital and those members of the Company's management who would be involved with Mirfield and the Company following completion of the Acquisition, was constituted for the purposes of considering the Acquisition and making recommendations to Shareholders in relation to the Acquisition.

This letter sets out the terms of the Acquisition and the reasons why the Independent Directors unanimously recommend that Shareholders vote in favour of all of the Resolutions to be proposed at the Meetings to approve the Acquisition.

2. Summary of the Terms of the Acquisition

The Cash Offer

The Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between the Company and the Scheme Shareholders under Part 26 of the 2006 Act involving a reduction of capital under the 2006 Act, and will be subject to the Conditions and further terms set out in Part III of this document. Under the terms of the Acquisition, the Scheme Shareholders will be entitled to receive:

for each TF Share	12.5 pence in cash
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The Cash Offer values the Company's entire issued share capital of the Company at approximately £2.9 million, and represents a premium of:

- 100% to the Closing Price of 6.25 pence of a TF Share on 31 July 2013, being the last practicable business day prior to the date of the Announcement;
- approximately 6.4% to the Closing Price of 11.75 pence of a TF Share on 4 September 2012 (being the Business Day immediately prior to the Offer Period);
- approximately 36.05% to the average Closing Price of 9.1875 pence of a TF Share over the six month period ended on and including 22 August 2013; and
- 5.3% to the Closing Price of 11.875 pence of a TF Share on 22 August 2013, being the last practicable Business Day prior to the date of this document.

The Share Alternative

In addition, Scheme Shareholders (other than Restricted Overseas Shareholders) may elect, in respect of all but not part of their holding of TF Shares, to receive unlisted Mirfield B Shares instead of all

but not part of the Cash Consideration to which they would otherwise become entitled upon completion of the Acquisition on the following basis:

for each TF Share

0.08796 Mirfield B Shares

The rights attaching to the Mirfield B Shares, and other Mirfield Shares, are explained below and in paragraphs 8 and 9 of Part IV of this document.

The maximum number of Mirfield B Shares that may be issued under the Scheme (the “**Maximum Mirfield B Share Amount**”) is 611,111 Mirfield B Shares, which would represent 10% of the issued share capital of Mirfield immediately following the Scheme becoming effective. The Maximum Mirfield B Share Amount will not be varied as a result of elections under the Share Alternative. This means that the Share Alternative will be available in respect of a maximum of 6,947,601 TF Shares which is equivalent to 30% of the issued share capital of the Company as at the close of business on the last Business Day prior to the date of publication of this document. If the Maximum Mirfield B Share Amount is not sufficient to satisfy all valid Share Elections for the Share Alternative in full, entitlements will be scaled back *pro rata* (in proportion to the total number of TF Shares in respect of which valid Share Elections for the Share Alternative are made). To the extent that, following such scale back, any Scheme Shareholder does not receive Mirfield B Shares in respect of all the TF Shares which are the subject of his Share Election, he will, in addition to his *pro rata* share of Mirfield B Shares following the scale back, receive the Cash Consideration for his remaining TF Shares. As a result, Shareholders who elect to participate in the Share Alternative will not know the exact number of Mirfield B Shares or the amount of cash (if any) that they will receive until settlement of the Consideration due to them in respect of the Acquisition.

Fractions of Mirfield B Shares will not be allotted or issued pursuant to the Acquisition. Where fractional entitlements arise, the number of Mirfield B Shares due to any Scheme Shareholder will be rounded down to the nearest whole number.

Mirfield B Shares issued pursuant to the Acquisition will be issued credited as fully paid and will have the rights set out in Mirfield’s Articles of Association. Following completion of the Acquisition, Mirfield will have four classes of shares: Mirfield A Shares, that are currently held by, and that will be issued to, investors in Mirfield upon the Scheme becoming effective; Mirfield B Shares, which will be issued to Scheme Shareholders pursuant to the Share Alternative; and Mirfield C Shares and Mirfield D Shares that will be issued to Mr Piasecki and Mr Fennell respectively pursuant to the Sweet Equity Arrangements summarised in paragraph 9 of Part IV of this document. The Mirfield B Shares will be issued in registered form, may only be held in certificated form, and will rank *pari passu* with the Mirfield A Shares, Mirfield C Shares and Mirfield D Shares, save that they will be non-dilutable for a period of two years following completion of the Acquisition and save as otherwise set out in paragraph 9 of Part IV of this document. Following the expiry of this period, all Mirfield B Shares will automatically be converted into and be re-designated as Mirfield A Shares and will be subject to dilution by any subsequent issue of shares by Mirfield. Further details of the rights attaching to the Mirfield A Shares, the Mirfield B Shares, the Mirfield C Shares and the Mirfield D Shares are set out in paragraphs 8 and 9 of Part IV of this document.

The Share Alternative will not be available to Restricted Overseas Shareholders.

Risk Factors in relation to the Share Alternative

The Share Alternative is not and will not be the subject of a recommendation by the Independent Directors. It is recommended that Shareholders carefully consider, in light of their own investment objectives and having taken independent advice appropriate to their own financial circumstances, whether or not they wish to elect for the Share Alternative. The attention of Shareholders who may be considering electing for the Share Alternative is drawn to certain risk factors and other investment considerations relevant to such an election. These are set out at Section 2 of Part III of this document and include, amongst other things, the following:

- Mirfield is an unlisted company and there currently is, and there is expected to continue to be, no market in Mirfield Shares. Further, as the Mirfield Shares are not listed on a regulated market or stock exchange their value will be and may remain uncertain.
- Mirfield has no plans to seek a listing or public quotation of the Mirfield Shares on any recognised investment exchange or other market following the implementation of the Scheme. Consequently, Mirfield Shares may be difficult to sell.
- Mirfield will not be subject to the disclosure, corporate governance and shareholder protection requirements of any recognised investment exchange.

- The Mirfield B Shares will represent a minority interest in Mirfield. Even if the maximum number of Mirfield Shares are issued to Scheme Shareholders under the Share Alternative, they will represent only 10 per cent. of the issued share capital of Mirfield. Accordingly, the Scheme Shareholders in their capacity as holders of the Mirfield B Shares will have no influence in relation to decisions in respect of the Enlarged Group going forward. Going forward the Enlarged Group will be controlled by the Mirfield Investors.
- Mirfield currently has no intention to pay dividends and under its proposed banking facility documentation with Clydesdale, it will not be permitted to pay dividends unless Clydesdale provides written consent.
- In the future, additional shares may be issued by Mirfield or additional options over Mirfield Shares may be granted to the management and/or employees of Mirfield. In these circumstances, the issue of new Mirfield Shares after the two year anti-dilution period for the Mirfield B Shares would dilute the holding of the holders of Mirfield B Shares. In particular, the Sweet Equity Arrangements for Mr Piasecki and Mr Fennell envisage that they will be issued with Mirfield C Shares and Mirfield D Shares (respectively) after the expiry of such two year anti-dilution period, and the EME Warrants may be capable of exercise after the expiry of such period.
- The articles of association of Mirfield (which the Mirfield B Shares are subject to) contain ‘drag-along’ provisions – these are explained at paragraph 8.6 of Part IV below and would require the holders of the Mirfield B Shares to transfer their shares in accordance with those provisions if the conditions and thresholds were satisfied.
- The Mirfield Shares are subject to restrictions on transfer which may reduce the likelihood of a third party offering to purchase such shares.

General business, legal and regulatory risks

- Changes in legislation (including tax) may negatively effect the value of the Mirfield Shares.
- Competitive pressures in the industry could have a material adverse effect on the value of the Mirfield Shares.
- Mirfield may not be able to successfully manage future growth and the capital structure of the Enlarged Group may have a material adverse effect on the value of the Mirfield Shares. In addition, the loss of a key customer or customers may have a material adverse effect on the share value.
- The ability for Mirfield to execute its strategy is dependent on retaining key personnel (including Mr Fennell and Mr Piasecki) and attracting qualified employees.

Other considerations

- By electing for the Share Alternative, Shareholders will maintain an interest in and will have the opportunity to participate in any potential upside in the business of the Company; and
- The Acquisition will lead to a substantial capital injection into the business of the Company which is intended to enable the Company to expand its product range and strengthen it’s management team.

These do not necessarily represent all of the factors that should be considered before making an election for the Share Alternative.

The Independent Directors, who have been so advised by Opus Corporate Finance LLP, do not express any views on the Share Alternative. The Share Alternative is therefore NOT the subject of a recommendation by the Independent Directors.

Neither of the Independent Directors intend to elect for the Share Alternative in respect of any of their holding of, in aggregate, 1,657,538 TF Shares. Shareholders are recommended to consider carefully, in light of their own investment objectives, whether they wish to elect for the Share Alternative and are strongly advised to seek their own independent financial advice before making any such election. Shareholders who may be considering making a Share Election for the Share Alternative should read this paragraph 2 and the Risk Factors set out in Section 2 of Part III of this document.

Scheme Shareholders who do not elect to receive the Share Alternative will, conditional upon the Scheme becoming effective, receive Cash Consideration in respect of all of their TF Shares.

3. Background to and reasons for the Acquisition

EME Capital identified the Company as a potential acquisition target in August 2012. The Independent Directors understand that EME Capital's extensive due diligence has convinced EME Capital and Mirfield that, notwithstanding tough trading conditions, the Company's brand and the creative talent behind it remain of the calibre required to enhance and expand the Company's position as a highly respected designer and retailer; and that the Company's British heritage and distinctive designs combine to place it in an enviable position as a luxury brand with broad aspirational appeal.

The Company's recent trading has led to cash flow constraints and a consequent limitation on its capacity to invest in stock and the business. Whilst trading losses have been reduced, the Company needs additional capital in order to invest in stock to support both its existing and new product lines. Mirfield strongly believes that key to the success of its strategy will be a broadening of the range of products available, which it is hoped will lead to increased revenues generated from footfall in and around the Company's existing locations in Burlington Arcade, the Royal Exchange, Selfridges, Harrods and the Fulham Road. In particular, the Fulham Road store will remain the Company's head office and flagship retail location. Mirfield currently has no plans to redeploy any of the fixed assets of the Company.

Mirfield has received commitments for an equity injection on completion of the Acquisition of £5.5 million which will be used to fund the Cash Consideration due under the Cash Offer, the expenses incurred in making the Acquisition and further investment in working capital. In addition the Company has received a commitment letter to enter into a revolving credit facility of £2.5m, subject to completion of the Acquisition, from the Company's existing lender, Clydesdale.

Mirfield believes that the management team will be key to the success of its strategy. Accordingly, Mirfield and the Company have agreed to appoint Jurek Piasecki, formerly of Goldsmiths, a leading jewellery chain, as Chief Executive Officer of the Company, subject to completion of the Acquisition. Mr Fennell will act as Creative Director of the Company. Mr Piasecki and Mr Fennell will be entitled to Sweet Equity Arrangements in order to incentivise their performance. Any increase in Mr Piasecki's equity holding in Mirfield is subject to the Company meeting certain targets. Any increase in Mr Fennell's equity holding in Mirfield is subject to the proviso that at the time of such grant he has not either voluntarily resigned or been summarily dismissed by the Company in accordance with his service contract. Such incentivisation should ensure that Mr Piasecki and Mr Fennell are fully committed to growing the business over the medium to long term.

In addition, it is intended that Alasdair Hadden-Paton will become a non-executive Director of the Company following completion of the Acquisition and will be incentivised through commission payments referred to in paragraph 6 below, to continue selling the Company's products under Mirfield's ownership.

Mirfield believes that the Company will be better able to pursue its strategy as a private company free from the financial and regulatory burdens of the public arena. The cost and resource savings arising if the Company's shares cease to be admitted to trading on AIM will free up funds and management time for the achievement of Mirfield's strategy and realisation of the Company's potential.

4. Background to and reasons for the Recommendation of the Acquisition

As Shareholders will be aware, the Company has experienced challenging trading conditions over the last few years with the tough economic environment affecting consumer spending. As previously announced, the Company experienced weak Christmas trading. The Board has responded by significantly reducing costs and restructuring the wholesale division. The Company has also been proactive in launching new jewellery ranges, opening a new site in London and expanding on-line sales. This has resulted in a reduction in the losses of the business. However, despite these efforts, sales continue to be under pressure and the Company's bank, while generally supportive, is seeking to reduce its facilities to the Company on a stand alone basis.

The view of the Board is that the Company needs access to additional capital to enable it to launch new ranges of jewellery, including additional high end pieces, in response to increased demand. The Acquisition will lead to a substantial capital injection into the business and also help secure long term bank financing. This will enable the Company to expand its product range, especially at the high end, to enter new markets and expand internationally. The additional capital will also enable the management team of the Company to be strengthened: Mr Piasecki, a very experienced chief

executive, has been engaged by Mirfield and the Company as the new Chief Executive Office of the Company, conditional upon the Scheme becoming effective.

On 5 September 2012, the Company announced that it had received an approach from EME Capital. Following this announcement the Board received approaches from a number of interested parties, none of which resulted in an acceptable proposal that the Independent Directors felt they could recommend to Shareholders. The Independent Directors have considered a number of alternative proposals for the Company, including raising new equity capital, but believe the Cash Offer to be the best option available to Shareholders.

The Share Alternative is NOT the subject of a recommendation by the Independent Directors and Shareholders are strongly advised to seek their own independent financial advice before making a Share Election for the Share Alternative.

5. Information on Mirfield

Mirfield was incorporated in England and Wales as a public limited company on 11 June 2013 for the purpose of carrying out the Acquisition. Mirfield has received irrevocable commitments from each of the persons listed below (together the “**Mirfield Investors**”), subject to and conditional upon the Scheme becoming effective prior to 31 December 2013, to invest the aggregate sum of £5,500,000 through subscriptions for Mirfield A Shares. Subject to completion of the Acquisition, Mike Jatania, Sir Keith Mills and Jon Moulton have each agreed to subscribe £1,500,000 for Mirfield A Shares and Mr Piasecki and EME Capital have each agreed to subscribe £500,000 for Mirfield A Shares.

Mike Jatania was CEO of the Lornamead Group, which he built into a leading personal care company with the acquisition of over 30 brands and sales in over 50 countries around the world. He is most known and recognized for his success in acquiring and investing in well known brands. The Lornamead Group was sold to a strategic buyer in December 2012. Mike is a resident of the United Kingdom.

Sir Keith Mills founded Air Miles International Group BV in 1988, which developed Air Miles, and Loyalty Management UK in 2001, which developed the Nectar Card. He has also been a director of Nadler & Larimer and Mills, Smith & Partners. Sir Keith was knighted in recognition of his services to sport and in 2012 was deputy chairman of the London Organising Committee of the Olympic and Paralympic Games. Sir Keith is a resident of the United Kingdom.

Jon Moulton is founder of the private equity firm Better Capital, and is the former managing partner of the private equity firm Alchemy Partners. Mr Moulton previously worked with Citicorp Venture Capital in New York and London, Permira and Apax Partners. He is a resident of Guernsey.

Jurek Piasecki was a director of Comet Group plc when he led the buyout of Northern Goldsmiths plc in 1983 to create Goldsmiths Group, which became the largest jewellery chain in the UK in 2004. He has since founded Lockend Investments, which oversees a varied portfolio of companies including home waste solutions and property, and Nuval, a watch distribution company specialising in the import and distribution of luxury watches and jewellery. He is a resident of the United Kingdom. Following completion of the Acquisition, Mirfield C Shares will be issued to Mr Piasecki pursuant to his Sweet Equity Arrangements further described in paragraph 9 of Part IV.

EME Capital LLP is authorised and regulated by the Financial Conduct Authority and has offices in London, Paris and Dubai. The firm engages in making private equity investments, primarily in the luxury, hospitality and lifestyle sectors in Europe, and in offering corporate finance and global capital placement services to its clients. Mirfield has granted the EME Warrants to EME Capital, entitling EME Capital to subscribe for such maximum number of Mirfield A Shares as represent 10% of the fully diluted share capital of Mirfield at the time of exercise at an exercise price of 1p per Mirfield A Share. Subject to certain conditions, the warrants may be exercised at any time during the period of five years following completion of the Acquisition. EME Capital has also entered into the EME Capital Advisory Agreement pursuant to which, conditional upon completion of the Acquisition, EME Capital will provide certain financial advisory services to Mirfield and the Company. Further details of the EME Warrants and the EME Advisory Agreement are set out in paragraphs 7.2(j) and 7.1(f) of Part IV of this document.

The directors of Mirfield are Rahan Shaheen and Ahmad Salam. Upon completion of the Scheme, Mr Fennell, Mr Hadden-Paton and Mr Piasecki will be appointed as additional non-executive directors of Mirfield and Mike Jatania will be appointed as non-executive Chairman of Mirfield. Richard Bryant is the company secretary of Mirfield.

Further information about Mirfield is set out in Part V of this document.

6. Arrangements with Management

Arrangements with Theo Fennell

Mr Fennell, who is a Director of the Company and has an interest in 3,750,279 TF Shares will, upon completion of the Scheme, be appointed as an additional director of Mirfield.

Mr Fennell has entered into the TF Service Agreement with the Company and Mirfield pursuant to which, conditional upon completion of the Acquisition, he will act as Creative Design Director of the Company in return for a salary of £300,000 per annum plus a pension entitlement of £50,000 per annum and a discretionary bonus. These terms are generally based on Mr Fennell's existing terms of employment, save for an increase in salary (and certain benefits) to compensate Mr Fennell for agreeing to the Brand Repatriation Agreement. Mr Fennell will act as a director of both the Company and Mirfield, on an executive and non-executive basis respectively.

Mr Fennell's new service agreement will be for a minimum term of 36 months (subject to various dismissal rights) and can thereafter be terminated on 6 months' notice on either side. As this agreement has a fixed term of more than two years, shareholder approval for the fixed term will be required under the provisions of the 2006 Act. An appropriate resolution will be put to shareholders at the General Meeting.

To incentivise Mr Fennell in connection with the future business of the Company, Mr Fennell will also be entitled to have sweet equity in the form of Mirfield D Shares issued to him up to such maximum number of Mirfield D Shares as represents 10% of the fully diluted share capital of Mirfield, subject to the satisfaction of certain milestones. The Mirfield D Shares issued to Mr Fennell will be protected against dilution during the period of three years after the completion of the Acquisition provided that Mr Fennell has not either voluntarily resigned or been summarily dismissed by the Company in accordance with his service agreement. Following the expiry of this period, all Mirfield D Shares will automatically be converted into and be re-designated as Mirfield A Shares.

Further details of the Sweet Equity Arrangements with Mr Fennell and the TF Service Agreement are set out in paragraphs 9 and 6.1(a) respectively of Part IV of this document.

It is currently proposed that Louise Fennell, Mr Fennell's wife will, conditional upon completion of the Acquisition, also be engaged as a consultant of the Company in a part-time role in public relations and as a brand ambassador for a salary of £50,000 per annum.

Mr Fennell and the TF SIPP are interested in the same class of TF Shares as all of the other Shareholders but in light of the availability to Mr Fennell of the Sweet Equity Arrangement, the Court Meeting will be for Independent Shareholders only. James Brearley Crest Nominees Limited (as nominee of Mr Fennell and the TF SIPP) has given an irrevocable undertaking to consent to be bound by the Scheme. If Mirfield (or its nominee) acquires any TF Shares, it will not be entitled to vote at, or count in the quorum of, the Court Meeting. Mr Fennell has irrevocably undertaken to procure that he and the TF SIPP will vote in favour of those General Meeting Resolutions upon which he and the TF SIPP are entitled to vote, and to accept the Share Alternative in respect of the 2,876,480 TF Shares in which he has a beneficial interest (subject to any scale-back under the Share Alternative). The TF Shares held on behalf of the TF SIPP will not elect to accept the Share Alternative. Further details of this irrevocable undertaking are set out in Paragraph 11 of this Part I and Paragraph 4 of Part IV of this document.

Arrangements with Alasdair Hadden-Paton

Mr Hadden-Paton, who is a Director of the Company and has an interest in 866,626 TF Shares, will on completion of the Scheme be appointed as an additional director of Mirfield.

Mr Hadden-Paton has entered into the AHP Service Agreement pursuant to which he will, conditional upon completion of the Acquisition, act as a Non-Executive Director for both the Company and Mirfield for a fee of £50,000 per annum and will have the right to receive commission of 50% of the retail margin achieved on a sale of the Company products to individuals introduced to the Company by him. The AHP Service Agreement has an initial term of one year and is terminable on or after the first anniversary on one month's notice.

In addition, Mr Hadden-Paton has entered into the AHP Consultancy Agreement pursuant to which he will, conditional upon completion of the Acquisition, provide his services for one month to hand over his function as chief financial officer for a fee of £4,500 plus expenses. Mr Hadden-Paton has

also entered into a compromise agreement relating to the change in his existing engagement with the Company pursuant to which he will receive a payment of £20,500.

Further details of the AHP Service Agreement, the AHP Consultancy Agreement and the AHP Compromise Agreement are set out in paragraph 6.1(b) of Part IV of this document.

Mr Hadden-Paton has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and to vote in favour of those General Meeting Resolutions upon which he is entitled to vote and to accept the Share Alternative in respect of the 866,626 TF Shares in which he has a beneficial interest (subject to any scale-back under the Share Alternative). Further details of this irrevocable undertaking are set out in Paragraph 11 of this Part I and paragraph 4 of Part IV of this document.

Arrangements with Jurek Piasecki

The services of Mr Piasecki will be made available to the Enlarged Group to undertake the role of Chief Executive Officer pursuant to the JP Consultancy Agreement and the JP Engagement Letter. To incentivise Mr Piasecki in connection with the future business of the Company, subject to satisfaction of performance-based targets and other conditions, Mr Piasecki will be entitled to have sweet equity in the form of Mirfield C Shares issued to him up to such maximum number of Mirfield C Shares as represents 10% of the fully diluted share capital of Mirfield. The Mirfield C Shares issued to Mr Piasecki will be protected against dilution during the period of five years after the completion of the Acquisition provided that he continues to provide consultancy services to the Company. Following the expiry of this period, all Mirfield C Shares will automatically be converted into and be re-designated as Mirfield A Shares.

Further details of the Sweet Equity Arrangements with Mr Piasecki, the JP Consultancy Agreement and the JP Engagement Letter are set out in paragraphs 9, 7.1(d) and 7.1(e) of Part IV of this document.

7. The ODP Purchase

The Company currently has a 20% shareholding in ODP, a private company making specialised commissioned designs, managed by Mr Fennell and Mr Hadden-Paton, who own 60% and 12% of the equity in the ODP respectively. In the year ended 31 March 2013 ODP had a turnover of £784,000 and losses of £98,000.

Pursuant to the ODP Sale Agreement and subject, *inter alia*, to completion of the Acquisition having occurred on or before 31 December 2013, the Company has agreed to acquire the outstanding 80% of the share capital in ODP not already owned by it, being the shares held by Mr Fennell, Mr Hadden-Paton and the other minority shareholders (totalling an additional 8%), for an aggregate purchase price of £200,000 payable in cash. On this basis, Mr Fennell and Mr Hadden-Paton will receive £150,000 and £29,978 in cash respectively. There are also provisions to provide for the repayment of outstanding shareholder loans made by Mr Fennell and Mr Hadden-Paton to ODP and the payment of unpaid salaries due to them. Limited warranties and indemnities are being given by the selling shareholders to the Company as buyer. Completion of the acquisition of ODP will occur simultaneously with completion of the Acquisition.

Further details of the ODP Sale Agreement are set out in paragraph 7.1(a) of Part IV of this document.

As the purchase of Mr Fennell's shares in ODP will constitute a substantial property transaction with a director for the purposes of the 2006 Act, the acquisition of his shares in ODP will be subject to shareholder approval, and a suitable resolution will be proposed at the General Meeting.

8. Brand Repatriation

The "Theo Fennell" brand, as well as the participation of Mr Fennell, is crucial to the success of the Acquisition and therefore, as part of the Acquisition, Mr Fennell has entered into the Brand Repatriation Agreement pursuant to which he has agreed, subject to completion of the Acquisition, to assign and transfer all intellectual property rights he owns in the business name "Theo Fennell" and associated intellectual property to the Company.

Further details of the Brand Repatriation Agreement are set out in paragraph 7.1(b) of Part IV of this document.

9. Approval of Arrangements with Mr Fennell and Mr Hadden-Paton under Rule 16 of the City Code

Rule 16 of the City Code provides that, except with the consent of the Panel, an offeror or persons acting in concert with it may not make any arrangements with shareholders and may not deal or enter into arrangements to deal in shares of the offeree company, or enter into arrangements which involve acceptance of an offer, either during an offer or when one is reasonably in contemplation, if there are favourable conditions attached which are not being extended to all shareholders.

An arrangement made with a person who, while not a shareholder, is interested in shares carrying voting rights in the offeree company will also be prohibited by Rule 16 of the City Code if favourable conditions are attached which are not being extended to the shareholders.

On 1 August 2013, Mirfield and the Company entered into various arrangements with both Theo Fennell and Alasdair Hadden-Paton in relation to the Acquisition, being:

- the ODP Sale Agreement between the Company, Mirfield, Mr Fennell, Mr Hadden-Paton and the other minority shareholders in ODP;
- the Brand Repatriation Agreement between the Company, Mirfield and Mr Fennell;
- the TF Service Agreement between the Company, Mirfield and Mr Fennell;
- the AHP Service Agreement, the AHP Consultancy Agreement and the AHP Compromise Agreement between the Company, Mirfield and Mr Hadden-Paton,

details of which are summarised in paragraphs 6, 7 and 8 of this Part I and set out in further detail in paragraphs 7.1(a), 7.1(b) and 6.1 of Part IV of this document. In addition, the Articles of Association of Mirfield contain provisions giving effect to the Sweet Equity Arrangements for Mr Fennell, which are summarised in paragraph 6 of this Part I and set out in further detail in paragraph 9 of Part IV.

Each of these arrangements constitutes an arrangement with a shareholder of the Company made when the Acquisition was reasonably in contemplation and to which favourable conditions are attached which are not being extended to all the Shareholders.

The Panel has confirmed to finnCap that it consents to the arrangements summarized above provided that such arrangements are approved by ordinary resolutions of the Shareholders (other than Mr Fennell, the TF SIPP and Mr Hadden-Paton and any person acting in concert with them or connected with them) in general meeting. The vote must be taken on a poll.

Accordingly, the following ordinary resolutions will be proposed at the General Meeting and taken on a poll:

- General Meeting Resolution 2 to approve the TF Service Agreement and Sweet Equity Arrangements with Mr Fennell;
- General Meeting Resolution 3 to approve the ODP Sale Agreement entered into by the Company with Mr Fennell;
- General Meeting Resolution 4 to approve the Brand Repatriation Agreement entered into by the Company with Mr Fennell;
- General Meeting Resolution 5, to approve the New Service Agreements with Mr Hadden-Paton; and
- General Meeting Resolution 6 to approve the ODP Sale Agreement entered into by the Company with Mr Hadden-Paton.

Neither Mr Fennell, the TF SIPP, Mr Hadden-Paton nor any person acting in concert with them or connected to them may vote on General Meeting Resolutions 2, 3, 4, 5 or 6.

10. Company Trading Update

As Shareholders will be aware, the Company has experienced challenging trading conditions over the last few years with the tough economic environment affecting consumer spending. As previously announced, the Company experienced weak Christmas trading. The Board responded by significantly reducing costs and restructuring the wholesale division. The Company has also been proactive in launching new jewellery ranges and expanding online sales. These actions have resulted in a significant reduction in the losses of the business. The challenging trading conditions continue to affect the Company.

11. Irrevocable Undertakings

Independent Directors

Irrevocable undertakings to vote, or procure the vote, in favour of all of the Resolutions to be proposed at the Meetings have been received from Rupert Hambro and Francis McKay in respect of their entire beneficial holdings of TF Shares amounting, in aggregate, to 1,657,538 TF Shares, which represent approximately 7.2 per cent. of the existing issued share capital of the Company.

Theo Fennell and Alasdair Hadden-Paton

An irrevocable undertaking has been received from Mr Fennell that he and the TF SIPP will vote, or procure the vote, in favour of all the General Meeting Resolutions to be proposed at the General Meeting other than those in respect of which Mr Fennell and the TF SIPP are not entitled to vote (being the resolutions to approve the arrangements, for the purposes of Rule 16 of the City Code) in respect of the entire beneficial holding of TF Shares of Mr Fennell and the TF SIPP, amounting to 3,750,279 TF Shares, which represent 16.2 per cent. of the existing issued share capital of the Company. Mr Fennell and the TF SIPP are not entitled to vote at the Court Meeting, as explained in paragraph 13 below. James Brearley Crest Nominees Limited (as nominee of Mr Fennell and the TF SIPP) has irrevocably undertaken to be bound by the Scheme.

An irrevocable undertaking has been received from Alasdair Hadden-Paton to vote, or procure the vote, in favour of all of the Resolutions to be proposed at the Meetings other than those in respect of which he is not entitled to vote (being the resolution to approve the arrangements, for the purposes of Rule 16 of the City Code) in respect of his entire beneficial holdings of TF Shares amounting to 866,626 TF Shares, which represent 3.7 per cent. of the existing issued share capital of the Company.

Each of Mr Fennell and Mr Hadden-Paton has also undertaken to elect to receive the Share Alternative in respect of his entire beneficial holding of TF Shares (other than, in the case of Mr Fennell, TF Shares held by the TF SIPP), which will equate to a maximum of 329,243 Mirfield B Shares, representing approximately 53.9% of the Mirfield B Shares that will be available to be issued on completion of the Scheme, assuming that no other Shareholders elect to receive the Share Alternative. The Share Elections of Mr Fennell and Mr Hadden-Paton will be subject to scale back under the Share Alternative on an equal basis with all other Scheme Shareholders who make a Share Election.

Other Shareholders

Irrevocable undertakings have been received from each of Centric Investments Limited, Francis Richard Northcott and Lodestone Limited to vote, or procure the vote, in favour of all of the Resolutions to be proposed at the Meetings in respect of their entire beneficial holdings of TF Shares amounting, in aggregate, to 5,225,903 TF Shares, which represent approximately 22.6 per cent. of the existing issued share capital of the Company.

Each of the above irrevocable undertakings will cease to be binding only if the Acquisition (or, if Mirfield changes the Scheme to a takeover offer, such takeover offer) lapses or is withdrawn at any time (but will continue to bind if the Acquisition is changed from the Scheme to a takeover offer) or if the Scheme Document is not posted within 28 days of the date of the Announcement.

Further details of the irrevocable undertakings (including the circumstances in which they shall lapse) are set out in paragraph 4 of Part IV of this document.

12. Effect of the Acquisition on the Company's management, employees and locations

Mirfield acknowledges and respects the capabilities and experience of the existing management and employees of the Company. As set out above, Mirfield intends to make significant investment into the Company to acquire stock and support both existing and new product lines. In particular, Mirfield does not intend to pursue a strategy of cost rationalisation or head count reduction. However, throughout the due diligence process, Mirfield has not had the opportunity to evaluate individual suitability for specific roles and anticipates that there may be some substitutions and role re-allocations. Mirfield has confirmed that the existing employment rights and benefits of all the Company's and ODP's employees will be fully safeguarded on completion of the Acquisition. The Independent Directors have been assured by Mirfield that following completion of the Acquisition, Mirfield intends to work with the Company's management and employees to ensure that the business is optimally structured. Mirfield's current business plan envisages that the Company will continue to operate from its current locations. However, Mirfield is aware that the Company is attempting to

optimise the terms of its retail operations in London and specifically in Selfridges and the Burlington Arcade and the conclusion of these discussions will determine the ongoing use of these locations.

It is proposed that Mr Fennell will be employed as Creative Director of the Company and will be an executive director of the Company and a non-executive director of Mirfield. It is further proposed that Mr Hadden-Paton will no longer be the chief financial officer of the Company but will continue as a non-executive director of both the Company and Mirfield. Further details of these arrangements are set out in paragraph 6 above.

Upon the Scheme becoming effective it is proposed that the Independent Directors will resign from the board of the Company without compensation.

EME Capital has entered into, conditional upon completion of the Acquisition, the EME Advisory Agreement with Mirfield and the Company to provide financial and advisory services (including the provision of personnel to undertake the role of chief financial officer and certain other directors). Further details of the EME Advisory Agreement are set out in paragraph 7.1(f) of Part IV.

Mr Piasecki will be appointed as a non-executive director of Mirfield pursuant to the JP Engagement Letter and a company controlled by Mr Piasecki has entered into a consultancy agreement with Mirfield and the Company pursuant to the JP Consultancy Agreement under which, conditional upon completion of the Acquisition, Mr Piasecki's services will be made available to undertake the functions of Chief Executive Officer to the Company and to advise on, among other things, the Company's strategy, staffing, budgeting and risk management. The terms of the JP Consultancy Agreement and the JP Engagement Letter are set out in paragraph 7.1(d) and 7.1(e) of Part IV.

Save as set out above, Mirfield does not have any current plans to make any other material change in the terms and conditions of employment of the management and employees of the Company, the location of the Company's place of business or any redeployment of its fixed assets.

13. Meetings

The Scheme is subject to the satisfaction or, where permitted, waiver of the Conditions (as set out in Part III of this document). In order to become effective, the Scheme and all of the Resolutions to give effect to it must be approved at the Court Meeting and the General Meeting.

Court Meeting

James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP), holds the same class of shares in the Company as all of the other Shareholders, but in light of the availability to Mr Fennell of the Sweet Equity Arrangement described in paragraph 6 above and in paragraph 9 of Part IV, the Court Meeting will be for the Independent Shareholders only, being all Shareholders other than James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP). If Mirfield or its nominee acquires any TF Shares before the Court Meeting it will not be an Independent Shareholder. James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) has irrevocably undertaken that it will be bound by the Scheme in relation to its Scheme Shares and, as such, is not required to further approve the Scheme in a separate Court convened meeting.

At the Court Meeting, voting will be conducted by way of a poll. The approval required at the Court Meeting is a majority in number of those Independent Shareholders present and voting, whether in person or by proxy, representing not less than 75 per cent. in value of the TF Shares held by such Independent Shareholders.

A notice convening the Court Meeting is set out at the end of this document.

General Meeting

The implementation of the Scheme will require the passing of the General Meeting Resolutions to be proposed at the General Meeting. The General Meeting Resolutions are summarised below:

- **Resolution 1** is a special resolution to:
 - effect, amongst other things, the reclassification of the Scheme Shares, the Reduction of Capital and the issue of New TF Shares to Mirfield; and
 - amend the Articles. The amendment of the Articles will ensure that any TF Shares issued under the Option Schemes or otherwise after the Voting Record Time but before the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the Articles so that any TF Shares issued to any person other than Mirfield after the Scheme

Record Time will be automatically exchanged for the Cash Consideration on the same terms as under the Scheme. These amendments will avoid any person other than Mirfield being left with the TF Shares after trading in such shares has ceased on AIM.

- **Resolution 2** is an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the TF Service Agreement and Sweet Equity Arrangements with Mr Fennell.
- **Resolution 3** is an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the ODP Sale Agreement entered into by the Company with Mr Fennell.
- **Resolution 4** is an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the Brand Repatriation Agreement entered into by the Company with Mr Fennell.
- **Resolution 5** is an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the New Service Agreements with Mr Hadden-Paton.
- **Resolution 6** is an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the ODP Sale Agreement entered into by the Company with Mr Hadden-Paton.
- **Resolution 7** is an ordinary resolution to approve Mr Fennell's new service contract for the purposes of Section 188 of the 2006 Act and the acquisition of Mr Fennell's shares in ODP by the Company pursuant to the ODP Sale Agreement for the purposes of Section 190 of the 2006 Act.

Neither Mr Fennell, the TF SIPP, Mr Hadden-Paton nor any person acting in concert with them or connected to them may vote on General Meeting Resolutions 2, 3, 4, 5 or 6.

The implementation of the Scheme can only take place if all the Conditions, including the passing of all of the Resolutions, have been satisfied or, where relevant, waived. Assuming the satisfaction or, where appropriate, waiver of the Conditions, the Scheme will become effective in accordance with its terms on the delivery to the Registrar of Companies in England and Wales by the Company of the Court Order and the related statement of capital. Once the Scheme becomes effective, it will be binding on all the Scheme Shareholders irrespective of whether or not they voted in favour of the Scheme.

14. Cancellation of Admission to trading on AIM

It is expected that the last day of dealings in TF Shares will be 2 October 2013 and dealings in TF Shares will be suspended with effect from 7.30 a.m. on 3 October 2013.

Prior to the Scheme becoming effective, the Company will make an application to the London Stock Exchange for the cancellation of the admission to trading of the TF Shares on AIM to take effect from the Effective Date without seeking the separate approval of the Shareholders under Rule 41 of the AIM Rules.

On the Effective Date, share certificates in respect of TF Shares will cease to be valid and should be destroyed and entitlements to TF Shares held within the CREST system will be cancelled.

It is also intended that, following the Scheme becoming effective, and after the admission to trading on AIM of the TF Shares has been cancelled, the Company will in due course be re-registered as a private limited company.

Following the cancellation of the admission to trading on AIM, the Company will not be quoted on any publicly quoted market in the United Kingdom or elsewhere.

15. Option Schemes

All of the outstanding options under the Theo Fennell Plc 2002 Unapproved Employee Share Option Scheme, the Unapproved Employee Share Option Scheme and the Enterprise Management Incentive Scheme have an exercise price which is significantly higher than the Cash Consideration per TF Share. Accordingly, it is not expected that these options will be exercised prior to the completion of the Acquisition. Mirfield has therefore agreed with the Panel that no equivalent offer will be made to the holders of Options granted under the Option Schemes.

16. Overseas Shareholders

Shareholders resident in, or citizens of, jurisdictions outside of the United Kingdom should refer to paragraph 7 of Part II of this document which contains important information for such Shareholders.

17. Cash Confirmation

finnCap, which is advising Mirfield in relation to the cash confirmation pursuant to Rules 2.7(d) and 24.8 of the City Code, is satisfied that resources are available to Mirfield sufficient to satisfy in full the maximum amount of the Cash Consideration payable under the terms of the Acquisition.

18. Further information

Your attention is drawn in this document to the Explanatory Statement in Part II, the Conditions and risk factors relating to the Mirfield B Shares in Part III, the additional information in Part IV, the information on Mirfield in Part V, the Scheme in Part VI, information on taxation in Part VII and to the notices of the Court Meeting and General Meeting which form part of this document.

19. Recommendation

The board of directors of the Company has determined that Mr Fennell and Mr Hadden-Paton are not independent for the purposes of considering and recommending the Acquisition due to their proposed participation in Mirfield following completion of the Acquisition. Accordingly, it has been agreed that Rupert Hambro and Francis McKay will be the Independent Directors for the purposes of the City Code.

The Independent Directors, who have been so advised by Opus Corporate Finance LLP, consider the terms of the Acquisition to be fair and reasonable. However, the Independent Directors, who have been so advised by Opus Corporate Finance LLP, do not express any views on the Share Alternative as Mirfield is an unlisted company and there currently is, and there is expected to be, no market in Mirfield Shares. Your attention is drawn to Section 2 of Part III of this document. Neither of the Independent Directors who currently hold TF shares intend to elect for the Share Alternative in respect of any of their holding of, in aggregate, 1,657,538 TF Shares. In providing its advice to the Independent Directors, Opus Corporate Finance LLP has taken into account the commercial assessments of the Independent Directors.

For the purpose of Rule 16 of the City Code, Opus Corporate Finance LLP considers the terms of the ODP Sale Agreement, the Brand Repatriation Agreement, the New Service Agreements for Mr Fennell and Mr Hadden-Paton and the Sweet Equity Arrangements for Mr Fennell described in paragraph 6 above and paragraph 9 of Part IV to be fair and reasonable insofar as the Shareholders other than Mr Fennell, the TF SIPP and Mr Hadden-Paton are concerned.

Accordingly, the Independent Directors unanimously recommend that the Independent Shareholders vote in favour of the Resolution to be proposed at the Court Meeting and that all Shareholders (to the extent they are entitled) vote in favour of the General Meeting Resolutions to be proposed at the General Meeting, in each case as they have irrevocably undertaken to do in relation to their entire beneficial and connected holdings amounting, in aggregate, to 1,657,538 TF Shares, representing approximately 7.2 per cent. of the existing issued ordinary share capital of the Company. The Independent Directors make no recommendation in respect of the Share Alternative and Scheme Shareholders are strongly advised to seek their own independent financial advice before electing to participate in it.

Yours faithfully,

Rupert Hambro
Chairman

PART II

EXPLANATORY STATEMENT

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

opus

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23 August 2013

To Theo Fennell Plc Shareholders and, for information only, to persons with information rights and participants in the Option Schemes.

Dear Shareholder,

RECOMMENDED ACQUISITION OF THEO FENNELL PLC BY MIRFIELD 1964 PLC

1. Introduction

On 1 August 2013, Mirfield announced that it and the Independent Directors had reached agreement on the terms of a recommended cash offer, with a Share Alternative, by Mirfield for the entire issued and to be issued share capital of the Company, to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the 2006 Act.

Your attention is drawn to the letter from the Company's Chairman, Rupert Hambro, on behalf of the Independent Directors, which is set out in Part I of this document. That letter explains, among other things, the background to and reasons for the Acquisition, and the reasons why the Independent Directors recommend that (to the extent they are entitled to do so) Shareholders vote in favour of the Resolutions to approve and implement the Scheme to be proposed at the Meetings. The letter states that the Independent Directors, who have been so advised by Opus Corporate Finance LLP, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Independent Directors, Opus Corporate Finance LLP has taken into account the commercial assessments of the Independent Directors.

The Independent Directors have been advised by Opus Corporate Finance LLP in connection with the Acquisition and Opus Corporate Finance LLP has been authorised by the Independent Directors to write to you to set out the terms of the Acquisition and to provide you with other relevant information.

The terms of the Scheme are set out in full in Part VI of this document. Your attention is also drawn to the other parts of this document, including paragraph 1 of Part IV of this document, which confirms who has responsibility for the information contained in this document, including this Explanatory Statement. Shareholders should read the whole of this document before deciding whether or not to vote in favour of the Resolutions upon which they are entitled to vote to approve and implement the Scheme and whether or not to make a Share Election.

2. Summary of the terms of the Acquisition

The Cash Offer

Under the terms of the Acquisition, which will be effected by means of a Court-sanctioned scheme of arrangement between the Company and the Scheme Shareholders under Part 26 of the 2006 Act involving a reduction of capital under the 2006 Act, and will be subject to the Conditions and further terms set out in Section 1 of Part III of this document, the Scheme Shareholders will be entitled to receive:

for each TF Share **12.5 pence in cash**

The Share Alternative

In addition, Scheme Shareholders (other than Restricted Overseas Shareholders) may elect, in respect of all but not part of their holding of TF Shares, to receive unlisted Mirfield B Shares instead of all but not part of the Cash Consideration to which they would otherwise become entitled upon completion of the Acquisition on the following basis:

for each TF Share **0.08796 Mirfield B Shares**

The rights attaching to the Mirfield B Shares, and other Mirfield Shares, are explained in paragraph 2 of Part I and paragraphs 8 and 9 of Part IV of this document.

The maximum number of Mirfield B Shares that may be issued under the Scheme (the “**Maximum Mirfield B Share Amount**”) is 611,111 Mirfield B Shares, which would represent 10% of the issued share capital of Mirfield immediately following the Scheme becoming effective. The Maximum Mirfield B Share Amount will not be varied as a result of elections under the Share Alternative. This means that the Share Alternative will be available in respect of a maximum of 6,947,601 TF Shares which is equivalent to 30% of the issued share capital of the Company as at the close of business on the last Business Day prior to the date of publication of this document. If the Maximum Mirfield B Share Amount is not sufficient to satisfy all valid Share Elections for the Share Alternative in full, entitlements will be scaled back *pro rata* (in proportion to the total number of TF Shares in respect of which valid Share Elections for the Share Alternative are made). To the extent that, following such scale back, any Scheme Shareholder does not receive Mirfield B Shares in respect of all the TF Shares which are the subject of his Share Election, he will, in addition to his *pro rata* share of Mirfield B Shares following the scale back, receive the Cash Consideration for his remaining TF Shares. As a result, Shareholders who elect to participate in the Share Alternative will not know the exact number of Mirfield B Shares or the amount of cash (if any) that they will receive until settlement of the Consideration due to them in respect of the Acquisition.

Fractions of Mirfield B Shares will not be allotted or issued pursuant to the Acquisition. Where fractional entitlements arise, the number of Mirfield B Shares due to any Scheme Shareholder will be rounded down to the nearest whole number.

The Share Alternative will not be available to Restricted Overseas Shareholders.

Scheme Shareholders who do not elect to receive the Share Alternative will, conditional upon the Scheme becoming effective, receive Cash Consideration in respect of all of their TF Shares.

The Independent Directors make no recommendation in relation to the Share Alternative. Shareholders who are considering making a Share Election to accept the Share Alternative should consider whether or not the Mirfield B Shares are a suitable investment in light of their own personal circumstances, bearing in mind that Mirfield has been newly formed solely for the purpose of the Acquisition and that its shares are not listed and are therefore illiquid. Shareholders are therefore strongly recommended to seek their own independent financial, tax and legal advice in light of their particular circumstances and investment objectives before deciding whether to elect for the Share Alternative. Any decision to elect for the Share Alternative should be based on a full consideration of this document including, without limitation, the Risk Factors set out in Section 2 of Part III of this document.

3. Structure and approval of the Scheme

Introduction

It is intended that the Acquisition will be effected by means of a Court-approved scheme of arrangement between the Company and the Scheme Shareholders under Part 26 of the 2006 Act (although Mirfield reserves, with the consent of the Takeover Panel, the right to elect to effect the

Acquisition by way of a takeover offer). The terms of the Scheme are set out in full in Part VI of this document.

The purpose of the Scheme is to enable Mirfield to become the holder of the entire issued and to be issued share capital of the Company. The procedure involves an application by the Company to the Court to sanction the Scheme and to confirm the re-classification and cancellation of the Scheme Shares, in consideration for which the Scheme Shareholders will receive the Consideration due to them under the Acquisition.

The re-classification of Scheme Shares and the Reduction of Capital

Under the Scheme, each Scheme Share will be re-classified and cancelled under the Reduction of Capital and a like number of New TF Shares will be issued fully paid to Mirfield. The reserve arising from the Reduction of Capital will be used in paying up in full such New TF Shares.

The reason for the re-classification of the Scheme Shares is to ensure that those Scheme Shareholders who make a valid Share Election under the Share Alternative receive Mirfield B Shares as Consideration (subject to any scale back, as explained above) and those who do not make a valid Share Election receive Cash Consideration. The class of share into which each Scheme Share is re-designated will depend upon whether or not a valid Share Election under the Share Alternative has been successfully made in respect of that Scheme Share (subject to any scale back under the Share Alternative, as explained above).

Accordingly, under the Scheme each Scheme Share will be re-classified into an X Share or a Y Share from which point, and conditional upon the Scheme being implemented, the X Shares will carry the right to receive the Cash Consideration and the Y Shares will carry the right to receive the Mirfield B Shares. The X Shares and the Y Shares will then be cancelled under the Reduction of Capital and a like number of New TF Shares will be issued fully paid to Mirfield. The reserve arising from the cancellation of the X Shares and the Y Shares will be used in paying up in full such New TF Shares. Mirfield will then pay to the Scheme Shareholders 12.5 pence for each X Share cancelled and issue to the Scheme Shareholders who have made the Share Election 0.08796 Mirfield B Shares for each Y Share cancelled (with fractions of Mirfield B Shares being rounded down to the nearest whole number).

For the Scheme and the Reduction of Capital to become effective:

- at the Court Meeting, the Scheme must be approved by a majority in number of Independent Shareholders present and voting either in person or by proxy at the Court Meeting representing 75 per cent. or more in value of all TF Shares held by such Independent Shareholders; and
- at the General Meeting, all of the General Meeting Resolutions, including a special resolution to effect, amongst other things, the reclassification of the Scheme Shares, the Reduction of Capital and the issue of New TF Shares to Mirfield, as explained above, must be passed. In addition the Resolutions approving certain arrangements with Mr Fennell and Mr Hadden-Paton will need to be passed as ordinary resolutions.

The Scheme also requires the sanction of the Court, as well as satisfaction or waiver of the other Conditions set out in Section 1 of Part III of this document. The Scheme and the Reduction of Capital will take effect on the delivery of the Court Order and related statement of capital to the Registrar of Companies. Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attend or vote (and, if they vote, whether they voted for or against the Scheme), at the Court Meeting or the General Meeting.

The Meetings

Before the Court's approval can be sought to sanction the Scheme, the Scheme will require approval by the Independent Shareholders at the Court Meeting and the passing of all of the General Meeting Resolutions at the General Meeting by those Shareholders who are entitled to vote on them.

James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) is not an Independent Shareholder. Although James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) and the Independent Shareholders both hold the same class of shares, they are treated under the Scheme as being separate classes because they are deemed to have different interests under the Acquisition due to the availability to Mr Fennell of the Sweet Equity Arrangements. Accordingly, the Court Meeting will be for the Independent Shareholders only, whilst James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) has

irrevocably consented to be bound by the Scheme. If Mirfield or its nominee acquires any TF Shares before the Court Meeting it will not be an Independent Shareholder.

Notices of the Court Meeting and the General Meeting are set out at the end of this document. The relevant Holders of TF Shares whose names appear on the register of members of the Company on the Voting Record Time shall be entitled to attend and vote at the Court Meeting and the General Meeting or, if the Court Meeting or the General Meeting is adjourned or postponed by more than 48 hours, then the relevant Holders of the TF Shares whose names appear on the register of members of the Company at 6.00 p.m. on the day two days prior to the adjourned or postponed Meeting shall be so entitled.

Court Meeting

In order to become effective the Scheme must be approved at the Court Meeting by the passing of a Resolution by a majority in number of the Independent Shareholders, present and voting, either in person or by proxy at such meeting, representing not less than 75 per cent. by value of the TF Shares held by such Independent Shareholders.

It is important that as many votes as possible are cast at the Court Meeting, which has been convened for 16 September 2013 at 11.00 a.m., to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP, so that the Court may be satisfied that there is a fair and reasonable representation of the Independent Shareholders' opinion.

General Meeting

The General Meeting has been convened for 11.15 a.m. on 16 September 2013 (or as soon thereafter as the Court Meeting has been concluded or adjourned), to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP to consider and, if thought fit, pass the General Meeting Resolutions as follows:

Resolution 1: a special resolution to approve:

- for the purposes of distributing the Consideration under the Scheme, the reclassification of each Scheme Share, so that Scheme Shares in respect of which a Scheme Shareholder has successfully made a valid Share Election to receive Mirfield B Shares under the Share Alternative (subject to any scale back) will be re-classified as Y Shares and all other Scheme Shares (including those in respect of which a Share Election was scaled back) will be re-classified as X Shares;
- the Reduction of Capital by the cancellation and extinguishing of the X Shares and the Y Shares;
- subject to the Reduction of Capital taking effect, the increase in the Company's share capital by the creation of such number of New TF Shares as is equal to the number of X Shares and Y Shares cancelled, the resulting reserve in the books of account of the Company being applied in paying up in full such New TF Shares and the issue of such New TF Shares to Mirfield;
- the Independent Directors being authorised to allot securities in the Company and to take all such actions as are necessary for carrying the Scheme into effect; and
- the amendment of the Articles to (i) ensure that any TF Shares issued under the Option Schemes or otherwise after the Scheme Record Time will be automatically exchanged for the Cash Consideration on the same terms as under the Scheme; and (ii) reflect the rights attaching to the X Shares and the Y Shares.

Any TF Shares issued, including on the exercise of an Option, after the Scheme Record Time will not be subject to the Scheme. However, under the proposed amendment to the Articles any TF Shares issued under the Option Schemes or otherwise between the Voting Record Time and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the Articles so that any TF Shares issued to any person other than Mirfield after the Effective Date will be automatically transferred to Mirfield in exchange for the Cash Consideration on the same terms as under the Scheme. These amendments will avoid any person other than Mirfield being left with TF Shares after trading in such shares has ceased on AIM.

Resolution 2: an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the TF Service Agreement and Sweet Equity Arrangements with Mr Fennell.

Resolution 3: an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the ODP Sale Agreement entered into by the Company with Mr Fennell.

Resolution 4: an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the Brand Repatriation Agreement entered into by the Company with Mr Fennell.

Resolution 5: an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the New Service Agreements with Mr Hadden-Paton.

Resolution 6: an ordinary resolution to be taken on a poll to approve for the purposes of Rule 16 of the City Code the ODP Sale Agreement entered into by the Company with Mr Hadden-Paton.

Resolution 7: an ordinary resolution to approve Mr Fennell's New Service Agreement for the purposes of S.188 of the 2006 Act and to approve the acquisition of Mr Fennell's shares in ODP for the purposes of S.190 of the 2006 Act.

Neither Mr Fennell, the TF SIPP, Mr Hadden-Paton nor any person acting in concert with them or connected to them may vote on General Meeting Resolutions 2, 3, 4, 5 or 6.

Modifications to the Scheme

The Scheme contains a provision for the Company and Mirfield jointly to consent, on behalf of all persons affected, to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, the Scheme or to approve or impose a condition to the Scheme which might be material to the interest of the Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Independent Directors, is of such a nature or importance that it requires the consent of Scheme Shareholders at a further meeting, the Independent Directors will not take the necessary steps to enable the Scheme to become effective unless and until such consent is obtained.

Conditions to the Acquisition

The Acquisition and, accordingly, the Scheme, is subject to a number of Conditions set out in full in Section 1 of Part III of this document.

Sanctioning the Scheme

The Scheme requires the sanction of the Court and the Capital Reduction must be confirmed by the Court. The Court Hearing to sanction the Scheme and confirm the Capital Reduction is expected to be held on 3 October 2013. Independent Shareholders may, if they wish, attend the Court Hearing to support or oppose the Scheme. Mirfield has agreed to undertake to the Court to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done for the purpose of giving effect to the Scheme.

If the Scheme becomes effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attend or vote in favour of the Scheme at the Court Meeting or in favour of the General Meeting Resolutions at the General Meeting. If the Scheme is not implemented by 31 December 2013 (or such later date (if any) as Mirfield and the Company may, with the consent of the Panel, agree and (if required) may allow), the Scheme will not be implemented and the Acquisition will not proceed.

Other Information relating to the Scheme

The last day of dealings in, and for registration of transfers of, TF Shares will be the date of the Scheme Record Time and dealings in TF Shares will be suspended with effect from 7.30 a.m. on the day following the Scheme Record Time.

If the Scheme becomes effective, the New TF Shares will be issued to Mirfield fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or payable after the Effective Date. The Company will not declare, make or pay any dividends or distributions prior to the Effective Date.

No temporary documents of title will be issued to Shareholders in respect of the X Shares or Y Shares.

On the Effective Date, share certificates in respect of TF Shares will cease to be valid and should be destroyed. In addition, on the Effective Date, entitlements to the TF Shares held within the CREST system will be cancelled.

Alternative Means of Implementing the Acquisition

Mirfield has reserved the right (subject to the consent of the Panel) to implement the Acquisition by way of a takeover offer at any time before the Scheme becomes effective, or following its withdrawal, in which case additional documents will be dispatched to Shareholders. In such event, the Acquisition will (subject to the consent of the Panel and unless otherwise agreed) be implemented on the same terms, subject to appropriate amendments, including (without limitation) the inclusions of an acceptance condition set at 90% (or such lesser percentage (being more than 50%) as Mirfield may determine) of the shares to which such offer relates), so far as applicable as those which would apply to the Acquisition by means of the Scheme.

Sections 593 and 650 of the 2006 Act

As at 22 August 2013 (being the last Business Day prior to the publication of this document), Mirfield did not own or control any TF Shares. It is intended that, in the period after the General Meeting and before the Scheme Record Time, Mirfield (or its nominee) will acquire at least one TF Share by way of allotment or transfer which will mean that Mirfield will be a member of the Company on the Effective Date and, as such, there will be no requirement under section 593 of the 2006 Act for an independent valuation of the consideration for the New TF Shares to be allotted to Mirfield under the Scheme.

For the purposes of section 650(2) of the 2006 Act, the Court will be asked to direct that the Registrar of Companies shall register the Court Order notwithstanding that the Capital Reduction has the effect of bringing the nominal value of the Company's allotted share capital below the authorised minimum.

4. Option Schemes

The Scheme will extend to any TF Shares that are unconditionally allotted or issued prior to the Scheme Record Time pursuant to the exercise of Options or vesting of awards under the Option Schemes.

Options granted under the Option Schemes which are not already exercisable will become exercisable upon the Scheme being sanctioned by the Court. Options granted under the EMI Scheme and the Unapproved Share Option Scheme which are not exercised within 3 months of the Court sanctioning the Scheme will lapse. Options under the 2002 Unapproved Employee Share Option Scheme which are not exercised within 6 months of the Court sanctioning the Scheme will lapse.

Mirfield has agreed with the Panel that, due to the exercise price of all of the Options being significantly above the Cash Consideration of 12.5 pence for each TF Share, no equivalent offer will be made by Mirfield to the holders of Options in respect of those Options. Any TF Shares issued pursuant to the exercise of an Option prior to the Scheme Record Time will form part of the Scheme. If not exercised prior to the Scheme Record Time, the Options will continue in accordance with their terms outlined above. Any TF Shares issued to holders of Options on the exercise of their Options after the Scheme Record Time will not be included in the Scheme and therefore such holders of Options will not be bound by the Scheme in respect of such TF Shares. However, the amendments to the Articles to be proposed at the General Meeting will provide that any person acquiring TF Shares after the Scheme Record Time will be required to transfer them to Mirfield on the basis that they will receive the same Cash Consideration to which they would have been entitled had their TF Shares been subject to the Scheme.

5. Delisting

The London Stock Exchange will be requested to cancel the trading in TF Shares on AIM on the Effective Date without seeking the separate approval of Shareholders under the AIM Rules. Prior to this, the London Stock Exchange has agreed to suspend trading in TF Shares from 7.30 a.m. on the day of the Court Hearing. As a result, the last day of trading in TF Shares is expected to be on 2 October 2013.

On the Effective Date, share certificates in respect of TF Shares will cease to be valid and entitlements to TF Shares held within the CREST system will be cancelled.

6. Settlement

Except with the consent of the Panel (such consent only being granted in exceptional circumstances and where all Shareholders are to be treated equally), settlement of the consideration to which any

Scheme Shareholder is entitled under the Scheme will be implemented in full, in accordance with the terms of the Scheme, free of any liens, rights of set off, counterclaims or other analogous rights to which Mirfield may otherwise be, or claim to be, entitled against such Scheme Shareholder.

Subject to the Scheme becoming effective, currently expected to take place on or around 4 October 2013, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner.

Cash Consideration

- Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, settlement of any Cash Consideration to which the Scheme Shareholder is entitled shall be settled by cheque dispatched no later than 14 days after the Effective Date by first class post to the address appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holdings) or by such other method as may be approved by the Panel. All cheques shall be in pounds sterling drawn on the branch of a UK clearing bank. Payments made by cheque shall be payable to the Scheme Shareholder concerned (or in the case of joint holders, to the joint holder whose name stands first in the register of members of the Company in respect of such joint holding). The encashment of any such cheque as is referred to in this paragraph shall be a complete discharge for the monies represented thereby.
- Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, settlement of any Cash Consideration to which the Scheme Shareholder is entitled shall be effected by means of CREST by Mirfield procuring the creation of an assured CREST payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Scheme Shares in respect of the Cash Consideration due to him not later than 14 days after the Effective Date. The creation of such an assured payment arrangement shall be a complete discharge of Mirfield's obligations under the Scheme with reference to payments through CREST. Mirfield reserves the right to pay any Cash Consideration to all or any relevant CREST Shareholders at the Scheme Record Time by sending a cheque through the post if, for any reason, it wishes to do so.

Mirfield B Shares

Any Mirfield B Shares to which Scheme Shareholders are entitled pursuant to the Scheme will be issued on or about the Effective Date. Certificates for Mirfield B Shares will be dispatched by first class post no later than 14 days after the Effective Date to the address appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holdings) or by such other method as may be approved by the Panel.

General

None of the Company, Mirfield nor their nominees shall be responsible for any loss or delay in the transmission of cheques or certificates sent in accordance with the Scheme and the requirements of the City Code, which shall be sent at the risk of the addressee.

In relation to Mirfield B Shares, temporary documents of title will not be issued pending the dispatch by post of definitive certificates for such Mirfield B Shares as referred to above. Pending the issue of definitive certificates for such Mirfield B Shares, Scheme Shareholders wishing to register transfers of such Mirfield B Shares may certify their share transfer forms against the register of members of Mirfield by writing to the directors of Mirfield 1964 Plc at 32 St James's Street, London SW1A 1HD. On the registration of any such transfers, the transferee will receive a share certificate in respect of the Mirfield B Shares which are the subject of the relevant transfer.

7. Overseas Shareholders

The publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom into whose possession this document comes should inform themselves about and observe any applicable legal and regulatory requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

The Share Alternative is not being made available to Restricted Overseas Shareholders. Notwithstanding the signature and return of a Form of Election, each of Mirfield and the Company

reserves the right at its sole discretion to determine that the issue of Mirfield B Shares to any Overseas Shareholder would or may infringe the local laws applicable in the jurisdiction of any Scheme Shareholder electing for the Share Alternative or would or may require any governmental or other consent or any registration, filing or other formality or condition with which Mirfield or the Company (as the case may be, and acting reasonably) is unable to comply or which Mirfield or the Company (as the case may be, and acting reasonably) regards as unduly onerous, and in such an event, such Overseas Shareholder shall be deemed not to have made a valid Share Election for the Share Alternative. Neither Mirfield nor the Company will be liable to any Scheme Shareholder for making any such determination.

Shareholders who submit a Form of Election without indicating that they are unable to make such representations and warranties by writing “NO” in Box 4 of the Form of Election, and Shareholders who make a Share Election by submitting a TTE instruction in CREST, will be deemed to have made the representations and warranties set out in paragraph 9.5 of this Part II.

This document does not constitute an offer to sell or an invitation to purchase or subscribe for Mirfield B Shares or any other securities or a solicitation of an offer to buy TF Shares or any other securities pursuant to this document, the Acquisition, the Share Alternative or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document does not constitute a prospectus or a prospectus equivalent document.

This document and the accompanying Forms of Proxy have been prepared for the purposes of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England and Wales.

The implications of the Scheme for Overseas Shareholders may be affected by the laws of their relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal and regulatory requirements. It is the responsibility of each Overseas Shareholder to satisfy himself/herself as to the full observance of the laws of the relevant jurisdiction, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

Notice to US investors in the Company

The Acquisition relates to the shares of an English company and is to be made by means of a scheme of arrangement provided for under the laws of England and Wales. The Acquisition is subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure and other requirements of the US securities laws tender offer rules. The financial information on the Company and Mirfield included in, and incorporated by reference into, this document has been prepared in accordance with IFRS that may not be comparable to the financial statements of US companies. US generally accepted accounting principles differ in certain significant respects from IFRS. None of the financial information included in, or incorporated by reference into, this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public the Company Accounting Oversight Board (United States).

The receipt of cash by a US holder of TF Shares as consideration for the cancellation of its TF Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of TF Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US holders of TF Shares to enforce their rights and claims arising out of US federal securities laws, since the Company and Mirfield are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of TF Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved or passed an opinion upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Shareholders who are citizens or residents of the United States or other jurisdictions outside the United Kingdom should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

8. Taxation

The tax consequences of the Acquisition will depend on your individual circumstances. Certain aspects of the tax consequences of the Scheme for Shareholders who are resident for tax purposes in the United Kingdom are set out in Part VII of this document. This summary is intended as a general guide only and if you are in any doubt as to your tax position you should consult an appropriately qualified independent professional adviser immediately.

9. Action to be Taken

9.1 Introduction

You will find enclosed with this document:

- if you are an Independent Shareholder, a blue reply-paid Form of Proxy for use in respect of the Court Meeting on 16 September 2013 at 11.00 a.m. (attaching an attendance card in relation to the Court Meeting);
- a white reply-paid Form of Proxy for use in respect of the General Meeting on 16 September 2013 at 11.15 a.m. (attaching an attendance card in relation to the General Meeting); and
- a green reply-paid Form of Election (for use if you hold your TF Shares in certificated form and are not a Restricted Overseas Shareholder) in respect of the Share Alternative.

If you have not received all of the documents that you should have received, please contact Capita Registrars at once on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.

If you are a resident of the United States or certain other Restricted Jurisdictions you should not have received a green Form of Election. The attention of persons resident in, or citizens of, jurisdictions outside of the United Kingdom is drawn to paragraph 7 of this Part II of this document which contains important information for such Shareholders.

For the reasons set out in this document, the Independent Directors, who have been advised by Opus Corporate Finance LLP, consider the terms of the Acquisition, as described in this document, to be fair and reasonable to the Shareholders. Accordingly in order to implement the Acquisition, the Independent Directors unanimously recommend that you vote in favour of the Resolutions, as the Directors have undertaken to do in respect of their own holdings of the TF Shares and the Resolutions in respect of which they are entitled to vote, and that you take the actions described below.

THE INDEPENDENT DIRECTORS MAKE NO RECOMMENDATION IN RELATION TO THE SHARE ALTERNATIVE.

The Court Meeting and the General Meeting will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP on 16 September 2013 at 11.00 a.m. and 11.15 a.m. respectively (or, in the case of the General Meeting, if later, as soon as the Court Meeting has been concluded or adjourned).

COMPLETION OF THE SCHEME REQUIRES THE APPROVAL OF ALL RESOLUTIONS AT BOTH OF THE MEETINGS.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST, EITHER IN PERSON OR BY PROXY, SO THAT THE COURT CAN BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF THE SHAREHOLDERS' OPINION. YOU ARE THEREFORE STRONGLY URGED TO EXERCISE YOUR RIGHTS BY COMPLETING AND RETURNING THE FORMS OF PROXY APPLICABLE TO YOU OR BY ATTENDING THE MEETINGS AND VOTING IN PERSON.

9.2 Holders of TF Shares in Certificated Form

Whether or not you plan to attend the Meetings if you are an Independent Shareholder, please complete and sign BOTH the BLUE and WHITE Forms of Proxy and return them as soon as possible, but in any event so as to be received by Capita Registrars at PXS, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU by 11.00 a.m. in the case of the Blue Proxy Form (Court Meeting) and by 11.15 a.m. in the case of the White Proxy Form (General Meeting) on 14 September 2013 (or, if a Meeting is adjourned, at least 48 hours before the time appointed for the relevant adjourned Meeting).

The return of the blue and white Forms of Proxy will enable your votes to be counted at the Meetings in the event of your absence. All Forms of Proxy are reply-paid, for use in the United Kingdom only, for your convenience.

If the BLUE Form of Proxy, for use at the Court Meeting, is not lodged with Capita Registrars at least 48 hours before the time appointed for the Court Meeting it may be handed to the Company's Receiving Agent, Capita Registrars on behalf of the Chairman of the Court Meeting at any time prior to the calling of the poll in respect of the Resolution to be proposed at the Court Meeting and will still be valid.

In the case of the General Meeting, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it shall be invalid.

The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either the Court Meeting or the General Meeting (as appropriate), or any adjournment thereof, if you so wish and are so entitled.

9.3 Holders of TF Shares in Uncertificated Form (i.e. in CREST)

If you hold your TF Shares in uncertificated form (that is, in CREST), you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the notes to the notices convening the Court Meeting and the General Meeting set out at the end of this document and the notes to the Forms of Proxy). Proxies submitted through CREST (under CREST participant ID RA10) must be received by Capita Registrars by no later than 11.00 a.m. on 14 September 2013 in the case of the Court Meeting and by no later than 11.15 a.m. on 14 September 2013 in the case of the General Meeting (or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting).

For the reasons explained in paragraph 3 of this Part II of this document James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) is not entitled to be present at, counted in the quorum for or vote at the Court Meeting.

9.4 Appointment of Multiple Proxies

As a Shareholder, you are entitled to appoint a proxy in respect of some or all of your TF Shares. You are also entitled to appoint one or more proxies as long as each proxy is appointed to exercise rights attached to different TF Shares. A space has been included on the Forms of Proxy to allow you to specify the number of the TF Shares in respect of which that Proxy is appointed.

If you wish to appoint more than one proxy in respect of your shareholding please call Capita Registrars on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.

The following principles shall apply in relation to the appointment of multiple proxies:

- (a) the Company will give effect to the intentions of members and include votes wherever and to the fullest extent possible;
- (b) where a proxy does not state the number of TF Shares to which it applies (a "blank proxy") then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of TF Shares registered in the name of the appointing member (the "member's entire holding"). In the event of a conflict between a blank proxy and a proxy which does state the number of TF Shares to which it

applies (a “**specific proxy**”), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that, as far as possible, the conflicting Forms of Proxy should be judged to be in respect of different TF Shares) and the remaining TF Shares will be apportioned to the blank proxy, or in due proportion if there is more than one;

- (c) where there is more than one proxy appointed and the total number of TF Shares in respect of which proxies are appointed is no greater than the member’s entire holding, it is assumed that proxies are appointed in relation to different TF Shares, rather than that conflicting appointments have been made in relation to the same TF Shares. That is, there is only assumed to be a conflict where the aggregate number of TF Shares in respect of which proxies have been appointed exceeds the member’s entire holding;
- (d) subject to paragraph (b) above, when considering conflicting proxies, later proxies will prevail over earlier proxies and a later proxy will be determined on the basis of which proxy is last sent (or, if the Company is unable to determine which is last sent, last received). Proxies in the same envelope will be treated as sent and received at the same time, to minimise the number of conflicting proxies;
- (e) if conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) a member’s entire holding, none of them will be treated as valid (unless the company and Mirfield otherwise determine in their absolute discretion);
- (f) where the aggregate number of TF Shares in respect of which proxies are appointed exceeds a member’s entire holding and it is not possible to determine the order in which the proxies were sent or received, the number of votes attributable to each proxy will be reduced in due proportion (on the basis that as far as possible, conflicting Forms of Proxy should be judged to be in respect of different TF Shares);
- (g) where the application of paragraph (f) above gives rise to fractions of TF Shares, such fractions will be rounded down;
- (h) if a member appoints a proxy or proxies and then decides to attend the Court Meeting or the General Meeting in person and vote using his poll card (as applicable), then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member’s entire holding then all proxy votes will be disregarded. If, however, the member votes at the Meeting in respect of less than the member’s entire holding then, if the member indicates on his poll card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being case exceeding the member’s entire holding; and
- (i) in relation to paragraph (h) above, in the event that a member does not specifically revoke proxies, it will not be possible for the Company to determine the intentions of the member in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

9.5 Elections under the Share Alternative

You may only elect to receive the Share Alternative in respect of all, and not some only, of your TF Shares, subject always to any scale-back as explained in paragraph 2 of Part I of this document.

Restricted Overseas Shareholders will not be eligible to make an election under the Share Alternative. Please refer to paragraph 7 of this Part II of this document if you are an Overseas Shareholder.

The Share Alternative is NOT the subject of a recommendation by the Independent Directors. Shareholders are recommended to consider carefully, in light of their own investment objectives, whether they wish to elect for the Share Alternative, and are strongly advised to seek their own independent financial advice before making any such election.

SHAREHOLDERS WHO MAY BE CONSIDERING MAKING AN ELECTION FOR THE SHARE ALTERNATIVE SHOULD READ PARAGRAPH 2 OF PART I OF THIS DOCUMENT (INCLUDING THE OTHER CONSIDERATIONS IN RELATION TO THE SHARE ALTERNATIVE SET OUT THEREIN) AND, IN PARTICULAR, THE RISK FACTORS RELATING TO THE MIRFIELD B SHARES AND THE SHARE ALTERNATIVE SET OUT IN SECTION 2 OF PART III OF THIS DOCUMENT.

To make an election in respect of the Share Alternative for TF Shares held in certificated form

Please complete the green Form of Election in accordance with the instructions printed thereon and return it, either by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event by 1.00 p.m. on 1 October 2013 (or such later time (if any) to which the right to make an election may be extended).

To make an election in respect of the Share Alternative for TF Shares held in uncertificated form (that is, in CREST)

If your TF Shares are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer the TF Shares in respect of which you wish to make an election under the Share Alternative to the appropriate escrow balances (that is, send a TTE instruction), specifying Capita (in its capacity as a CREST participant under its relevant participant ID referred to below) as the Escrow Agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 1.00 p.m. on 1 October 2013, or such later time (if any) to which the right to make an election may be extended. You should note that settlement cannot take place at weekends or bank holidays (or such other times at which the CREST system is non-operational) and you should, therefore, ensure that you time the input of any TTE instruction accordingly.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your TF Shares are held. In addition, only your CREST sponsor will be able to send the necessary TTE instructions to Euroclear in relation to your TF Shares.

You should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- the number of TF Shares in respect of which the election under the Share Alternative relates and which are to be transferred to an escrow balance – NOTE THAT THIS MUST BE ALL OF YOUR TF SHARES AS THE SHARE ALTERNATIVE CANNOT BE ACCEPTED IN RESPECT OF PART ONLY OF YOUR HOLDING;
- the ISIN number for TF Shares, which is GB0008858986;
- your member account ID under which the TF Shares are held;
- your participant ID under which the TF Shares are held;
- the relevant participant ID of the Escrow Agent (Capita, in its capacity as CREST receiving agent), which is RA10;
- the member account ID of the Escrow Agent 28033THE;
- the intended settlement dates, which should be as soon as possible and, in any event, no later than 1.00 p.m. on 1 October 2013, or such later time (if any) to which the right to make an election may be extended;
- the corporate action number for the Scheme, which is allocated by Euroclear and will be available on screen from Euroclear;
- the standard TTE instruction of priority 80; and
- the contact name and telephone number inserted in the shared note field.

After settlement of the TTE instruction, you will not be able to access the TF Shares concerned in CREST for any transaction or charging purposes. If the Scheme is implemented in accordance with its terms, the Escrow Agent will cancel your Scheme Shares. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

Please note that settlement of the issue of any Mirfield B Shares due to you under the Share Alternative will be in certificated form only, and not in CREST.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your TF Shares to settle prior to 1.00p.m. on 1 October 2013, or such later time (if any) to which the right to make

an election may be extended. In this connection, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

A Form of Election which is received in respect of TF Shares held in uncertificated form will NOT constitute a valid election under the Share Alternative and will be disregarded. Holders of TF Shares in uncertificated form who wish to elect under the Share Alternative should note that a TTE instruction will only be valid as at the relevant closing date if it has settled on or before that date.

General terms applicable to the Share Alternative

If any Form of Election or TTE instruction in respect of the Share Alternative is either received after 1.00 p.m. on 1 October 2013 (or such later time (if any) to which the right to make an election may be extended) or is received before such time and date but is from a Restricted Overseas Person or is otherwise not valid or complete in all respect at such time and date, such election shall, for all purposes, be void (unless Mirfield and the Company, in their absolute discretion, elect to treat as valid any such election).

If you fail or choose not to make such an election by 1.00 p.m. on 1 October 2013 or, if you hold your TF Shares in certificated form, and your Form of Election is or is deemed to be invalid, or if you are a Restricted Overseas Shareholder, you will not be entitled to participate in the Share Alternative and upon the Scheme becoming effective you will instead be entitled to receive Cash Consideration as set out in this document.

SHAREHOLDERS WHO DO NOT WISH TO PARTICIPATE IN THE SHARE ALTERNATIVE AND WHO WANT TO RECEIVE ONLY CASH CONSIDERATION SHOULD NOT COMPLETE OR RETURN THE FORM OF ELECTION OR MAKE SUCH ELECTION ELECTRONICALLY THROUGH CREST.

Mirfield B Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state in the United States. The Share Alternative is not being made available to Scheme Shareholders who are Restricted Overseas Shareholders (including US Persons). Accordingly, Scheme Shareholders who are US Persons or other Restricted Overseas Shareholders shall receive Cash Consideration notwithstanding any election made by them for the Share Alternative, and there shall be no issuance of Mirfield B Shares to such Scheme Shareholders.

The Share Alternative is subject to certain restrictions in relation to Overseas Shareholders. These restrictions are set out in paragraph 7 of this Part II of this document. If the Company believes that an election for the Share Alternative by any Scheme Shareholder may infringe applicable legal or regulatory requirements or may result in a requirement for registration under any securities laws or may require Mirfield or the Company to comply with any regulatory or other obligations which they, acting reasonably, consider to be unduly onerous or with which they are unable to comply, the Company will have the right to deem that such Scheme Shareholder is a Restricted Overseas Shareholder and has not validly made an election for the Share Alternative and such Scheme Shareholder shall instead receive Cash Consideration in respect of the Scheme Shares which were subject to such election in accordance with the terms of the Scheme.

Shareholders who submit a Form of Election without indicating that they are unable to make the following representations and warranties by writing "NO" in Box 4 of the Form of Election, and Shareholders who make a Share Election by submitting a TTE instruction in CREST, will be deemed to have made the following representations and warranties to the Company and Mirfield:

- that they are a resident of the United Kingdom or, if they are an Overseas Shareholder, that they are not in a jurisdiction where the offering of the Share Alternative is unlawful or subject to a requirement for the Company or Mirfield to make any regulatory filing or obtain any regulatory clearance in respect of the Share Alternative;
- that they are not a US Person or a resident of Canada, Australia or Japan; and
- that they are making the Share Election either on their own account or, if as nominee for another person, such other person is not a US Person or a resident of Canada, Australia or Japan, or if such person is any other Overseas Shareholder, that such Overseas Shareholder is not in a jurisdiction where the offering of the Share Alternative is unlawful or subject to a requirement for the Company or Mirfield to make any regulatory filing or obtain any regulatory clearance in respect of the Share Alternative.

Validity of Share Elections

Without prejudice to any other provision of this paragraph 9 or the Form of Election or otherwise, the Company and Mirfield reserve the right (subject to the terms of the Acquisition and the provisions of the City Code) to treat as valid any Share Election which is not entirely in order provided that the Shareholder submitting such Share Election has clearly indicated their desire to elect to receive the Share Alternative and further provided that any Form of Election in respect of which, in the opinion of the Company and Mirfield, the Shareholder submitting that Form of Election has not clearly indicated in Box 1 of the Form of Election that he wishes to elect to receive the Share Alternative will be treated as invalid.

If any Share Election is either received after 1.00 p.m. on 30 September 2013 (or such later time (if any) to which the Election Deadline is extended) or is received before such time but is not valid or complete in all respects at such time, such Form of Election shall, for all purposes, be void, unless the Company and Mirfield, in their absolute discretion, elect to treat it as valid on the principles set out above.

Shareholders who fail to make a Share Election by 1.00 p.m. on 30 September 2013 (or such later time (if any) to which the Election Deadline is extended) or whose Form of Election is invalid, or if Mirfield and the Company determine that such Shareholder is a Restricted Overseas Shareholder, will be deemed not to have made a Share Election and will receive only Cash Consideration upon the Scheme becoming effective.

Any Share Election shall cease to be valid if the Scheme lapses, is withdrawn or is not otherwise implemented in accordance with its terms.

Upon any Share Election being deemed to be, or becoming, invalid, all share certificate(s) and/or other documents of title returned with any Form of Election will be returned to the relevant Shareholder as soon as possible and in any event by no later than 14 days after such event.

None of the Company, Mirfield or Capita Registrars or any of their respective advisors or any person acting on their behalf shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of Share Elections on any of the bases set out above or otherwise in connection therewith.

Withdrawal of Share Elections

Elections in respect of the Share Alternative made by posting of a Form of Election may be withdrawn by written notice received by post or, during normal business hours only, by hand to Capita Registrars by 1.00 p.m. on 30 September 2013 or, if the Court Hearing is adjourned to a later date, by 1.00 p.m. on the date which is seven days prior to that later date. Please ensure that your request contains an original signature. Any written requests of this nature should be sent to Capita Registrars at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Elections in respect of the Share Alternative made in CREST by the settlement of a TTE instruction, may be withdrawn or amended by 1.00 p.m. on 30 September 2013 or, if the Court Hearing is adjourned to a later date, by 1.00 p.m. on the date which is seven days prior to that later date. For information about how to withdraw a TTE instruction, please refer to the CREST Manual or contact your CREST sponsor.

Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by the Company and Mirfield, whose determination (save as the Panel otherwise directs) will be final and binding. None of the Company, Mirfield, Capita Registrars or any other person will be under any duty to give notification of any defect in any notice of withdrawal or will incur any liability for failure to do so.

10. Helpline

If you have any questions relating to this document or the completion and return of the Forms of Proxy or the Form of Election, please contact Capita Registrars:

- **in writing, at *Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU*; or**
- **by telephone on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK between 9.00am and 5.30pm (London time) Monday to Friday. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates.**

Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide any financial, legal or tax advice.

PLEASE NOTE THAT, FOR LEGAL REASONS, THE HELPLINE CANNOT PROVIDE ADVICE ON THE MERITS OF THE ACQUISITION OR THE SHARE ALTERNATIVE OR GIVE ANY LEGAL, TAX OR FINANCIAL ADVICE.

11. The Directors and the effect of the Scheme on their interests

Details of the interests of the Directors in TF Shares and Options are set out in paragraph 5.1 of Part IV of this document.

Upon the Scheme becoming effective, TF Shares held by the Directors will be acquired by Mirfield on the same terms and conditions as all other Scheme Shareholders, the Independent Directors will resign from the board of the Company without compensation and Mr Fennell and Mr Hadden-Paton will be appointed to the board of directors of Mirfield.

Other than as referred to in paragraphs 6, 7 and 8 of Part I of this document and paragraph 6, 7.1 and 9 of Part IV of this document, the effect of the Scheme on the interests of the Directors does not differ from its effect on the interests of any other person. The effect of the Scheme on the awards and Options held by the Directors under the Option Schemes is the same as all other holders of Options.

Particulars of the service contracts and arrangements (including termination provisions and bonus arrangements) and letters of appointment of the Directors are set out in paragraph 6 of Part IV of this document.

12. Further Information

The terms of the Scheme are set out in full in Part VI of this document. Your attention is also drawn to the further information contained in this document and, in particular, to the Conditions in Part III, the additional information set out in Part IV of this document, the information on Mirfield contained in Part V, the Scheme in Part VI, the tax information in Part VII and the notices of the Court Meeting and General Meeting is at the end of this document.

Yours faithfully,

**Malcolm Strang
on behalf of
Opus Corporate Finance LLP**

John McElroy

PART III

SECTION 1

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND FURTHER TERMS OF THE ACQUISITION

1. The Acquisition is conditional upon the Scheme, subject to the City Code, becoming unconditional and becoming effective by no later than 31 December 2013 or such later date (if any) as Mirfield and the Company may, with the consent of the Panel, agree and (if required) the Court may approve.
2. The Scheme is subject to the following Conditions:
 - (a) the approval of the Scheme by a majority in number representing three-fourths or more in value of the Independent Shareholders (or, if applicable, the relevant class or classes thereof) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment of any such meeting);
 - (b) all of the resolutions required to approve and implement the Scheme as set out in the notice of the General Meeting attached to this document being duly passed by the requisite majorities at the General Meeting (or at any adjournment thereof); and
 - (c) the sanction of the Scheme and the confirmation of the Reduction of Capital of the Company in connection with the Scheme by the Court (in each case without modification or with such modification as is agreed by Mirfield and the Company) and the delivery for registration of the Court Order and related statement of capital to the Registrar of Companies in England and Wales.
3. In addition, the Company and Mirfield have agreed that, save as stated in paragraph 5 below, the Scheme is conditional on the following matters and, accordingly, the necessary actions to make the Acquisition effective will not be taken unless the following Conditions (as amended, if appropriate) have been satisfied or waived:
 - (a) no Third Party (as defined below) having intervened and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which is or is likely to be material in the context of the Acquisition which would or might reasonably be expected to:
 - (i) make the Scheme, its implementation or the acquisition or proposed acquisition by Mirfield of any shares or other securities in, or control of, the Company or any member of the Wider Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly restrain, prevent, prohibit, restrict or delay the same or impose additional conditions or obligations with respect to the Scheme or such acquisition, or otherwise impede, challenge or interfere with the Scheme or such acquisition, or require amendment to the terms of the Scheme or the acquisition or proposed acquisition of any TF Shares or the acquisition of control or management of the Company or the Wider Group by Mirfield;
 - (ii) limit or delay, or impose any material limitations on, the ability of Mirfield to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities convertible into TF Shares in, or to exercise voting or management control over, any member of the Wider Group;
 - (iii) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by Mirfield of any shares or other securities in the Company;
 - (iv) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Group or by Mirfield of all or any portion of their respective businesses, assets or properties or limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
 - (v) except pursuant to sections 974-991 of the 2006 Act require Mirfield or any member of the Wider Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of the Wider Group owned by any third party;

- (vi) limit the ability of Mirfield or any member of the Wider Group to conduct or integrate or co-ordinate its business, or any material part of it, with the businesses or any part of the businesses of Mirfield or any member of the Wider Group;
 - (vii) result in any member of the Wider Group or Mirfield ceasing to be able to carry on business under any name under which it presently does so; or
 - (viii) otherwise adversely affect any or all of the business, assets, profits, financial or trading position or prospects of Mirfield or any member of the Wider Group in each such case to the extent that it is material in the context of the Wider Group and/or Mirfield taken as a whole, and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated;
- (b) all notifications and filings which are necessary or are reasonably considered appropriate by Mirfield having been made, all appropriate waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with or obtained on terms and in a form reasonably satisfactory to Mirfield, in each case (and to the extent that it is material) in connection with the Scheme or the Acquisition or the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, the Company or any other member of the Wider Group or the carrying on by any member of the Wider Group of its business, unless otherwise waived by Mirfield, and no temporary restraining order, preliminary or permanent injunction or other order having been issued and being in effect by a court or other Third Party of competent jurisdiction which has the effect of making the Scheme or the Acquisition illegal or otherwise prohibiting the consummation of the Scheme or the Acquisition;
- (c) all Authorisations which are necessary or are reasonably considered necessary or appropriate by Mirfield in any relevant jurisdiction for or in respect of the Scheme or the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, the Company or any other member of the Wider Group or by Mirfield or the carrying on by Mirfield or any member of the Wider Group of its business having been obtained, in terms and in a form reasonably satisfactory to Mirfield, from all appropriate Third Parties or from any persons or bodies with whom any member of the Wider Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same in connection with the Scheme or the Acquisition;
- (d) since 31 March 2013 and except as disclosed in the Company's annual report and accounts for the year then ended or as publicly announced by the Company prior to the date of the Announcement (by the delivery of an announcement to a Regulatory Information Service) or as fairly disclosed prior to the date of the Announcement to Mirfield by or on behalf of the Company in the course of negotiations, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the Scheme or the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control of, the Company or any other member of the Wider Group by Mirfield or otherwise, could or might reasonably be expected to result in:
- (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated repayment date or the ability of any member of the Wider Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn;

- (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) becoming enforceable;
 - (iii) any such arrangement, agreement, licence, permit, franchise or other instrument, or the rights, liabilities, obligations or interests of any member of the Wider Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
 - (iv) any material asset or material interest of any member of the Wider Group being or failing to be disposed of or ceasing to be available to any member of the Wider Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Group otherwise than in the ordinary course of business;
 - (v) any member of the Wider Group ceasing to be able to carry on business under any name under which it presently does so;
 - (vi) the creation of material liabilities (actual or contingent) by any member of the Wider Group other than in the ordinary course of business;
 - (vii) the rights, liabilities, obligations or interests of any member of the Wider Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
 - (viii) the financial or trading position or the prospects or the value of any member of the Wider Group being prejudiced or adversely affected; and
 - (ix) except as aforesaid, no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would be reasonably likely to result in any of the events or circumstances which are referred to in paragraphs (i) to (viii) of this Condition 3(d);
- (e) since 31 March 2013 and except as disclosed in the Company's annual report and accounts for the year then ended or as otherwise publicly announced by the Company prior to the date of the Announcement (by the delivery of an announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to the Announcement in writing to Mirfield by or on behalf of the Company in the course of negotiations or otherwise as a result of the Acquisition no member of the Wider Group having:
- (i) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury other than: (i) as between the Company and wholly owned subsidiaries of the Company; or (ii) any shares issued upon the exercise of any Options granted under the Option Schemes;
 - (ii) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital;
 - (iii) recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue (other than to the Company or a wholly-owned subsidiary of the Company);
 - (iv) except as between the Company and its wholly-owned subsidiaries or between such wholly-owned subsidiaries made or authorised any material change in its loan capital;
 - (v) (other than any acquisition or disposal in the ordinary course of business or a transaction between the Company and a wholly-owned subsidiary of the Company or between such wholly-owned subsidiaries) merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title

- or interest in any assets (including shares in any undertaking and trade investments) or authorised the same (in each case to an extent which is material in the context of the Wider Group taken as a whole);
- (vi) issued, agreed to issue or authorised the issue of, or made any change in or to, any debentures or (except in the ordinary course of business or except as between the Company and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or liability (actual or contingent) which in any case is material in the context of the Wider Group taken as a whole;
 - (vii) entered into, varied, or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which (A) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude; or (B) is reasonably likely to restrict the business of any member of the Wider Group, and which in any case is material in the context of the Wider Group taken as a whole;
 - (viii) except as between the Company and its wholly-owned subsidiaries or between such wholly-owned subsidiaries entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement in respect of itself or another member of the Wider Group, which in any case is material in the context of the Wider Group taken as a whole;
 - (ix) entered into or varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Group;
 - (x) save in relation to the Scheme, taken any corporate action or had any legal proceedings instituted against it or petition presented, or meeting convened or order made for its winding-up (voluntarily or otherwise), dissolution or reorganisation or a notice of intention to appoint an administrator is filed at court or application to appoint an administrator is made to the court, or any step is taken for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction which in any case is material in the context of the Wider Group taken as a whole; been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
 - (xi) waived or compromised any claim, which is material in the context of the Wider Group taken as a whole;
 - (xii) made any alteration to its memorandum or articles of association which is material in the context of the Scheme or the Acquisition;
 - (xiii) other than as a result of the Acquisition, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit (including in relation to any personal defined contribution pension scheme(s) of any director or any person employed by the Wider Group) relating to the employment or termination of employment of any person employed by the Wider Group; or
 - (xiv) other than as a result of the Acquisition, entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 3(e);
- (f) since 31 March 2013 and except as disclosed in the Company's annual report and accounts for the year then ended or except as disclosed in the Scheme Document or as otherwise publicly announced by the Company prior to the Announcement (by the delivery of an announcement to a Regulatory Information Service) or as otherwise fairly disclosed prior to the date of the Announcement in writing to Mirfield by or on behalf of the Company in the course of negotiations:

- (i) there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Group which in any case is material in the context of the Wider Group taken as a whole;
 - (ii) no contingent or other liability of any member of the Wider Group having arisen or become apparent or increased which in any case is material in the context of the Wider Group taken as a whole;
 - (iii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Group which in any case is material in the context of the Wider Group taken as a whole; and
 - (iv) (other than as a result of the Scheme or the Acquisition) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding against or in respect of any member of the Wider Group which in any case is material in the context of the Wider Group taken as a whole; and
- (g) Mirfield not having discovered, other than to the extent otherwise publicly announced by the Company prior to the Announcement (by the delivery of an announcement to a Regulatory Information Service) or otherwise fairly disclosed prior to the date of the Announcement in writing to Mirfield by or on behalf of the Company in the course of negotiations:
- (i) that any financial or business or other information concerning the Wider Group disclosed at any time by or on behalf of any member of the Wider Group, whether publicly or Mirfield, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading to an extent which in any case is material in the context of the Wider Group taken as a whole;
 - (ii) that any member of the Wider Group is subject to any liability (actual or contingent) which is not disclosed in the Company's annual report and accounts for the financial year ended 31 March 2013 and which in any case is material in the context of the Wider Group taken as a whole; or
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Group to an extent which is material in the context of the Wider Group taken as a whole; and
- (h) the passing of ordinary resolutions by Shareholders (other than Mr Fennell, the TF SIPP, Mr Hadden-Paton or persons acting in concert with or connected to them) to be taken on a poll to approve the New Service Agreements, the Sweet Equity Arrangements for Mr Fennell, the ODP Sale Agreement and the Brand Repatriation Agreement for the purposes of Rule 16 of the City Code.
4. If the Panel requires Mirfield to make an offer for the TF Shares under the provisions of Rule 9 of the City Code, Mirfield may make such alterations to the conditions of the Acquisition, including to the Conditions set out in paragraphs 2 and 3 of Section 1 of Part III of this document, as are necessary to comply with the provisions of that Rule.
 5. Except with the Panel's consent, Mirfield will not invoke any of the above Conditions (except Condition 2) so as to cause the Acquisition not to proceed, unless the circumstances that give rise to the right to invoke the relevant Condition are of material significance in the context of the Acquisition. For the avoidance of doubt, the insolvency Condition stipulated at Condition 3(e)(x) is considered by Mirfield to be of material significance in the context of the Acquisition.
 6. Mirfield reserves the absolute right to elect, subject to the prior consent of the Panel, to implement the Acquisition by way of a takeover offer in accordance with the City Code as it may determine in its absolute discretion. In such event, such offer will be implemented on the same terms (subject to appropriate amendment, including (without limitation) an acceptance condition set at 90 per cent. (or such lesser percentage (being more than 50 per cent.) as Mirfield may decide or the Panel may require) of the TF Shares to which such offer would relate), so far as applicable, as those which apply to the Scheme.

7. The New TF Shares will be issued to Mirfield fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or payable after the date on which the Scheme becomes effective.
8. The Acquisition and the Scheme are governed by the laws of England and Wales and are subject to the jurisdiction of the English Courts. The rules of the City Code, insofar as they are appropriate, apply to the Acquisition and the Scheme.
9. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
10. All of the Conditions must be fulfilled, be determined by Mirfield to be or remain satisfied or (if capable of waiver) be waived by Mirfield by the Scheme Record Time, failing which the Acquisition will lapse. Subject to the requirements of the Panel, Mirfield reserves the right to waive all or any of the Conditions in paragraphs 3(a) to 3(g) (inclusive) of this Section 1 of this Part III in whole or part. Mirfield shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in paragraphs 3(a) to 3(g) (inclusive) of this Section 1 of this Part III by a date earlier than the date specified in paragraph 1 of this Section 1 of this Part III above for the fulfilment thereof, notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any of such Conditions may not be capable of fulfilment.
11. For the purpose of these Conditions:
 - (a) “**Third Party**” means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body or any other person or body whatsoever in any relevant jurisdiction;
 - (b) a Third Party shall be regarded as having “**intervened**” if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided or otherwise having done anything and “**intervene**” shall be construed accordingly; and
 - (c) “**Authorisations**” means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals.

PART III

SECTION 2

RISK FACTORS IN RELATION TO THE MIRFIELD B SHARES

The Share Alternative is not and will not be the subject of a recommendation by the Independent Directors. It is recommended that Shareholders carefully consider, in light of their own investment objectives and having taken independent advice appropriate to their own financial circumstances, whether they wish to elect for the Share Alternative.

The attention of Shareholders who may be considering electing for the Share Alternative is drawn to the following risk factors relevant to such an election.

- Mirfield is an unlisted company and there currently is, and there is expected to continue to be, no market in Mirfield Shares. Further, as the Mirfield Shares are not listed on a regulated market or stock exchange their value will be and may remain uncertain.
- Mirfield has no plans to seek a listing or public quotation of the Mirfield Shares on any recognised investment exchange or other market following the implementation of the Scheme. Consequently, Mirfield Shares may be difficult to sell.
- Mirfield will not be subject to the disclosure, corporate governance and shareholder protection requirements of any recognised investment exchange.
- The Mirfield B Shares will represent a minority interest in Mirfield. Even if the maximum number of Mirfield Shares are issued to Scheme Shareholders under the Share Alternative, they will represent only 10 per cent. of the issued share capital of Mirfield. Accordingly, the Scheme Shareholders in their capacity as holders of the Mirfield B Shares will have no influence in relation to decisions in respect of the Enlarged Group going forward. Going forward the Enlarged Group will be controlled by the Mirfield Investors.
- Mirfield currently has no intention to pay dividends and under its proposed banking facility documentation with Clydesdale, it will not be permitted to pay dividends unless Clydesdale provides written consent.
- In the future, additional shares may be issued by Mirfield or additional options over Mirfield Shares may be granted to the management and/or employees of Mirfield. In these circumstances, the issue of new Mirfield Shares after the two year anti-dilution period for the Mirfield B Shares would dilute the holding of the holders of Mirfield B Shares. In particular, the Sweet Equity Arrangements for Mr Piasecki and Mr Fennell envisage that they will be issued with Mirfield C Shares and Mirfield D Shares (respectively) after the expiry of such two year anti-dilution period, and the EME Warrants may be capable of exercise after the expiry of such period.
- The articles of association of Mirfield (which the Mirfield B Shares are subject to) contain 'drag-along' provisions – these are explained at paragraph 8.6 of Part IV below and would require the holders of the Mirfield B Shares to transfer their shares in accordance with those provisions if the conditions and thresholds were satisfied.
- The Mirfield Shares are subject to restrictions on transfer which may reduce the likelihood of a third party offering to purchase such shares.

General business, legal and regulatory risks

- Changes in legislation (including tax) may negatively effect the value of the Mirfield Shares.
- Competitive pressures in the industry could have a material adverse effect on the value of the Mirfield Shares.
- Mirfield may not be able to successfully manage future growth and the capital structure of the Enlarged Group may have a material adverse effect on the value of the Mirfield Shares. In addition, the loss of a key customer or customers may have a material adverse effect on the share value.
- The ability for Mirfield to execute its strategy is dependent on retaining key personnel (including Mr Fennell and Mr Piasecki) and attracting qualified employees.

PART IV

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Directors, whose names and business addresses are set out in paragraphs 2.1 and 2.3 below, accept responsibility for the information contained in this document other than the information for which the Mirfield Directors accept responsibility pursuant to paragraph 1.3 below and the recommendation of the Acquisition by the Independent Directors and the information set out in paragraphs 4 and 19 of Part I of this document, for which the Independent Directors alone accept responsibility. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Independent Directors accept responsibility for the recommendation of the Acquisition and the information set out in paragraphs 4 and 19 of Part I this document. To the best of the knowledge and belief of the Independent Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Mirfield Directors, whose names and business addresses are set out in paragraphs 2.2 and 2.4 below, accept responsibility for the information contained in this document in so far as it relates to Mirfield, the Mirfield Investors and the Mirfield Directors, their respective families and Connected Persons and parties acting in concert with Mirfield for the purposes of the City Code (including, without limitation, the information set out in paragraphs 3, 5, and 12 of Part I of this document and the information set out in the section headed “Arrangements with Mr Jurek Piasecki” in paragraph 6 of Part I of this document and the information in Part V of this document). To the best of the knowledge and belief of the Mirfield Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors of the Company and Mirfield

- 2.1 The Directors, their current functions and business addresses are as follows:

Name	Function
<i>Theo Fennell</i>	<i>Managing Director and Creative Director</i>
<i>Alasdair Hadden-Paton</i>	<i>Finance Director</i>
<i>Rupert Hambro</i>	<i>Non-executive Chairman</i>
<i>Francis McKay</i>	<i>Non-executive Director</i>

Mr Hambro and Mr McKay are the Independent Directors.

- 2.2 The directors of Mirfield and their functions are as follows:

Name	Function
<i>Rahan Shaheen</i>	<i>Director</i>
<i>Ahmad Salam</i>	<i>Director</i>

- 2.3 The business address of each of the Directors is 2b Pond Place, London SW3 6PF.
- 2.4 The business address of each of the Mirfield Directors is 32 St James’s Street, London SW1A 1HD.
- 2.5 Mirfield is a public limited company incorporated in England & Wales on 11 June 2011 with company number 856465 whose registered office is at 3 Bunhill Row, London EC1Y 8 YZ.

3. Market Quotations

The table below sets out the Closing Price for TF Shares (as derived from AIM) for:

- 3.1 the first dealing day on each of the six calendar months prior to the date of this document;
- 3.2 the last dealing day prior to the commencement of the Offer Period; and

3.3 the last Business Day prior to the publication of this document.

Date	Closing Price of a the TF Share (pence)
4 September 2012	11.75
1 March 2013	11.00
2 April 2013	10.00
1 May 2013	9.25
3 June 2013	8.125
1 July 2013	7.50
1 August 2013	11.88
22 August 2013	11.875

3.4 Mirfield Shares are not admitted to trading on any exchange. For the purposes of Rule 24.3(d)(viii) of the City Code there have been no transactions in Mirfield Shares in the six months prior to the date of this document, save for the subscription by EME Capital for 50,000 Mirfield A Shares at £1.00 per Mirfield A Share.

4. Irrevocable Undertakings

4.1 The following Independent Shareholders have given irrevocable undertakings to Mirfield to vote in favour of the Scheme at the Court Meeting and to vote in favour of the General Meeting Resolutions at the General Meeting in respect of the following TF Shares in which they are legally and/or beneficially interested (and, if, with the consent of the Panel, Mirfield exercises its right to acquire the TF Shares by means of a takeover offer, to accept any such takeover offer):

Name	Number of Shares in respect of which undertaking is given	Approximate % of existing issues share capital of the Company
Rupert Nicholas Hambro	1,525,959	6.6%
Francis John McKay	131,579	0.6%
Centric Investments Ltd	481,516	2.1%
Francis Richard Northcott	2,969,987	12.8%
Lodestone Ltd	1,774,400	7.7%

4.2 Alister Theodore Fennell has given irrevocable undertakings to Mirfield to vote in favour of the General Meeting Resolutions (other than the Rule 16 Resolutions) at the General Meeting in respect of the following TF Shares in which he is beneficially interested (and, if, with the consent of the Panel, Mirfield exercises its right to acquire the TF Shares by means of a takeover offer, to accept any such takeover offer):

Name	Number of Shares	Approximate % of issued Share Capital
Alister Theodore Fennell	3,750,279	16.2%

Mr Fennell has further undertaken to accept the Share Alternative in respect of 2,876,480 TF Shares (being those TF Shares in which he is beneficially interested other than those held on behalf of the TF SIPP).

James Brearly Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) has irrevocably undertaken to be bound by the Scheme.

- 4.3 Alasdair Hadden-Paton has given irrevocable undertakings to Mirfield to vote in favour of the Scheme at the Court Meeting and to vote in favour of the General Meeting Resolutions (other than the Rule 16 Resolutions) at the General Meeting in respect of the following TF Shares in which he is beneficially interested (and, if, with the consent of the Panel, Mirfield exercises its right to acquire the TF Shares by means of a takeover offer, to accept any such takeover offer):

Name	Number of Shares	Approximate % of issued Share Capital
Alasdair Kinloch Hadden-Paton	866,626	3.7%

Mr Hadden-Paton has further undertaken to accept the Share Alternative in respect of all 866,626 TF Shares in which he is beneficially interested.

- 4.4 In aggregate Mirfield has received undertakings to vote in favour of:
- the Resolution to approve the Scheme at the Court Meeting from Shareholders amounting, in aggregate, to 7,750,067 TF Shares, representing approximately 33.5 per cent. of the existing issued share capital of the Company;
 - the General Meeting Resolutions other than the Rule 16 Resolutions from Shareholders amounting, in aggregate, to 11,500,346 TF Shares, representing approximately 49.7 per cent. of the existing issued share capital of the Company; and
 - the Rule 16 Resolutions from Shareholders amounting, in aggregate to 6,883,441 TF Shares representing approximately 29.7% of the existing issued share capital of the Company.
- 4.5 Each of the above Shareholders has irrevocably undertaken to vote (or procure the vote) in favour of the Resolutions that they are entitled to vote on in respect of any other securities in the Company issued or unconditionally allotted to, or otherwise acquired by, it or him before the Meetings.
- 4.6 In addition, the irrevocable undertakings will lapse if:
- this document is not posted within 28 days of the date of the Announcement or such longer period as Mirfield and the Company, with the consent of Panel determine;
 - the Scheme lapses or otherwise ceases to be capable of becoming effective or is withdrawn; or
 - a takeover offer, having been made by Mirfield, is withdrawn or lapses.
- 4.7 James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) has irrevocably undertaken to be bound by the Scheme.
- 4.8 Mirfield has agreed to counsel appearing on its behalf at the Court Hearing and offering to the Court Mirfield's consent to the Scheme and Mirfield's undertaking to be bound thereby and execute and do or procure to be executed and done by it or on its behalf, all such documents or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to the Scheme (save, to the extent relevant, where the Acquisition has lapsed with the consent of the Panel).

5. Shareholdings and Dealings

Certain terms used in this paragraph 5 of this Part IV of this document are defined in paragraph 5.4 below).

5.1 *Interests in TF Shares:*

- (a) During the disclosure period, the following dealings in relevant securities of the Company by the Directors (including any persons whose interest in relevant securities they are taken to be interested in under Part 22 of the 2006 Act) have taken place:

Date	Party	Transaction	Number of TF Shares	Price per TF Share (pence)
10 October 2011	Theo Fennell	Surrender of Options	1,000,000	N/A
10 October 2011	Theo Fennell	Grant of Options	1,000,000	22
10 October 2011	Alasdair Hadden-Paton	Surrender of Options	500,000	N/A
10 October 2011	Alasdair Hadden-Paton	Grant of Options	500,000	22
26 July 2012	Rupert Hambro	Acquisition of TF Shares	150,000	8.25
27 July 2012	Theo Fennell	Acquisition of TF Shares	120,000	8.2
27 July 2012	Alasdair Hadden-Paton	Acquisition of TF Shares	120,000	8.25

- (b) As at the last day of the disclosure period, the interests of Directors (including any persons whose interest in relevant securities they are taken to be interested in under Part 22 of the 2006 Act) in relevant securities of the Company were as follows (excluding Options as set out in paragraph 5.1(c) below):

Name	TF Shares	% of issued TF Share Capital
Theo Fennell	3,750,279*	16.2%
Alasdair Hadden-Paton	866,626	3.7%
Rupert Hambro	1,525,959	6.6%
Francis McKay	131,579	0.6%

* *The TF SIPP, which is controlled by Theo Fennell, is the beneficial owner of 873,799 of these TF Shares.*

- (c) The Options and awards held by the Directors under the Option Schemes as at the last day of the disclosure period were as follows:

Names	Options (Scheme)	Exercise Price (pence)	Expiry Date
Theo Fennell	1,000,000 (EMI Scheme and Unapproved Employee Share Option Scheme)	22	12 October 2021
Alasdair Hadden-Paton	500,000 (EMI Scheme and Unapproved Employee Share Option Scheme)	22	12 October 2021
Rupert Hambro	Nil	Nil	—
Francis McKay	Nil	Nil	—

- (d) Other than as set out above in this paragraph 5.1, neither the Directors (including any persons whose interest in relevant securities they are taken to be interested in under Part 22 of the 2006 Act) nor (so far as the Company is aware) any person acting in concert with the Company has any interest in or right to subscribe for relevant securities of the Company, or held any short position in any relevant securities of the Company on the last day of the disclosure period, nor has any such person dealt in any relevant securities of the Company during the disclosure period.
- (e) Neither the Company nor (so far as the Company is aware) any person acting in concert with the Company has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the City Code) any relevant securities of the Company.

- (f) Neither Mirfield, nor the Mirfield Investors, nor the Mirfield Directors (including any persons whose interest in relevant securities they are taken to be interested in under Part 22 of the 2006 Act), nor (so far as Mirfield is aware) any person acting in concert with Mirfield has any interest in or right to subscribe for relevant securities of the Company, or held any short position in any relevant securities of the Company on the last day of the disclosure period, nor has any such person dealt in any relevant securities of the Company during the disclosure period.
- (g) Neither Mirfield nor (so far as Mirfield is aware) any person acting in concert with Mirfield has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the City Code) any relevant securities of the Company.
- (h) During the disclosure period, the Company has not purchased any securities.

5.2 *Interests in Mirfield Shares*

- (a) The current issued share capital of Mirfield is 50,000 Mirfield A Shares, which are held as to 100% by EME Capital LLP, one of the Mirfield Investors. One subscriber share was issued to EME Capital LLP upon the incorporation of Mirfield on 11 June 2013 at a price of £1 and a further 49,999 shares were subscribed for by EME Capital LLP at £1 per share on 19 June 2013.
- (b) Under the terms of the subscription letters summarised in paragraph 7.2(f) below, each of the Mirfield Investors has agreed to subscribe for the following Mirfield A Shares at a subscription price of £1 per Mirfield A Share. Each such subscription will complete on the Effective Date.

Name	Value of Subscription (£)	Number of Mirfield A Shares
Mike Jatania	1,500,000	1,500,000
Sir Keith Mills	1,500,000	1,500,000
Jon Moulton	1,500,000	1,500,000
Jurek Piasecki	500,000	500,000
EME Capital LLP	450,000	450,000

- (c) Under the terms of the irrevocable undertakings summarised in paragraphs 4.2 and 4.3 (respectively) above, each of Theo Fennell and Alasdair Hadden-Paton has irrevocably undertaken to accept the Share Alternative in respect of all of the TF Shares in which he is interested (other than, in the case of Mr Fennell, those held on behalf of the TF SIPP), amounting to 2,876,480 TF Shares and 866,626 TF Share respectively, which under the Share Alternative will equate to 253,015 Mirfield B Shares and 76,228 Mirfield B Shares respectively.
- (d) Under the terms of the Sweet Equity Arrangements summarised in paragraph 9 below, Jurek Piasecki and Theo Fennell will be entitled to receive Mirfield C Shares and Mirfield D Share respectively. On the Effective Date, Mr Piasecki will receive Mirfield C Shares representing 5% of the issued share capital of Mirfield, and Mr Fennell will receive Mirfield D Shares representing 5% of the issued share capital of Mirfield. Thereafter, Mr Piasecki and Mr Fennell will be entitled to receive additional Mirfield C Shares and Mirfield D Shares respectively representing up to a further 5% each in the issued capital of Mirfield, as summarised in paragraph 9 below.
- (e) Other than as set out above in this paragraph 5.2, neither Mirfield, nor the Mirfield Investors, nor the Mirfield Directors (including any persons whose interest in relevant securities they are taken to be interested in under Part 22 of the 2006 Act), nor (so far as Mirfield is aware) any person acting in concert with Mirfield has any interest in or right to subscribe for relevant securities of Mirfield, or held any short position in any relevant securities of Mirfield on the last day of the disclosure period, nor has any such person dealt in any relevant securities of Mirfield during the disclosure period.
- (f) Neither Mirfield nor (so far as Mirfield is aware) any person acting in concert with Mirfield has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the City Code) any relevant securities of Mirfield.

- (g) Other than as set out above in this paragraph 5.2, neither the Company nor the Directors (including any persons whose interest in relevant securities they are taken to be interested in under Part 22 of the 2006 Act), nor (so far as the Company is aware) any person acting in concert with the Company has any interest in or right to subscribe for relevant securities of Mirfield, or held any short position in any relevant securities of Mirfield on the last day of the disclosure period, nor has any such person dealt in any relevant securities of Mirfield during the disclosure period.
- (h) Neither the Company nor (so far as the Company is aware) any person acting in concert with the Company has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 to Rule 4.6 of the City Code) any relevant securities of Mirfield.

5.3 *General*

- (a) Save as disclosed in respect of the irrevocable undertakings in paragraph 4 of this Part IV of this document, neither Mirfield, nor any person acting in concert with Mirfield for the purposes of the Acquisition, has any arrangement with any person in relation to the relevant securities of the Company.
- (b) Save as disclosed in this paragraph 5 of this Part IV, neither the Company, nor any person acting in concert with the Company has any arrangement with any person in relation to the relevant securities of the Company.

5.4 For the purposes of this paragraph 5 of this Part IV of this document references to:

- (a) “**acting in concert**” are to such term as defined in the City Code;
- (b) an “**arrangement**” include any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities of the Company which may be an inducement to deal or refrain from dealing;
- (c) “**dealing**” or “**dealt**” include the following:
 - (i) the acquisition of or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
 - (ii) the taking, granting, acquisition of, 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 securities;
 - (iii) subscribing or agreeing to subscribe for securities;
 - (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
 - (v) the acquisition of, or disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
 - (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
 - (vii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (d) “**derivative**” includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (e) “**disclosure period**” mean the period commencing on 5 September 2011 (being the date 12 months prior to the date of commencement of the Offer Period) and ending on 22 August 2013 (being the latest practicable date prior to the publication of this document);
- (f) a person having an “**interest**” or treated as “**interested**” in any securities are if he has long economic exposure, whether absolute or conditional, to changes in the price of those securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular a person is treated as “**interested**” in securities if:

- (i) he owns them;
 - (ii) he has a 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 a party to any derivative: (A) whose value is determined by reference to their price; and (B) which results, or may result, in his having a long position in them;
- (g) “**relevant securities**” means (as appropriate) in relation to the Company, the TF Shares, Options and securities convertible into or exchangeable for rights to subscribe for and options in respect of any of the foregoing, and in relation to Mirfield means the Mirfield A Shares, Mirfield B Shares, Mirfield C Shares, Mirfield D Shares and securities convertible into or exchangeable for rights to subscribe for and options in respect of any of the foregoing; and
- (h) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

6. Service Agreements and terms of appointment of the Company Directors

6.1 Executive Directors

(a) *Theo Fennell*

In 2009, Mr Fennell entered into a service agreement with the Company under the terms of which he agreed to act as Managing and Creative Director and his current salary is £220,000 per annum. In addition the Company contributes £50,000 per annum into Mr Fennell’s pension scheme. Mr Fennell is also entitled to a bonus based on performance, a royalty payment equal to 5 (five) per cent of the value of sales (net of VAT (or other equivalent sales tax)) made by the Company of Tomfoolery branded products, a commission of 5 (five) per cent of the net profit for all shows of the Company held away from the Company’s retail outlets (net profit being calculated by deducting all direct costs of the show), the ability to participate in the Company’s products discount scheme for employees to acquire Company products for cost plus 10% plus VAT and certain other benefits (which are provided by ODP). The agreement is terminable by 12 months’ written notice on either side. The agreement contains the usual restrictive covenants. In addition, Mr Fennell provides services to ODP for an annual salary of £95,000 and receives benefits including healthcare (£8,599 per annum), group life (£1,001 per annum) and income protection (£1,168 per annum). Louise Fennell, Mr Fennell’s wife, provides services to ODP for £30,000 per annum and also receives benefits from ODP including healthcare (£6,348 per annum), group life (£322 per annum), pension (£1,500 per annum) and income protection (£527 per annum).

On 1 August 2013, Mr Fennell entered into the TF Service Agreement with the Company and Mirfield pursuant to which, conditional upon completion of the Acquisition, he will act as Creative Design Director of the Company in return for a salary of £300,000 per annum plus a pension entitlement of £50,000 per annum and a discretionary bonus. Mr Fennell will act as a director of both the Company and Mirfield, on an executive and non-executive basis respectively. The TF Service Agreement will replace Mr Fennell’s existing service agreement with effect from completion of the Acquisition.

The TF Service Agreement will run for a minimum term of 36 months (subject to various dismissal rights) and can thereafter be terminated on six months' notice on either side. As this agreement has a fixed term of more than two years, shareholder approval for the fixed term will be required under the provisions of the 2006 Act. An appropriate resolution will be put to Shareholders at the General Meeting.

To incentivise Mr Fennell in connection with the future business of the Company, Mr Fennell will also be entitled to Sweet Equity Arrangements under the articles of association of Mirfield, as summarised in paragraph 9 below.

Additionally, it is currently proposed that Louise Fennell, Mr Fennell's wife, will, conditional upon completion of the Acquisition, be engaged as a consultant of the Company in a part-time role in public relations and as a brand ambassador for a salary of £50,000 per annum. This engagement would replace her current engagement with ODP.

(b) Alasdair Hadden-Paton

In 2009, Mr Hadden-Paton entered into a letter of engagement with the Company, under which he agreed to act as a non-executive director of the Company for a fee of £25,000 per annum. The agreement provided for termination on 3 months' written notice by either side.

On or around 20 May 2013, the above 2009 agreement was replaced when Mr Hadden-Paton entered into a service agreement with the Company under the terms of which he agreed to act as Finance Director and Company Secretary and his current salary is £90,000 per annum. Mr Hadden-Paton is also entitled to a 10% pension contribution, a discretionary bonus and certain other benefits (which are provided by ODP). The agreement is terminable by 6 months' written notice. In addition, Mr Hadden-Paton provides services to ODP for an annual salary of £25,000 and certain other benefits including group life (£462 per annum), pension (£1,250 per annum) and income protection (£538 per annum).

On 1 August 2013, Mr Hadden-Paton entered into the AHP Service Agreement pursuant to which he will, conditional upon completion of the Acquisition, act as a Non-Executive Director for both the Company and Mirfield for one day a month for a fee of £50,000 per annum and will have the right to receive commission of 50% of the retail margin achieved on a sale of the Company products to individuals introduced to the Company by him. The AHP Service Agreement has an initial term of one year and is terminated on or after the first anniversary on one month's notice

In addition, Mr Hadden-Paton has entered into the AHP Consultancy Agreement pursuant to which he will, conditional upon completion of the Acquisition, provide his services for one month to hand over his function as chief financial officer for a fee of £4,500 plus expenses. Mr Hadden-Paton has also entered into a compromise agreement with the Company and Mirfield relating to the change in his existing engagement with the Company pursuant to which he will receive a payment of £20,500.

The above arrangements will replace Mr Hadden-Paton's existing service agreement with effect from completion of the Acquisition

6.2 Non-Executive Directors

(a) Rupert Hambro

In 2009, Mr Hambro entered into a letter of engagement with the Company under the terms of which he agreed to act as non-executive Chairman of the Company and his current fee is £27,000 per annum. The agreement is terminable by three months' written notice on either side. Mr Hambro will resign his position as a director of the Company upon completion of the Acquisition, without compensation.

(b) Francis McKay

On or around 24 September 2012, Mr McKay entered into a letter of engagement with the Company under the terms of which he agreed to act as a non-executive director of the Company and his current fee is £27,000 per annum. The agreement is terminable by 3 months' written notice on either side. Mr McKay will resign his position as a director of the Company upon completion of the Acquisition, without compensation.

- 6.3 Save as disclosed above, there is no service contract between any of the Company Directors and any member of the Wider Group and no such contract has been entered into or amended within the six months preceding the date of this document.
- 6.4 Save as set out above, no proposal exists in connection with the Acquisition that any payment or other benefit be made or given to any Director as compensation for loss of office or as consideration for, or in connection with, his retirement from office.
- 6.5 Save as set out above the Acquisition will have no effect on the emoluments of the Directors.

7. Material Contracts

The following paragraphs contain a summary of the principal content of each material contract (not being a contract entered into in the ordinary course of business) entered into by Mirfield or the Company during the period beginning on 5 September 2010 (being two years prior to the commencement of the Offer Period) to 22 August 2013 (being the last practicable date prior to publication of this document).

7.1 *The Company*

- (a) The ODP Sale Agreement dated 1 August 2013 between the Company, Mirfield, Mr Fennell, Mr Hadden-Paton and the other minority shareholders of ODP, being Simon Coldicott, Karen Bryant, Rachel Hopkins and Louise Nicolson, pursuant to which subject, *inter alia*, to completion of the Acquisition having occurred on or before 31 December 2013, the Company has agreed to acquire the outstanding 80% of the share capital in the ODP not already owned by it (the “**ODP Purchase**”), being Mr Fennell’s and Mr Hadden-Paton’s interests of 60% and 12% respectively, plus the other minority shareholders’ interests totalling 8%, for an aggregate purchase price of £200,000 payable in cash. On this basis, Mr Fennell and Mr Hadden-Paton will receive £150,000 and £29,978 in cash respectively. Limited warranties and indemnities are given by the selling shareholders to the Company as buyer. Completion of the ODP Purchase will occur simultaneously with completion of the Acquisition. Upon completion of the ODP Purchase, the Company has agreed to procure the repayment by ODP of its outstanding overdraft to Clydesdale, which currently stands at approximately £42,000 from a maximum available facility of £85,000, and to procure that Clydesdale releases Mr Fennell from his obligations and liabilities as a guarantor of the ODP’s obligations to Clydesdale.

Mr Fennell and Mr Hadden-Paton currently have outstanding shareholder loans made by them to ODP of £95,000 and £10,000 respectively (the “**ODP Shareholder Loans**”) plus accrued interest. A further amount of £136,000 in aggregate is also outstanding to Mr Fennell and Mr Hadden-Paton in respect of outstanding and unpaid salaries (including National Insurance and PAYE payments) (the “**Unpaid Salaries**”). If and to the extent that the ODP Shareholder Loans cannot be discharged out of net cash available from cash realisations at completion of the ODP Purchase, as part of the ODP Purchase, ODP will repay the ODP Shareholder Loans *pro rata* out of net cash generated by the ODP in the 24 month period following completion of the Acquisition. Any amounts still outstanding in respect of the ODP Shareholder Loans and any Unpaid Salaries at the end of such 24 month period will be settled by a transfer to them of stock owned by ODP at the time (such stock being valued at cost) in full and final settlement of all amounts which then remain under the ODP Shareholder Loans and Unpaid Salaries. Accordingly, if and to the extent that ODP has insufficient stock to repay the outstanding balance of the ODP Shareholder Loans in full, Mr Fennell and Mr Hadden-Paton have agreed to waive any outstanding balance of their Shareholder Loans and Unpaid Salaries. ODP has granted Mr Fennell a floating charge over its stock as security for its obligations in respect of his ODP Shareholder Loan. This floating charge will rank behind Clydesdale’s own charge over the shares and assets of the ODP pursuant to the revolving credit facility referred to in paragraph (g) below.

As the purchase of Mr Fennell’s shares in ODP will constitute a substantial property transaction with a director for the purposes of the 2006 Act, the acquisition of his shares will be subject to Shareholder approval at the General Meeting.

- (b) The Brand Repatriation Agreement dated 1 August 2013 between Mr Fennell, the Company and Mirfield, pursuant to which Mr Fennell has agreed, subject to completion of the Acquisition, to assign and transfer all intellectual property rights he owns in the business name “Theo Fennell” and associated intellectual property to the Company. Under the Brand Repatriation Agreement Mr Fennell:
- unconditionally and irrevocably assigns and transfers to the Company all intellectual property rights he owns in the business name “Theo Fennell” and its constituent elements “Theo” and “Fennell” (the “TF Name”) in relation to the business of the Company, all attendant goodwill and, in addition, any rights he owns in trade marks used by the Company and other intellectual property rights in relation to the Company’s business, such as rights in designs and ideas for products sold by the Company;
 - provides warranties to the effect that all intellectual property rights in relation to the TF Name, trade marks and such designs and ideas are either owned by him (and thus are being assigned under the agreement) or are, to the best of his knowledge, already owned by the Company or any company within the Company’s group. Mr Fennell also provides warranties to the effect that he is not aware of any infringement issues relating to the Company’s business or of any reason why these intellectual property rights might be vulnerable to challenge; and
 - agrees not to use the TF Name in relation to any business, but the agreement permits him to use the TF Name to identify himself as the author of any literary or musical work, such as a book or song, any dramatic work, sound recording or film, or of any two dimensional artistic work. He is permitted also to use the TF Name to identify himself as the author or designer of any product which is created and/or gifted by him for non-commercial purposes. In each case, the permission is subject to the proviso that he does so only in good faith and in a way which is not misleading.
- (c) The TF Service Agreement, AHP Service Agreement, AHP Consultancy Agreement and AHP Compromise Agreement summarised in paragraphs 6.1(a) and (b) above.
- (d) The JP Consultancy Agreement dated 1 August 2013 between the Company, Mirfield, Lock End Investments Limited and Jurek Piasecki, pursuant to which, conditional upon completion of the Acquisition, Lock End Investments Limited will provide the services of Mr Piasecki to undertake the functions of chief executive officer of the Company and to advise on, among other things, the Company’s strategy, staffing, budgeting and risk management. The term of the agreement is for a fixed period of 30 months following which it may be terminated upon 6 months’ notice by either party (subject to earlier termination for breach). A fee of £180,000 per annum plus VAT shall be paid under the consultancy agreement.
- (e) The JP Engagement Letter dated 1 August 2013 between the Company, Mirfield and Jurek Piasecki, pursuant to which, conditional upon completion of the Acquisition, Mr Piasecki act as non-executive director of Mirfield for a fee of £20,000 per annum to be paid by the Company. The agreement may be terminated at any time on one month’s notice given by either side.
- (f) The EME Advisory Agreement dated 1 August 2013 between EME Capital and Mirfield pursuant to which, conditional upon completion of the Acquisition, EME Capital will provide financial advisory services to the Company (including the provision of personnel to undertake the role of chief financial officer, in return for which a fee of £120,000 per annum is payable). In consideration for its advisory services, EME Capital will also receive a transaction fee of up to £140,000. EME Capital will also provide two individuals, namely Ahmad Salam and Rahan Shaheen, to act as non-executive directors of Mirfield and will be paid an annual fee of £100,000 for the provision of these two directors.
- (g) Existing facility with Clydsedale
- (i) Clydsedale has made available facilities (referred to below) to the Company pursuant to a facility letter dated 29 July 2013.

- (ii) The facilities, which are available until 31 July 2014, are to be used for the Company's general business purposes comprise:
 - £2,500,000 overdraft;
 - BACS of £350,000 per month;
 - business card facility of £35,000;
 - forward foreign exchange contracts of £22,500 (£500,000 daily settlement cap);
 - guarantees/bonds/indemnities of £75,000; and
 - open credit of £1,000 daily.
- (iii) The Company will pay fees of 5.75% above base rate for the overdraft (up to the limit) and a tariff rate in excess of the limit. If the Company is in breach of the facility letter, Clydesdale may increase the overdraft rate. If there is late payment, Clydesdale shall charge at its tariff rate. A fee of 2% payable in advance shall be payable for all guarantees, bonds or indemnities issued by Clydesdale. Clydesdale shall also be entitled to charge fees extending or renewing the facilities.
- (iv) All amounts are immediately repayable and cancelled on the Bank's demand and will also be cancelled if notified by Clydesdale to the Company. On demand or cancellation, Clydesdale may also ask the Company to provide cash cover and security over the cash in respect of the Company's outstanding liabilities.
- (v) The facilities are subject to security in favour of Clydesdale.
- (h) Proposed new facility with Clydesdale:
 - (i) Clydesdale has issued heads of terms dated 31 July 2013 setting out the proposed terms and conditions of a new facility which will replace the facilities referred to in paragraph (g) above which will be repaid in full and then withdrawn. Whilst this new facility has not yet been documented, it is expected to contain the terms contained in the heads of terms and set out below. It is expected that this will be based on the form of revolving credit facility issued by the Loan Market Association and will contain the representations, covenants and events of default usually contained in that document.
 - (ii) The new facility is conditional upon a variety of events including completion of the Scheme and the acquisition by Mirfield of the Company (and of the ODP Purchase referred to in paragraph 7.1(a) for an amount not greater than £200,000) by no later than 18 October 2013. Upon completion Mirfield must pay not less than £1,700,000 to the Company to be used for investment in capex, stock, marketing and other working capital together with the ODP Purchase. Prior to completion, an underwriting agreement needs to be in place for the issue of shares referred to in paragraph (x) below on or before the first anniversary of completion.
 - (iii) The new facility will comprise a £2,500,000 revolving credit facility to be made available to the Company only.
 - (iv) The new facility will have a maturity of 31 October 2015.
 - (v) Interest will accrue on the new facility at 3 monthly LIBOR plus 5%.
 - (vi) An arrangement fee of £35,000 will be payable on the new facility with deferred fees of £25,000 payable on 1 October 2014 and 31 March 2015. There is a non-utilisation fee of 2.5% payable quarterly in arrears on the undrawn portion of the new facility.
 - (vii) The new facility will be guaranteed by Mirfield and secured by fixed and floating charges over the assets of Mirfield and the Company. The shares and assets of ODP will be the subject of security in favour of Clydesdale. Mr Fennell will have the benefit of a second legal charge over the stock of ODP ranking behind the security in favour of Clydesdale.
 - (viii) The new facility will contain the following key covenants:
 - total bank borrowings to be covered twice by stock (excluding consignment and retention of title stock);
 - negative pledge;

- maintenance of the business and value of assets;
 - restriction on dividends, redemption of shares and loans to shareholders;
 - limitation on other borrowings;
 - limitations on acquisitions, mergers and amalgamations;
 - provision of financial information.
- (ix) There will be a restriction on the payment of dividends or other distributions until the new facility (plus interest and fees) has been repaid in full unless Clydesdale otherwise consents.
- (x) There will be a condition subsequent that there must be a share raising of at least £1,000,000 (net of fees) within twelve months of completion of the Acquisition.
- (i) From the Scheme becoming effective, Mike Jatania, Ahmad Salam and Rahan Shaheen will be appointed as additional directors of the Company (in addition to their directorships with Mirfield explained in the Scheme Document). These appointments will be pursuant to the letters explained at paragraph 7.2(l) below.

7.2 *Mirfield*

- (a) The ODP Sale Agreement summarised in paragraph 7.1(a) above.
- (b) The Brand Repatriation Agreement summarised in paragraph 7.1(b) above.
- (c) The TF Service Agreement, AHP Service Agreement, AHP Consultancy Agreement and AHP Compromise Agreement summarised in paragraphs 6.1(a) and (b) above.
- (d) The irrevocable undertakings summarised in paragraph 4 above.
- (e) The EME Advisory Agreement summarised in paragraph 7.1(f) above.
- (f) Subscription Letters
- (i) Mirfield has received irrevocable commitments from each of the Mirfield Investors, subject to the Scheme becoming effective prior to 31 December 2013, to invest the aggregate sum of £5,500,000 through subscriptions for Mirfield A Shares. Each of the Mirfield Investors will subscribe for Mirfield A Shares by means of a subscription letter with Mirfield (“**Subscription Letter**”) each of which has been executed but is conditional only upon completion of the Scheme occurring on or before 31 December 2013.
- (ii) Under the terms of each Subscription Letter, Mirfield is appointed by the relevant Mirfield Investor as its agent for all purposes related to the subscription. Furthermore, prior to the Announcement, each Mirfield Investor transferred his or its relevant subscription amount (as set out in paragraph (g)(ii) below to Trowers & Hamlins LLP (the “**Escrow Agent**”) to be dealt with in accordance with the terms of the Escrow Agreement and the Escrow Instruction Letter summarised in paragraphs (g) and (h) below.
- (iii) At completion of the subscription, each Mirfield Investor’s funds in the bank account of the Escrow Agent shall automatically become Mirfield’s funds and Mirfield will allot and issue the relevant Mirfield A Shares, fully paid, to the relevant Mirfield Investor, enter the name of the relevant Mirfield Investor in the register of members and produce and deliver a share certificate for the relevant shares.
- (iv) Each of the Mirfield Investors also provides a number of warranties to Mirfield regarding (*inter alia*) his / its ability to invest, his / its understanding of the risks associated with the investment and his / its ability to receive the financial promotion of the Mirfield Shares in a lawful manner.
- (v) Each of the Subscription Letters also contains a power of attorney under which the relevant Mirfield Investor appoints Mirfield (by way of security) as its attorney to do all such acts and things as Mirfield may in its reasonable discretion consider necessary or desirable in connection with the subscription. In addition, each Mirfield Investor provides Mirfield with an indemnity for any losses whatsoever regarding any acts done or made by Mirfield acting under the power of attorney.

- (g) Escrow Agreement dated 1 August 2013
- (i) The Mirfield Investors, Mirfield, the Escrow Agent and finnCap (the “**Principals**”) are each parties to the Escrow Instruction Letter (summarised in paragraph (h) below) and the Escrow Agreement. Under the terms of the Escrow Agreement, the Principals jointly appointed the Escrow Agent to act as escrow agent to hold and apply the Escrow Funds (as defined below) in accordance with its terms.
 - (ii) Prior to the Announcement, the Mirfield Investors deposited in the client account of the Escrow Agent the sum of £5,250,000 which is held subject to the escrow arrangements set out in the Escrow Agreement (the “**Escrow Funds**”). Mr Piasecki agreed to subscribe a further £250,000 no later than 5 Business Days prior to completion of the Acquisition and in any event on or before 10 September 2013.
 - (iii) The Principals agreed with each other and with the Escrow Agent that the Escrow Agent will deal with the Escrow Funds only in such manner as finnCap may from time to time instruct, and in the meantime the Escrow Funds will be placed on overnight deposit. The Principals agree that the Escrow Agent will at all times during the operation of the Escrow Account be entitled to discuss and disclose details of all amounts held in the Escrow Account with finnCap.
 - (iv) The Escrow Agreement contains an indemnity from the Principals in favour of the Escrow Agent in relation to its operation of the Escrow Account except where such liabilities arise solely as a result of the Escrow Agent’s own fraud, wilful default or negligence. Furthermore, the Escrow Agent shall be entitled to be reimbursed by the Principals for its costs and expenses incurred in the opening, operation and closing of the Escrow Account.
- (h) Escrow Instruction Letter dated 1 August 2013
- (i) The Principals are parties to the Escrow Instruction Letter, under which the Mirfield Investors and Mirfield instruct finnCap in its cash confirmation role as required by Rules 2.7(a), 2.7(d) and 24.8 of the City Code (the “**Cash Confirmation**”). Under these Rules, finnCap, in its capacity as financial adviser to Mirfield, is required to confirm in the Announcement and in this document, that resources are available to Mirfield sufficient to satisfy in full the Cash Consideration due under the Acquisition.
 - (ii) In consideration of finnCap agreeing to give the Cash Confirmation, the Mirfield Investors and Mirfield have warranted to finnCap that an aggregate amount of not less than £5,250,000 (“**Cash**”) is deposited in the client account of the Escrow Agent which is dealt with on the terms of the Escrow Agreement. Mr Piasecki agreed to subscribe a further £250,000 no later than 5 Business Days prior to Completion of the Acquisition and in any event on or before 10 September 2013. The Mirfield Investors have further warranted to finnCap on a number of issues, including (*inter alia*) that they have each entered into a Subscription Letter and the Escrow Agreement and that they will not amend or alter any terms of either of these or in any way encumber or attempt to deal with the Escrow Funds outside the terms of the Escrow Instruction Letter. finnCap is instructed to instruct the Escrow Agent to deliver the Escrow Funds at completion of the Scheme to Mirfield or as it directs, and otherwise to return it to the Mirfield Investors if the Scheme does not complete.
- (i) Mirfield Shareholders’ Agreement dated 1 August 2013
- (i) Each of the Mirfield Investors has, together with Mirfield, entered into a shareholders’ agreement which is conditional on completion of the Acquisition (the “**Shareholders’ Agreement**”). The Shareholders’ Agreement sets out the rights and obligations of all of the executing parties (in conjunction with the articles of association of Mirfield).
 - (ii) The principal terms of the Shareholders’ Agreement regulate the following items:
 - the allotment of the Mirfield A Shares to each of the Mirfield Investors;
 - the appointment, roles and regulation of the directors and chairman of Mirfield;
 - the arrangements regarding the business plan of Mirfield;
 - the reserved matters requiring shareholder consent;
 - any additional finance for Mirfield;

- duration and termination of the EME Shareholders' Agreement, as well as provisions for the transfer of any shares held by signatories thereof; and
- production of accounting information and rights to information.

It is intended that Mr Fennell will execute a deed of adherence to the EME Shareholders' Agreement on his becoming entitled to (and the issue to him of) any shares in Mirfield (other than Mirfield B Shares) under the terms of his "sweet equity" arrangements described in paragraph 9 below.

- (j) EME Warrant Agreement dated 1 August 2013
- (i) In consideration for its advisory services, provided under the EME Advisory Agreement summarised in paragraph 7.1(f) above, EME Capital has also been granted, conditional upon completion of the Acquisition, warrants to subscribe at par for up to such maximum number of Mirfield A Shares as represents 10% of the fully-diluted share capital of Mirfield at the time of exercise (subject to adjustment) at any time during the period 5 years after the completion of the Acquisition subject to satisfaction of performance-based targets and other conditions.
- (ii) The warrants are subject to acceleration in the following circumstances:
- in the event of an offer being made to all of the shareholders in Mirfield to acquire the whole of the issued share capital of Mirfield and Mirfield becomes aware that at least 75% of the shares will be so acquired;
 - if, at any time during the warrant period, an order is made or an effective resolution is passed for winding up Mirfield (except for the purpose of reconstruction, amalgamation or unitisation), then EME Capital will be treated as if immediately before the date of such order or resolution, all unexercised warrants had been exercised in full;
 - if, at any time during the warrant period, Mirfield proposes to conclude a listing on either the Official List of the London Stock Exchange or AIM, EME Capital will be entitled, at any time within the period of 20 Business Days immediately following the date of such Listing, to exercise all unexercised warrants in full.
- (k) Ahmad Salam and Rahan Shaheen are the directors of Mirfield. Each of Mr Piasecki, Mr Fennell, Mr Hadden-Paton and Mike Jatania will be appointed (conditional on completion of the Acquisition) as additional directors of Mirfield under the terms of separate agreements with each of them.
- (l) The appointment of each of Rahan Shaheen, Ahmad Salam and Mike Jatania as directors of Mirfield and the Company is pursuant to non-executive letters between the Company, Mirfield and each respective individual and pursuant to which each of them will receive a fee of £50,000 per annum. The appointments can be terminated on one month's notice by any party save that in the case of Mike Jatania, notice cannot be served unless his interest in Mirfield Shares falls below 10%. These letters will take effect from the Scheme becoming effective.

8. Summary of the Rights attaching to Mirfield B Shares

- 8.1 Following completion of the Acquisition, Mirfield will have four classes of shares: Mirfield A Shares, that are currently held by, and that will be issued to, investors in Mirfield upon the Scheme becoming effective pursuant to the subscription letters summarised in paragraph 7.2(f) above, Mirfield B Shares, which will be issued to Scheme Shareholders pursuant to the Share Alternative, and Mirfield C Shares and Mirfield D Shares that will be issued to Mr Piasecki and Mr Fennell respectively pursuant to the Sweet Equity Arrangements summarised in paragraph 9 below. All Mirfield Shares will rank equally as to dividends, voting and repayments of capital.
- 8.2 The Mirfield B Shares to be issued pursuant to the Share Alternative will be B ordinary shares of 1p each in the capital of Mirfield. The Mirfield B Shares will be issued free from all liens, charges, encumbrances and other third party rights and/or interests of any nature whatsoever. The Mirfield B Shares will be issued in registered form, may only be held in certificated form, will be issued credited as fully paid and will rank *pari passu* with the Mirfield A Shares, Mirfield C Shares and Mirfield D Shares in all respects save that the holders of the Mirfield B Shares will be protected against dilution for the period of two years after the completion of the

Acquisition and the Mirfield C Shares and the Mirfield D Shares shall have the rights set out in paragraph 9 below. Accordingly, the percentage which the Mirfield B Shares represent of the enlarged issued share capital of Mirfield immediately following completion of the Acquisition, which will be a maximum of 10%, will not be decreased during this two year period. At the end of the two year period each Mirfield B Share will automatically convert into and be re-designated as a Mirfield A Share.

- 8.3 If any further shares in Mirfield are issued during this two year period, additional Mirfield B Shares will be issued *pro rata* to the holders of the Mirfield B Shares at par, credited as fully paid, by way of a capitalisation of amounts standing to the credit of the Company's share premium account (i.e. at no cost to the holders of the Mirfield B Shares) so as to maintain the percentage shareholding in the Company held by the holders of the Mirfield B Shares. Because the issue of the initial tranches of the 'sweet equity' to be issued upon the Effective Date to Mr Piasecki and Mr Fennell in the form of Mirfield C Shares and Mirfield D Shares respectively (as referred to in paragraph 9 below) would otherwise immediately dilute the Mirfield B Shares issued under the Share Alternative, there will upon the issue of such Mirfield C Shares and Mirfield D Shares be an immediate bonus issue of Mirfield B Shares. Accordingly, Scheme Shareholders who make valid Share Elections under the Share Alternative may receive more Mirfield B Shares than the number expected.
- 8.4 The Mirfield B Shares will be diluted by any further Mirfield A Shares, Mirfield C Shares and/or Mirfield D Shares, or any other Shares in Mirfield, issued after the expiry of this two year period, including any "sweet equity" in the form of Mirfield C Shares and Mirfield D Shares issued to Mr Piasecki and Mr Fennell respectively after the expiry of this two year period and any Mirfield A Shares issued to EME Capital upon the exercise of the EME Warrants after the expiry of this two year period or if the exercise of its warrants is accelerated after such period. For the avoidance of doubt, the tranche of Mr Fennell's "sweet equity", consisting of the issue of such further number of Mirfield D Shares as represents 1.67% of the fully-diluted issued share capital of Mirfield on the second anniversary of completion of the Acquisition will not have the effect of diluting the Mirfield B Shares on such issue.
- 8.5 The Articles of Association of Mirfield contain restrictions on the transfer of Mirfield Shares. A holder of Mirfield Shares of any class is entitled to transfer shares to certain permitted transferees. A body corporate is entitled to transfer its shares to another member of the same group. An individual is entitled to transfer his shares to certain family members and/or the trustees of trust for such family members. Mirfield Shares transferred in this way must be transferred back to the original holder or another permitted transferee if the original transferee ceases to qualify as a permitted transferee. Subject to this, shares may be transferred in compliance with pre-emption rights or with the prior written consent of the holders of at least 75% of the Mirfield A Shares by value. A holder of Mirfield Shares of any class is required to offer all of his Mirfield Shares for sale at the appraised fair value of such shares if he creates a security interest over any of his shares or a specified insolvency event occurs in relation to him.
- 8.6 The Articles of Association of Mirfield contain 'drag-along rights' under which a holder of Mirfield Shares of any class can be required to sell all of his shares to a third party where an offer has been made by such third party to acquire the entire issued share capital of Mirfield and such offer has been accepted by shareholders holding at least 75% of the voting rights in the Company; and 'tag-along rights', which provide that no transfer of shares shall be made which would result in the acquisition of a majority of voting rights in Mirfield by the transferee unless such transferee has offered to acquire the shares held by all other members of Mirfield on the same terms.
- 8.7 A copy of Mirfield's articles of association will be available for inspection prior to the Effective Date as noted in paragraph 15 below.

9. Sweet Equity Arrangements with Theo Fennell and Jurek Piasecki

- 9.1 To incentivise Mr Piasecki and Mr Fennell in connection with the future business of the Company the articles of association of Mirfield contain Sweet Equity Arrangements which entitle each of Mr Piasecki and Mr Fennell to be issued with C Mirfield Shares and D Mirfield Shares respectively entitling each of them to up to 10% of the issued share capital of Mirfield.

9.2 Mr Piasecki will be entitled to have 'sweet equity' in the form of Mirfield C Shares issued to him up to such maximum number of Mirfield C Shares as represents 10% of the fully diluted share capital of Mirfield on the following basis:

- (a) upon completion of the Acquisition, such number of Mirfield C Shares as represents 5% of the fully-diluted issued share capital of Mirfield at such date will be issued to him;
- (b) subject to satisfaction of performance-based targets and other conditions and provided that his services continue to be provided to the Enlarged Group pursuant to his consultancy agreement at the relevant time, such further number of Mirfield C Shares as represents 2.5% of the fully-diluted issued share capital of Mirfield will be issued to him on two further occasions after completion of the Acquisition. If at any time before the third anniversary of completion of the Acquisition, Mr Piasecki's consultancy agreement has been terminated by the Company in certain circumstances, he will be required to compulsorily offer to sell to the holders of the Mirfield A Shares at a price of 1p per share such number of Mirfield C Shares as represents up to 5% of the fully-diluted issued share capital of Mirfield. However, Mr Piasecki will be entitled to retain those Mirfield C Shares issued to him following completion of the Acquisition even if his consultancy agreement is terminated for any reason;
- (c) all Mirfield C Shares issued to Mr Piasecki will be issued to him at par (i.e. at a subscription price of 1p per share) and will be issued to him credited as fully paid by way of a capitalisation of amounts standing to the credit of Mirfield's share premium account, i.e. at no cost to him;
- (d) if at any time before the date which is the earlier of the fifth anniversary of completion of the Acquisition, the date on which Mr Piasecki ceases to hold any Mirfield C Shares or the date on which Mr Piasecki ceases to be engaged in the business of the Company, an offer is made for the entire issued share capital of Mirfield and such offer becomes unconditional in respect of at least 75% of the share capital of Mirfield, any Mirfield C Shares not yet issued will be issued to him immediately provided that he continues to provide consultancy services to the Company; and
- (e) the Mirfield C Shares issued to Mr Piasecki will be protected against dilution during the period of five years after the completion of the Acquisition provided that he continues to provide consultancy services to the Company. Following the expiry of this period, all Mirfield C Shares will automatically be converted into and be re-designated as Mirfield A Shares.

9.3 Mr Fennell will be entitled to have 'sweet equity' in the form of Mirfield D Shares issued to him up to such maximum number of Mirfield D Shares as represents 10% of the fully diluted share capital of Mirfield on the following basis:

- (a) upon completion of the Acquisition, such number of Mirfield D Shares as represents 5% of the fully-diluted issued share capital of Mirfield at such date will be issued to him;
- (b) on the first anniversary of completion of the Acquisition, such further number of Mirfield D Shares as represents 1.67% of the fully-diluted issued share capital of Mirfield at such date will automatically be issued to him;
- (c) on the second anniversary of completion of the Acquisition, such further number of Mirfield D Shares as represents 1.67% of the fully-diluted issued share capital of Mirfield at such date will automatically be issued to him;
- (d) on the third anniversary of completion of the Acquisition, such further number of Mirfield D Shares as represents 1.66% of the fully-diluted issued share capital of Mirfield at such date will automatically be issued to him;
- (e) no Mirfield D Shares will be issued to Mr Fennell on the first, second or third anniversary of completion of the Acquisition if, before any such date, Mr Fennell has either voluntarily resigned or been summarily dismissed by the Company in accordance with his service agreement;
- (f) if Mr Fennell has died or retired by reason of ill-health before the first, second or third anniversary of completion of the Acquisition when further Mirfield D Shares would have been issued to him (or his estate), he will still be issued a proportionate number of those Mirfield D Shares relative to the time served by him;

- (g) all Mirfield D Shares issued to Mr Fennell will be issued to him at par (i.e. at a subscription price of 1p per share) and will be issued to him credited as fully paid by way of a capitalisation of amounts standing to the credit of the Company's share premium account, i.e. at no cost to Mr Fennell;
- (h) if at any time before the date which is the earlier of the third anniversary of completion of the Acquisition, the date on which Mr Fennell ceases to hold any Mirfield D Shares or the date on which Mr Fennell ceases to be engaged in the business of the Company, an offer is made for the entire issued share capital of Mirfield and such offer becomes unconditional in respect of at least 75% of the share capital of Mirfield, any Mirfield D Shares not yet issued will be issued to him immediately provided that Mr Fennell has not either voluntarily resigned or been summarily dismissed by the Company in accordance with his service agreement;
- (i) once Mirfield D Shares have been issued to Mr Fennell he will be entitled to retain those shares even if he subsequently ceases to be an employee of the Company for any reason; and
- (j) the Mirfield D Shares issued to Mr Fennell will be protected against dilution during the period of three years after the completion of the Acquisition provided that Mr Fennell has not either voluntarily resigned or been summarily dismissed by the Company in accordance with his service agreement. Following the expiry of this period, all Mirfield D Shares will automatically be converted into and be re-designated as Mirfield A Shares.

10. Fees and expenses

10.1 Mirfield's fees and expenses

The following table sets out an estimate of the aggregate fees and expenses expected to be incurred by Mirfield in connection with the Acquisition (excluding applicable VAT).

	Estimated cost (£)
Financial advice	180,000
Legal advice	245,000
Other costs and expenses	240,000

10.2 Company's fees and expenses

The following table set out an estimate of the aggregate fees and expenses (excluding applicable VAT) expected to be incurred by the Company in connection with the Acquisition.

	Estimated cost (£)
Financial advice	140,000
Legal advice	155,000
Other costs and expenses	45,000

11. Other information

- 11.1 Opus Corporate Finance LLP has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 11.2 finnCap has given and not withdrawn its written consent to the issue of this document with the inclusion of this document with the inclusion herein of the references to its name in the form and context in which it appears.
- 11.3 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangements) between Mirfield or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of the Company or any person interested or recently interested in TF Shares having any connection with or dependence on or which is conditional upon the outcome of the Acquisition.
- 11.4 There is no agreement, arrangement or understanding whereby any interests of any of the TF Shares to be acquired in pursuance of the Acquisition will be transferred to any other person.

11.5 Save as disclosed in this document (and the information that is incorporated by reference into this document), the Directors are not aware of any material change in the financial or trading position of the Company since 31 March 2013, the date to which the latest audited accounts of the Company were published.

11.6 A copy of this document will be published on the websites of the Company – www.theofennell.com – and EME Capital – www.eme-capital.com.

11.7 The Scheme is governed by the laws of England and Wales and is subject to the jurisdiction of the courts of England and Wales. The rules of the City Code will, so far as they are appropriate, apply to the Scheme.

11.8 In the period commencing five years prior to the date of this document, the Company Directors hold or have held the following directorships:

(a) Theo Fennell

(i) Current directorships

Theo Fennell Plc

The Original Design Partnership Limited

Hero Flynn Limited

Theodore Frith Limited

(ii) Past directorships

None

(b) Alasdair Hadden-Paton

(i) Current directorships

Theo Fennell Plc

The Original Design Partnership Limited

Chance Holdings Limited

Franklin Hotel Investments Limited (in liquidation)

Golf Course Management (Elemore) Limited

Townhouse Hotel Investments Limited (in liquidation)

OKA Direct Limited

Pooles Lane Number One Limited

Pooles Lane Number Two Limited

(ii) Past directorships

Golf Course Management Limited

Pooles Lane Management Limited

Botiga Holdings Limited

Botiga Management Limited

(c) Rupert Hambro

(i) Current directorships

Theo Fennell Plc

Bank Gutmann AG

Cazenove & Loyd Limited

JO Hambro Limited

Sipsmith Limited

Rupert Hambro & Partners Limited

Robinson Hambro Limited

The Old Etonian Trust

The Invitational Limited

Hambro & Partners Limited

- (ii) Past directorships
 - Woburn Enterprises Limited*
 - The Chiswick House and Garden Trust*
 - Lovedean Limited*
 - JO Hambro No. 3*
 - JO Hambro Mansford Limited*
 - JO Hambro Estates Limited*
 - JO Hambro Nominees Limited*

(d) Frank McKay

- (i) Current directorships
 - Theo Fennell Plc*
 - Park Manufacturing Limited*
 - Talent Limited*
 - Sunley Investments Limited*
 - Scotia Consultancy Limited*
- (ii) Past directorships
 - Brake Bros Acquisition Ltd*
 - Brake Bros Finance Ltd*
 - Brake Bros Foodservice Ltd*
 - Brake Bros Limited*
 - Brake Bros Receivables Ltd*
 - Brake Bros Foodservice Ireland*
 - Brake Bros Holding I Ltd*
 - Brake Bros Holding II Ltd*
 - Brake Bros Holding III Ltd*
 - Cucina Acquisition (UK) Ltd*
 - Cucina Finance (UK) Ltd*
 - Cucina Holdings (UK) Ltd*
 - Cucina Investments (UK) Ltd*
 - Kisst Limited – in administration*
 - London Scottish International Limited*
 - M&J Seafood Ltd*
 - O’Kane Food Service Ltd*
 - Stockflag Ltd*
 - Sunley Family Limited*
 - Sunley Holdings Plc*
 - Wild Harvest Ltd*
 - W Pauley & Co Ltd*
 - Woodward Foodservice Ltd*

12. Financial information relating to the Company

Incorporation of relevant information by reference

The audited consolidated financial statements of the Company for the period from 1 April 2011 to 31 March 2012 as well as for the period from 1 April 2012 to 31 March 2013 have been published on www.theofennell.com, from where they can be downloaded and printed, and are incorporated into this document by reference to such website in accordance with Rule 24.15 of the Code.

There has been no known significant change in the financial and trading position of the Company since the end of the last financial period ended 31 March 2013, save as disclosed in this document or the Company’s Annual Report and Accounts 2013.

Please see paragraph 15 of Part IV of this document for details of obtaining hard copies of documents incorporated by reference into this document.

13. Financing

13.1 Mirfield has received irrevocable undertakings to subscribe for 329,243 Mirfield B Shares under the terms of the Share Alternative. Full acceptance of the Cash Offer in respect of the remaining TF Shares will result in the payment by Mirfield of approximately £2,426,865 in cash

to the Shareholders. The Cash Consideration due under the Cash Offer will be funded by cash from the equity subscription of Mirfield A Shares by the Mirfield Investors pursuant to the subscription letters summarised in paragraph 7.2(f) above.

- 13.2 finnCap, which is advising Mirfield in relation to the cash confirmation pursuant to Rules 2.7(d) and 24.8 of the City Code, is satisfied that resources are available to Mirfield sufficient to satisfy in full the maximum amount of the Cash Consideration payable under the terms of the Acquisition.

14. Sources of information and bases of calculation

- 14.1 Unless otherwise stated, financial information relating to the Company has been extracted or derived (without any adjustment) from the Company's announcement dated 1 August 2013 of its results for the year ended 31 March 2013.
- 14.2 The value of the Acquisition is calculated by reference to the price of 12.5p per TF Share and on the basis of the current undiluted number of the TF Shares in issue referred to in paragraph 14.4 below.
- 14.3 References to percentages of TF Shares (before completion of the Acquisition) are based upon the current undiluted number of TF Shares in issue referred to in paragraph 14.4 below.
- 14.4 As at the close of business on 22 August 2013, being the latest practicable date prior to the date of this document, the Company had in issue 23,158,029 TF Shares (being its undiluted share capital) and this does not include any shares issuable pursuant to any options, warrants or other convertible securities in the Company and assumes no further issue of TF Shares prior to completion of the Acquisition.
- 14.5 Unless otherwise stated, all closing prices for TF Shares are closing middle market quotations derived from the London Stock Exchange Daily Official List.

15. Documents available for inspection

Copies of the following documents will be available for inspection at www.eme-capital.com, during the Offer Period:

- 15.1 the current memorandum and articles of association of the Company and Mirfield (with the articles of association of Mirfield setting out the Sweet Equity Arrangements and the rights attaching to the Mirfield B Shares offered under the Share Alternative);
- 15.2 the proposed new articles of association of the Company showing the full terms of the proposed amendments to those articles under the Scheme;
- 15.3 the audited and consolidated accounts of the Company for the two years ended 31 March 2012 and 31 March 2013 including the auditors' reports thereon;
- 15.4 the material contracts referred to in paragraph 7 above;
- 15.5 the Company Directors' service contracts and letters of appointment referred to in paragraph 6 above;
- 15.6 the written consents referred to in paragraph 11 above;
- 15.7 this document, incorporating the Notice of the Court Meeting and the Notice of the General Meeting, the Forms of Proxy and the Form of Election, all dated 23 August 2013;
- 15.8 the irrevocable undertakings referred to in paragraph 4 above; and
- 15.9 the Rule 24.11 estimate of value letter, contained in Section 2 of Part V.

Any Shareholder, person with information rights or other person to whom this document is sent may request a copy of any information incorporated into this document by reference in hard copy form by contacting FinnCap on 020 7220 0500. No hard copy will be sent to any person unless specifically requested.

Dated 23 August 2013

PART V

INFORMATION ON MIRFIELD

Section 1 – General Information on Mirfield

1. Information on Mirfield

Mirfield's principal activity is as an investment holding company incorporated for the purpose of making the Acquisition.

1.1 Directors

The directors of Mirfield as at the date of this document are as follows:

Name	Function
Rahan Shaheen	Director
Ahmad Salam	Director

Following completion of the Acquisition, the directors of Mirfield will be as follows:

Name	Function
Mike Jatania	Non-Executive Chairman
Rahan Shaheen	Director
Ahmad Salam	Director
Jurek Piasecki	Director
Theo Fennell	Director
Alasdair Hadden-Paton	Director

The company secretary of Mirfield is Richard Bryant.

1.2 Incorporation and registered office

Mirfield was incorporated in England and Wales as a public limited company on 11 June 2013. Its registered office is at 3 Bunhill Row, London EC1Y 8YZ.

1.3 Share capital

- (a) Mirfield has an issued share capital of £50,000 comprising 50,000 Mirfield A Shares issued to EME Capital LLP.
- (b) The following Mirfield Investors have agreed to subscribe for the following Mirfield A Shares upon completion of the Acquisition:

Name	Value of Subscription (£)	Number of Mirfield A Shares
Mike Jatania	1,500,000	1,500,000
Sir Keith Mills	1,500,000	1,500,000
Jon Moulton	1,500,000	1,500,000
Jurek Piasecki	500,000	500,000
EME Capital LLP	450,000	450,000

2. The Mirfield Investors

Mike Jatania

Mike Jatania was CEO of the Lornamead Group, which he built into a leading personal care company with the acquisition of over 30 brands with sales in over 50 countries around the world. He is most known and recognized for his success in acquiring and investing in well known brands. The Lornamead Group was sold to a strategic buyer in December 2012.

Sir Keith Mills

Sir Keith Mills founded Air Miles International Group BV in 1988, which developed Air Miles, and Loyalty Management UK in 2001, which developed the Nectar Card. He has also been a director of Nadler & Larimer and Mills, Smith & Partners. Sir Keith was knighted in recognition of his services to sport and in 2012 was deputy chairman of the London Organising Committee of the Olympic and Paralympic Games. Sir Keith is a resident of the United Kingdom.

Jon Moulton

Jon Moulton is founder of the private equity firm Better Capital, and is the former managing partner of the private equity firm Alchemy Partners. Mr Moulton previously worked with Citicorp Venture Capital in New York and London, Permira and Apax Partners. He is a resident of Guernsey.

Jurek Piasecki

Jurek Piasecki was a director of Comet Group plc when he led the buyout of Northern Goldsmiths plc in 1983 to create Goldsmiths Group, which became the largest jewellery chain in the UK in 2004. He has since founded Lockend Investments, which oversees a varied portfolio of companies including home waste solutions and property, and Nuval, a watch distribution company specialising in the import and distribution of luxury watches and jewellery. He is a resident of the United Kingdom. Following completion of the Acquisition, Mirfield C Shares will be issued to Mr Piasecki pursuant to his Sweet Equity Arrangements further described in paragraph 9 of Part IV.

EME Capital LLP

EME Capital LLP is authorised and regulated by the Financial Conduct Authority and has offices in London, Paris and Dubai. EME Capital is wholly owned by its three partners who are Ahmad Salam, Rahan Shaheen and Richard Bryant. Its advisory board consists of Jon Moulton and Mr Ho Sing. The firm engages in making private equity investments, primarily in the luxury, hospitality and lifestyle sectors in Europe, and in offering corporate finance and global capital placement services to its clients. EME Capital's recent transactions include acting as advisor to Aston Martin, the luxury British sports car manufacturer, with respect to its strategic funding requirements, acting as advisor and placement agent on the sale and recapitalisation of Soho House, the private members clubs, hotels and restaurants group and acting as a placement advisor to Nuveen, a \$230 billion asset manager. EME Capital's net asset position as at 31 March 2013 was £3,300,000. EME Capital's working capital and investment capital is sourced from its partners and its network of private investors.

Mirfield has granted the EME Warrants to EME Capital, entitling EME Capital to subscribe for such maximum number of Mirfield A Shares as represent 10% of the fully diluted share capital of Mirfield at the time of exercise at an exercise price of 1p per Mirfield A Share. Subject to certain conditions, the warrants may be exercised at any time during the period of five years following completion of the Acquisition. EME Capital has also entered into the EME Advisory Agreement pursuant to which, conditional upon completion of the Acquisition, EME Capital will provide certain financial advisory services to Mirfield and the Company. Further details of the EME Warrants and the EME Advisory Agreement are set out in paragraphs 7.2(j) and 7.1(f) of Part IV of this document

3. Biographies of the existing Mirfield Directors and proposed directors of Mirfield

Rahan Shaheen – existing Mirfield Director

Rahan is a partner of EME Capital LLP and a chartered accountant with 23 years' experience in investment banking. Rahan was previously a senior strategist to the Executive Committee of Barclays Bank and Head of Venture Strategy and Development at Lloyds TSB with responsibility for the bank's growth initiatives. He also has prior experience at Price Waterhouse, and at L.E.K. Consulting advising top tier private equity funds and the board of FTSE 100 companies such as Marks and Spencer and British Aerospace. Rahan has a degree in Economics from University College, London and an MBA from INSEAD.

Ahmad Salam – existing Mirfield Director

Ahmad is managing partner of EME Capital LLP and has 28 years' experience with a number of blue chip investment banks including Credit Suisse, where he was Global Head of Islamic Banking, N M Rothschild, J Henry Schroder Wagg, Chase Manhattan and Paribas. Ahmad also ran the London operations of Crosby, a Hong Kong regulated investment bank, sitting on the firm's Investment Banking Management Committee. He was founder of the Islamic Bank of Britain, the first regulated Islamic bank in the West and board member of Aston Martin. Ahmad has a degree in Economics from University College, London.

Mike Jatania – proposed director

See above.

Jurek Piasecki – proposed director

See above.

Theo Fennell – proposed director

After attending York and later Byam Shaw (now part of Central Saint Martin's College of Art and Design) arts schools, Theo went to work as an apprentice and designer at Edward Barnard, silversmiths. Following this, Theo established a small workshop in Hatton Garden designing and creating silverware and then jewellery. Theo later opened his first shop in Chelsea's Fulham Road with the founding of the eponymous company in 1982 which was later admitted to trading on AIM in 1996. After a brief hiatus, Theo rejoined the board of the Company as Creative Director in 2009.

Alasdair Hadden-Paton – proposed director

After qualifying as a Chartered Accountant, Alasdair was Finance Director of Flaxman Properties before spending 15 years as Finance Director of the five star hotel group, Townhouse Hotel Investments. The group included The Egerton House, the Franklin and Dukes Hotel. All three hotels pioneered the 5 star "boutique hotel" market and received regular awards. Alasdair is currently the Non-Executive Director of the mail order/retail group OKA Direct and Vice-Chairman of The Starlight Children's Foundation charity. Alasdair has been on the board of Theo Fennell plc since June 2009 and has served as finance director since December 2012.



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Authorised and regulated by The Financial
Conduct Authority, London E14 5HS.
Member of the London Stock Exchange.

The Directors
Mirfield 1964 plc
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London
EC1Y 8YZ

23 August 2013

Dear Sirs,

Rule 24.11 Valuation Letter

Pursuant to the requirements of the City Code on Takeovers and Mergers (the “Code”), you have requested our opinion as to the estimated value (the “Estimate of Value”) of the Mirfield B Shares issued under the Share Alternative. Pursuant to the Share Alternative, Mirfield will offer to the Scheme Shareholders, who are not Restricted Overseas Shareholders, 0.08796 unlisted Mirfield B shares for each Scheme Share held, rounded down to the nearest whole Mirfield B Share. The Mirfield B Shares will be unlisted securities and there are no plans to seek a public quotation on any recognised investment exchange.

Capitalised terms used in this letter will, unless otherwise stated, have the same meanings given to them in the circular dated 23 August 2013 by Theo Fennell plc in relation to the Acquisition in which a copy of this letter appears (the “Circular”).

Purpose

This Estimate of Value has been provided to the Mirfield Directors solely for the purposes of Rule 24.11 of the Code and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to, and may not be relied upon by, any third party for any purpose whatsoever and finncap Ltd (“finncap”) expressly disclaims any duty or liability to any third party with respect to the contents of this letter.

The Estimate of Value reflects finncap’s opinion as to the cash price which the Mirfield B Shares being made available under the Share Alternative might be expected to realise as at 22 August 2013 (being the latest practicable Business Day prior to the date of the Circular), given a willing vendor and purchaser, each of whom is acting for self interest and gain and both of whom are equally well informed about the Company and the markets in which it operates. We have assumed for this purpose that, at today’s date, the Scheme has become effective in accordance with its terms and that Mirfield has full control of the Company.

Information

In arriving at our Estimate of Value, we have, among other things:

- (a) considered certain publicly available financial statements and other business and financial information relating to the Company;
- (b) considered certain information relating to the operations, financial condition and prospects of the Company;
- (c) considered certain financial projections prepared by EME Capital LLP for the benefit of Mirfield and the Mirfield Investors;
- (d) held discussions with EME Capital LLP and the Mirfield Directors; and
- (e) considered such other factors and performed such other analyses as we considered appropriate.

We have relied on, and assumed, without independent verification, the accuracy and completeness of the information considered by us for the purposes of this opinion. With respect to the financial projections reviewed by us, we have assumed that they have been reasonably and properly prepared

by EME Capital LLP on bases reflecting its best currently available estimates and judgements of the future financial performance of the Company. We have not made any independent valuation or appraisal of the assets and liabilities of the Company, nor have we sought or been provided with any such valuation or appraisal. If any of the information or assumptions that we have relied upon proves to be incorrect, the actual value of Mirfield B Shares being issued under the Share Alternative may be different, including potentially considerably less than the Estimate of Value. Our opinion is necessarily based on financial, economic, market and other conditions, and the information made available to us, as at 22 August 2013 (being the latest practicable Business Day prior to the posting of the Circular).

The valuation of non-publicly traded securities is inherently imprecise and is subject to uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing this analysis, finnCap has made numerous assumptions with respect to industry performance and general business, economic and market conditions, many of which are beyond the control of Mirfield. Consequently, the view expressed in this letter is not necessarily indicative of the price at which the Mirfield B Shares being issued under the Share Alternative might actually trade in any public market at any future date; or the amount which might be realised upon a sale of Mirfield B Shares being issued under the Share Alternative to a third party. This Estimate of Value may differ substantially from estimates available from other sources. In addition, our view would be expected to fluctuate with changes in prevailing market conditions, the financial conditions and prospects of Mirfield and other factors which generally influence the valuation of companies and securities. finnCap assumes no obligation to update or revise this Estimate of Value based upon circumstances or events occurring after the date hereof.

Methodology

finnCap has used a range of valuation methods and focussed on the capital of Mirfield and its expected performance in the short term.

We have produced an estimated value of the Mirfield B Shares being issued under the Share Alternative using these methodologies and have taken into account the information, factors, assumptions and limitations set out above.

We have also taken into account the following factors:

- (a) the Mirfield B Shares will not be listed on any stock exchange, nor is it the current intention to offer any trading facility for Mirfield B Shares;
- (b) the Mirfield B Shares will not be transferable except in limited circumstances;
- (c) the Share Alternative will be limited to a maximum of 10 per cent. of the issued share capital of Mirfield and will be available to a maximum of 30 per cent. of the issued share capital of the Company;
- (d) the holders of Mirfield B Shares will not enjoy any minority protections or other rights save for those rights reflected in paragraph 8 of Part IV of the Circular and for those rights prescribed by applicable law;
- (e) the Company is expected to have total senior secured debt of approximately £2.5 million which is expected to rank in priority to the Mirfield Shares;
- (f) for so long as the Company has outstanding secured debt, it will not be in a position to declare or pay any distribution to any of its shareholders;
- (g) the Mirfield B Shares are unsecured securities and Mirfield will not be in a position to make any return of capital, distribution or payment of interest or principal until all bank debt has been repaid; and
- (h) holders of Mirfield B Shares will not be afforded the same level of protections and disclosure of information that they currently benefit from as shareholders in the Company as a listed company.

The taxation position of individual shareholders will vary and so we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be significant in the case of some shareholders.

No account has been taken of any potential transaction costs that a Scheme Shareholder may incur, including any dealing costs and any dealing spread (the difference between a buying and selling price quoted by a market maker) that may be associated with the trading of shares.

Opinion

On the basis of and subject to the foregoing, if the Mirfield B Shares had been in issue as at 22 August 2013 (being the latest practicable Business Day prior to the date of the Circular), the estimated value of a Mirfield B Share would have been approximately 98p which equates to 8.63p per 0.08796 Mirfield B Share (being the exchange ratio per Scheme Share).

General

finnCap, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Mirfield and EME Capital LLP and no one else in connection with the Acquisition and will not be responsible to anyone other than Mirfield and EME Capital LLP for providing the protections afforded to the clients of finnCap or for giving advice in connection with the Acquisition or any other matter referred to herein.

In providing this Estimate of Value, finnCap expresses no opinion or recommendation to any person as to whether they should vote in favour of the Acquisition or whether they should make any elections pursuant to the Share Alternative. Scheme Shareholders should seek their own independent financial advice. finnCap expresses no opinion as to the fairness of the financial terms of the Acquisition.

Yours faithfully

Stuart Andrews
Head of Corporate Finance
finnCap Ltd

PART VI

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 5715 of 2013

IN THE MATTER OF THEO FENNELL PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

THEO FENNELL PLC

and

THE HOLDERS OF SCHEME SHARES

(as defined below)

PRELIMINARY

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

“£” “pounds”, “pence” “p” or “sterling”	British pounds and pence sterling, the lawful currency of the United Kingdom;
“2006 Act”	the Companies Act 2006 (as amended from time to time);
“Acquisition”	the proposed acquisition by Mirfield of the entire issued and to be issued share capital of the Company (not already held by Mirfield) to be effected by way of the Scheme and subject to the Conditions and on the terms of the Scheme Document;
“Articles”	means the articles of association of the Company from time to time;
“Business Day”	means any day, other than a Saturday or Sunday or public holiday in England, on which banks are open for normal business in the City of London;
“Cash Consideration”	means 12.5 pence per X Share to be paid by Mirfield to the Scheme Shareholders under the terms of the Acquisition;
“certificated form” or “in certificated form”	in respect of TF Shares means such TF Shares that are not held in uncertificated form in CREST;
“Company”	Theo Fennell Plc, a company incorporated in England and Wales with company number 1955534;
“Conditions”	means the “ <i>Conditions to the Implementation of the Scheme and Further Terms of the Acquisition</i> ” set out in Part III of the Scheme Document and “Condition” means any one of them;
“Consideration”	means together the Cash Consideration and the Mirfield B Shares offered under the Share Alternative;
“Court”	means the High Court of Justice of England and Wales;
“Court Hearing”	means the hearing to sanction the Scheme and confirm the Reduction of Capital;

“Court Meeting”	the meeting (and any adjournment thereof) of Independent Shareholders convened by an order of the Court dated 21 August 2013 pursuant to section 896 of the 2006 Act to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, WC2A 1AP at 11.00 a.m. on 16 September 2013, at which the Independent Shareholders will be asked to consider and, if thought fit, approve the Scheme (with or without amendment), notice of which is set out at the end of this document;
“Court Order”	means the order of the Court sanctioning the Scheme under section 899 of the 2006 Act and confirming the Reduction of Capital;
“CREST”	means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (the “Regulations”)) in respect of which Euroclear is the Operator (as defined in the Regulations) and in accordance with which securities may be held or transferred in uncertificated form;
“Effective Date”	means the date on which the Court Order and related statement of capital are delivered to the Registrar of Companies for registration;
“Election Deadline”	1.00 p.m. on 1 October 2013, or such later time and date as the Company and Mirfield may agree and the Company may announce through a Regulatory Information Service, being the latest time for receipt of the Form of Election or submission through CREST of a valid TTE instruction in respect of the Share Election;
“Form of Election”	the green form of election for Scheme Shareholders (other than Restricted Overseas Shareholders) to make the Share Election in respect of the Share Alternative;
“Euroclear”	means Euroclear UK & Ireland Limited;
“General Meeting”	the general meeting (and any adjournment thereof) of Shareholders convened in connection with the Scheme to be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, WC2A 1AP at 11.15 a.m. on 16 September 2013 (or if later, as soon as the Court Meeting has been concluded or adjourned), to consider and, if thought fit, to approve the General Meeting Resolutions (with or without amendment), notice of which is set out at the end of the Scheme Document;
“General Meeting Resolutions”	the resolutions to be proposed at the General Meeting, as set out in the notice of General Meeting at the end of the Scheme Document;
“Holder”	means a registered holder of shares and includes any person(s) entitled by transmission;
“Independent Shareholders”	Shareholders other than James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) and, if it or its nominee is a Shareholder, Mirfield or its nominee;
“Mirfield”	means Mirfield 1964 Plc, a company incorporated in England and Wales with company number 8564652;
“Mirfield B Shares”	means the B ordinary shares of £0.01 each in the capital of Mirfield, proposed to be issued and credited as fully paid pursuant to the Scheme;
“Mr Fennell”	Alister Theodore Fennell;
“New TF Shares”	means the new TF Shares to be allotted and issued to Mirfield following implementation of the Scheme;
“Option”	means an option over a TF Share which has been granted to a holder pursuant to an Option Schemes;

“Option Schemes”	each of the Theo Fennell Plc 2002 Unapproved Employee Share Option Scheme, the Unapproved Employee Share Option Scheme and the Enterprise Management Incentive Scheme;
“Receiving Agent”	Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
“Reduction of Capital”	the reduction of the share capital of the Company under section 648 of the 2006 Act by the cancellation and extinguishing of the Scheme Shares which have been reclassified as X Shares and Y Shares, in accordance with clause 2.1 of this Scheme;
“Regulatory Information Service”	has the same meaning as defined in the AIM Rules for Companies published by the London Stock Exchange;
“Restricted Jurisdiction”	the United States, Canada, Australia, Japan and any other jurisdiction where the Company and/or Mirfield are advised that making the Share Alternative available would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which the Company and/or Mirfield (acting reasonably) regards as unduly onerous;
“Restricted Overseas Shareholder”	an Overseas Shareholder who is in, or resident in, or whom the Company and Mirfield reasonably believe to be in, or resident in, a Restricted Jurisdiction;
“Scheme” or “Scheme of Arrangement”	means this scheme of arrangement under Part 26 of the 2006 Act between the Company and the Scheme Shareholders in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Mirfield;
“Scheme Document”	the document dated 23 August 2013 sent by the Company to the Scheme Shareholders comprising the particulars required by Part 26 of the 2006 Act, of which this Scheme forms part;
“Scheme Record Time”	means 6.00 p.m. on the day immediately preceding the Court Hearing;
“Scheme Shareholders”	means the Holders of Scheme Shares at the Scheme Record Time;
“Scheme Shares”	means; <ul style="list-style-type: none"> ● the TF Shares in issue as at 6.00 p.m. on the date of this document; ● (if any) the TF Shares issued after 6.00 p.m. on the date of this document and before the Voting Record Time; and ● (if any) the TF Shares issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares shall be bound by the Scheme, or in respect of which the original or any subsequent holders of such shares are, or shall have agreed in writing to be, bound by the Scheme, other than any the TF Shares held or beneficially owned by Mirfield;
“Share Alternative”	means the alternative whereby Scheme Shareholders (other than Restricted Overseas Shareholders) may elect to receive Mirfield B Shares (subject to scale back) pursuant to the Scheme instead of all of the Cash Consideration which they would otherwise be entitled to receive under the Acquisition;
“Share Election”	a valid election by a Scheme Shareholder under the Share Alternative to receive Mirfield B Shares (subject to scale back) in respect of all of the Scheme Shares held by such Scheme Shareholder pursuant to the Scheme;

“Shareholders”	the holders of TF Shares from time to time;
“TF Shares”	means, prior to the Scheme becoming effective, ordinary shares of £0.05 each in the capital of the Company and, on and from the Scheme becoming effective, those shares in the capital of the Company as reclassified pursuant to the Scheme;
“TF SIPP”	Mr Fennell’s self-invested personal pension;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST;
“Voting Record Time”	means 6.00pm on 14 September 2013 or, in the event that the Court Meeting is adjourned by more than 48 hours, 6.00pm on the date which is two days before such adjourned meeting.
“X Shares”	means those Scheme Shares reclassified as X shares of nominal value £0.05 each in the capital of the Company under the terms of clause 1.1 of the Scheme having the rights set out in the new Article 13B referred to in clause 1.2 of the Scheme; and
“Y Shares”	means those Scheme Shares reclassified as Y shares of nominal value £0.05 each in the capital of the Company under the terms of clause 1.1 of the Scheme having the rights set out in the new Article 13B referred to in clause 1.2 of the Scheme.

- (B) At the close of business on 22 August 2013 (being the latest practicable date prior to the printing of this document), 23,158,029 TF Shares have been issued and are fully paid and the remainder are unissued.
- (C) The maximum number of Mirfield B Shares that may be issued under the Scheme is 611,111 Mirfield B Shares, which will represent 10 per cent. of the total enlarged share capital of Mirfield as at the Effective Date.
- (C) Options to acquire 1,605,000 TF Shares have been granted pursuant to the Option Schemes and remain unexercised at the date of this document.
- (D) Unless otherwise agreed between Mirfield and the Company prior to the Court Hearing and subject to the approval of the Court, the Scheme is conditional upon all of the Conditions having been satisfied or waived (if capable of waiver) by Mirfield by the date of the Court Hearing, save for the Condition requiring the sanction by the Court of this Scheme, the confirmation by the Court of the Reduction of Capital and the delivery of the Court Order and associated statement of capital to the Registrar of Companies.
- (E) Mirfield has agreed to appear by counsel at the hearing of the claim form to sanction the Scheme, to consent thereto and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.
- (F) James Brearley Crest Nominees Limited (as nominee for Mr Fennell and the TF SIPP) has irrevocably agreed to be bound by the Scheme.

THE SCHEME

1. Reclassification of the TF Shares

1.1 Each of the Scheme Shares held at the Scheme Record Time shall be reclassified as an X Share or a Y Share, as the case may be, on the following basis:

- (a) each Scheme Share in respect of which:
- (i) a valid Share Election has not been made and/or accepted, or is deemed not to have been made and/or accepted, in accordance with the Scheme under the Share Alternative; or
 - (ii) in respect of which a valid Share Election has been made and accepted, or has been deemed to have been made and accepted, in accordance with the Scheme under the Share Alternative, but in respect of which no Mirfield B Shares are to be issued due to the application of any scale back under the Share Alternative,

shall be reclassified into an X Share; and

- (b) each Scheme Share in respect of which a valid Share Election has been made and accepted, or has deemed to have been made and accepted, in accordance with the Scheme under the Share Alternative, following the application of any scale back under the Share Alternative, shall be reclassified into a Y Share.

For the purposes of this clause 1.1, each portion of a Scheme Shareholder's holding which is recorded in the Register of Members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as though it were a separate holding held at such time by a separate person.

1.2 The X Shares and Y Shares created by the reclassification referred to in clause 1.1 above shall have the rights and be subject to the restrictions contained in the new Article 13B to be adopted pursuant to General Meeting Resolution 1 set out in the notice of the General Meeting and shall rank equally save that upon the Scheme becoming effective:

- (a) every X Share shall confer upon the holder thereof the right to receive Cash Consideration pursuant to the Acquisition under the terms of this Scheme; and
- (b) every Y Share shall confer upon the holder thereof the right to receive Mirfield B Shares pursuant to the Acquisition under the terms of this Scheme.

1.3 No certificates representing the X Shares or the Y Shares shall be issued by the Company.

2. Cancellation of the X Shares and Y Shares

2.1 Contingent on the reclassification set out in clause 1 above taking effect, the share capital of the Company shall be reduced by cancelling and extinguishing the X Shares and the Y Shares as held at the Scheme Record Time. Subject to and forthwith upon the Reduction of Capital taking effect and notwithstanding anything to the contrary in the Articles:

- (a) the share capital of the Company shall be increased to its former amount by the creation of such number of New TF Shares as have an aggregate nominal value which is equal to the aggregate nominal value of the X Shares and Y Shares so cancelled; and
- (b) the Company shall apply the reserve arising as a result of the cancellation of the X Shares and Y Shares in paying up in full at par the New TF Shares which shall be allotted and issued credited as fully paid to Mirfield.

3. Consideration for cancellation of the X Shares and Y Shares

3.1 In consideration for the cancellation of the X Shares and the Y Shares and the allotment and issue to Mirfield of the New TF Shares as provided in clause 2.1, Mirfield shall:

- (a) pay to or for the account of each holder of the X Shares (as appearing in the register of members of the Company at the Scheme Record Time):

for every X Share 12.5 pence in cash

- (b) subject to clause 3.2, allot and issue to each holder of the Y Shares (as appearing in the register of members of the Company at the Scheme Record Time):

for each Y Share 0.08796 Mirfield B Shares

- 3.2 Fractions of Mirfield B Shares shall not be allotted or issued to holders of Y Shares pursuant to the Scheme. All fractional entitlements to which holders of Y Shares would have been entitled will be rounded down to the nearest whole share.

4. The Share Alternative

- 4.1 The Share Alternative will not be available in respect of Share Elections relating to more than 6,947,601 Scheme Shares in aggregate. If valid Share Elections in respect of the Share Alternative exceed this limit, such Share Elections will be scaled back *pro rata* (or as near to there as Mirfield in its absolute discretion considers practical) and the balance of the consideration due to Scheme Shareholders who have made such election will be satisfied in cash in accordance with the terms of the Scheme.
- 4.2 Elections made by Scheme Shareholders shall not affect the entitlements of Scheme Shareholders who do not make any such election.
- 4.3 A Scheme Shareholder may make a Share Election in respect of all and not part of his holding of Scheme Shares. Share Elections in respect of part of a Scheme Shareholder's holding of Scheme Shares shall be invalid and the relevant Scheme Shareholder will be deemed not to have made a Share Election.
- 4.4 Minor adjustments to the entitlements of Scheme Shareholders pursuant to Share Elections made under this Scheme may be made by the Receiving Agent with the prior consent of the Company and Mirfield on the basis that the Company and Mirfield consider to be fair and reasonable to the extent necessary to satisfy all entitlements pursuant to Share Elections under this Scheme as nearly as may be practicable. Such adjustments shall be final and binding on Scheme Shareholders.
- 4.5 Each Share Election made by a holder of Scheme Shares in certificated form shall be made by completion of a Form of Election which shall be executed by the Scheme Shareholder or his duly authorised agent (or, in the case of a body corporate, executed by an authorised representative). Holders of Scheme Shares in uncertificated form shall make any such Share Election electronically through CREST in accordance with the relevant instructions set out in paragraph 9.5 of Part II of the Scheme Document. To be effective, a Form of Election must be completed and returned in accordance with the instructions printed thereon so as to arrive at the offices of the Receiving Agent by no later than the Election Deadline. To be effective, the TTE instruction must be made by no later than the Election Deadline.
- 4.6 If a Share Election is received by the Receiving Agent after the Election Deadline, or is received by the Receiving Agent before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such Share Election shall be void unless and to the extent that the Company and Mirfield, in their absolute discretion, elect to treat as valid any such Share Election.
- 4.7 Upon execution and delivery by a Scheme Shareholder of a valid Form of Election or the making of a valid Share Election through CREST, such holder shall be bound by the terms and conditions contained in the Form of Election and by the terms and conditions contained in the Scheme Document.
- 4.8 A Form of Election duly completed and delivered or a TTE instruction made in accordance with clause 4.5 may be withdrawn before 1.00 p.m. on 30 September 2013 (or before such later time and date as the Company and Mirfield may agree and the Company may announce through a Regulatory Information Service) as follows:
- (a) in the case of a Form of Election, by a notice in writing to the Receiving Agent; and
- (b) in the case of a TTE instruction, in accordance with the CREST Manual as referred to in paragraph 9.5 of Part II of the Scheme Document.

- 4.9 If a Scheme Shareholder has made a valid Share Election in respect of all of his Scheme Shares, then:
- (a) the validity of the Share Election shall not be affected by any alteration in the number of Scheme Shares held by the Scheme Shareholder at any time prior to the Scheme Record Time; and
 - (b) accordingly, the Share Election shall be treated as applying in respect of all of the Scheme Shares which the Scheme Shareholder holds immediately prior to the Scheme Record Time.
- 4.10 If any Form of Election or TTE instruction in respect of the Share Alternative is received from a Restricted Overseas Person, such election shall, for all purposes, be void (unless Mirfield and the Company, in their absolute discretion, elect to treat as valid any such election).
- 4.11 The Mirfield B Shares will be issued in registered form, will be held in certificated form, will be issued credited as fully paid and will have the rights set out in Mirfield's Articles of Association.
- 4.12 The provisions of this clause 4 will be subject to any prohibition or condition imposed by law or regulation.

5. Certificates and Cancellation

- 5.1 With effect from and including the Effective Date:
- (a) all certificates representing Scheme Shares shall cease to be valid for any purpose and each Scheme Shareholder shall be bound at the request of the Company to deliver up the same to the Company or to any person nominated by the Company for cancellation; and
 - (b) in respect of those Scheme Shareholders holding Scheme Shares in uncertificated form, Euroclear shall be instructed to cancel such holders' entitlements to such Scheme Shares.
- 5.2 As regards uncertificated Scheme Shares, appropriate entries will be made in the Company's register of members with effect from the Effective Date to reflect their cancellation.

6. Settlement

- 6.1 Mirfield shall pay such cash as is required to be paid (rounded down to the nearest whole penny) and allot and issue the Mirfield B Shares (rounded down to the nearest whole share) in each case to give effect to this Scheme and to the persons respectively entitled thereto, such consideration to be settled as set out in this clause 6.
- 6.2 Settlement of any Cash Consideration to which a Scheme Shareholder is entitled shall be effected by Mirfield as follows:
- (a) where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, settlement of any Cash Consideration to which such person is entitled shall be settled by cheque despatched no later than 14 days after the Effective Date by first class post to the address appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said registrar in respect of such joint holding) or by such other method as may be approved by the Panel. All cheques shall be in pounds sterling drawn on the branch of a UK clearing bank. Payments made by cheque shall be payable to the Scheme Shareholder concerned (or in the case of joint holders, to the holder whose name stands first in the register of members of the Company in respect of the joint holding concerned). The encashment of any such cheque as is referred to in this clause shall be a complete discharge for the monies represented thereby; and
 - (b) where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, settlement of any Cash Consideration to which such person is entitled shall be effected by means of CREST by Mirfield procuring the creation of a CREST payment obligation in favour of the appropriate CREST account through which such person holds such uncertificated Scheme Shares in respect of the Cash Consideration due to him not later than 14 days after the Effective Date. The creation of such an assured payment arrangement shall be a complete discharge of Mirfield's obligations under this Scheme with reference to payments through CREST. Mirfield reserves the right to pay any Cash Consideration referred to in this clause 6.2 to all or any relevant CREST shareholders at the Scheme Record Time in the manner referred to in clause 6.2(a) if, for any reason, it wishes to do so.

- 6.3 Settlement of any Consideration in the form of Mirfield B Shares to which a Scheme Shareholder is entitled shall be effected by Mirfield so that at the Scheme Record Time, whether a Scheme Shareholder holds Scheme Shares in certificated form or uncertificated form, any Mirfield B Shares to which a Scheme Shareholder becomes entitled under clause 3 of this Scheme shall be issued to such person in certificated form. Definitive certificates for the Mirfield B Shares shall be dispatched no later than 14 days after the Effective Date by first-class post (or any other method as may be approved by the Panel) to the address appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, to the holder whose name stands first in such register in respect of the joint holding concerned).
- 6.4 None of the Company, Mirfield or their nominees shall be responsible for any loss or delay in the transmission of cheques or certificates sent in accordance with this Scheme which shall be sent at the risk of the addressee.
- 6.5 Any mandate in force at the Scheme Record Time relating to the payment of dividends on Scheme Shares and each instruction then in force as to notices and other communications shall, unless varied or revoked, be deemed as from the Effective Date to be a valid and effective mandate or instruction to Mirfield in relation to the corresponding Mirfield B Shares to be allotted and issued under the Share Alternative pursuant to the Scheme.
- 6.6 The provisions of this clause 6 shall take effect subject to any prohibition or condition imposed by law.

7. Overseas Shareholders

The provisions of clauses 3, 4, 5 and 6 shall be subject to any prohibition or condition imposed by law. If in the case of any Scheme Shareholder, Mirfield or the Company believe that the law of a country or territory outside the United Kingdom precludes the delivery to them of Mirfield B Shares or precludes the same except after compliance by the Company or Mirfield (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Mirfield (as the case may be) is unable to comply or which the Company or Mirfield (as the case may be) regards as unduly onerous, then Mirfield may in its sole discretion determine that such Scheme Shareholder is deemed not have made a Share Election and shall be paid the Cash Consideration for each Scheme Share of which he is the holder at the Scheme Record Time, such payment to be made in accordance with clause 6.2.

8. Operation of this Scheme

- 8.1 Unless otherwise agreed between Mirfield and the Company prior to the Court Hearing and subject to the approval of the Court, the Scheme is conditional upon all of the Conditions having been satisfied or waived (if capable of waiver) by Mirfield by the date of the Court Hearing, save for the Condition requiring the sanction by the Court of this Scheme, the confirmation by the Court of the Reduction of Capital and the delivery of the Court Order and associated statement of capital to the Registrar of Companies.
- 8.2 The Scheme shall become fully effective in accordance with its terms as soon as an office copy of the Court Order and related statement of capital has been delivered to the Registrar of Companies of England and Wales for registration.
- 8.3 Unless this Scheme shall become effective in accordance with its terms on or before 31 December 2013 or such later date, if any, as the Company and Mirfield may, with the consent of the Panel, agree and the Court may allow, this Scheme shall never become effective.
- 8.4 If the cancellation of the X Shares and the Y Shares pursuant to this Scheme does not become effective by 6.00 p.m. (London time) on the tenth Business Day following the Scheme Record Time, or such earlier or later time and date as Mirfield and the Company may agree and the Company may announce through a Regulatory Information Service, the reclassifications effected by clause 1.1 shall be reversed and the X Shares and Y Shares shall revert to and be reclassified as TF Shares, and the new Articles 13A and 13B adopted and referred to in clause 1.2 shall be deleted from the Articles.

9. Modification

- 9.1 The Company and Mirfield may jointly consent, on behalf of all persons affected, to any modification of, or addition to, this Scheme or to any condition approved or imposed by the Court.

Dated: 23 August 2013

PART VII

TAXATION

THE DISCUSSION BELOW IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A SHAREHOLDER. EACH SHAREHOLDER SHOULD CONSULT HIS OR HER OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF THE IMPLEMENTATION OF THE OFFER UNDER THE SHAREHOLDER'S OWN CIRCUMSTANCES.

Shareholders who are citizens or residents of the United States or other jurisdictions outside the United Kingdom should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

1. UK Taxation

The following paragraphs, which are intended as a general guide only, are based on current UK tax law and HMRC practice in force at the date of this document, either of which is subject to change at any time, possibly with retrospective effect. They summarise certain limited aspects of the UK taxation consequences of the implementation of the Scheme and relate only to the position of Scheme Shareholders who hold their Scheme Shares beneficially as an investment, unless otherwise indicated, and who are resident in (and only in) the UK for taxation purposes at all relevant times. The tax position of certain categories of Scheme Shareholders who are subject to special rules (such as dealers in securities, broker-dealers, insurance companies, collective investment schemes and persons who have acquired (or are deemed for tax purposes to have acquired) their Scheme Shares by reason of an office or employment) is not considered.

If you are in any doubt as to your taxation position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate professional adviser without delay.

2. Share capital reclassification

For the purposes of the United Kingdom taxation of chargeable gains:

- (a) the reclassification of the Scheme Shares on the basis set out in this document should be treated as a reorganisation of the share capital of the Company. Accordingly, Scheme Shareholders should not be treated as having disposed of their Scheme Shares and no liability to United Kingdom taxation of chargeable gains should arise in respect of the reclassification;
- (b) accordingly, for the purposes of United Kingdom taxation of chargeable gains, the reclassified Scheme Shares should be treated as the same asset and as having been acquired at the same time as the Scheme Shares that they replace; and
- (c) for the purposes of computing any gain or loss on a subsequent disposal of the reclassified Scheme Shares, the base cost of the relevant Scheme Shareholder in his existing Scheme Shares should be apportioned between his reclassified Scheme Shares by reference to their respective market values immediately after the reorganisation. It is expected that the market value of each X Share cancelled in exchange for the cash consideration will be equal to the relevant cash consideration per X Share and the market value of each Y Share cancelled in exchange for 0.08796 Mirfield B Shares will be equal to the market value of 0.08796 Mirfield B Shares at that time.

3. The Scheme

(a) Cash Consideration

Scheme Shareholders will generally be treated as having made a disposal of their Scheme Shares for the purposes of United Kingdom taxation of chargeable gains when they receive cash from Mirfield under the Scheme in consideration for the cancellation of their Scheme Shares. This may, depending on the individual circumstances of each Scheme Shareholder (including the availability of any exemption, allowance or relief), give rise to a liability to United Kingdom taxation.

For Scheme Shareholders who are individuals the capital gains annual exemption (which is £10,900 for 2013/14) will also be available to offset any chargeable gain arising (to the extent it has not already been utilised).

For Scheme Shareholders within the charge to United Kingdom corporation tax (but who do not qualify for the substantial shareholding exemption in respect of their Scheme Shares), indexation allowance will be available in respect of the full period of ownership of the Scheme Shares to reduce any chargeable gain arising (but not to create or increase an allowable loss) on the disposal of their Scheme Shares.

(b) **Share Alternative**

Subject to what is said below in this section, Scheme Shareholders will generally be treated as having made a disposal of their reclassified Scheme Shares for the purposes of United Kingdom taxation of chargeable gains when they receive Mirfield B Shares in lieu of the cash that they would otherwise receive under the Scheme in consideration for the cancellation of their reclassified Scheme Shares. This may, depending on the individual circumstances of each Scheme Shareholder (including the availability of any exemption, allowance or relief), give rise to a liability to United Kingdom taxation.

United Kingdom “rollover” relief should be available to Scheme Shareholders who, alone, or together with persons connected with them, do not after the Scheme Record Time hold more than five per cent of, or of any class of, the shares in or debentures of the Company in respect of the cancellation of their reclassified Scheme Shares upon the terms described in the Scheme in consideration for new Mirfield B Shares issued by Mirfield.

Accordingly, for the purposes of United Kingdom taxation of chargeable gains, such Scheme Shareholders should not be treated as making a disposal of such reclassified Scheme Shares. The new Mirfield B Shares issued by Mirfield should be treated as the same asset and as having been acquired at the same time and for the same consideration as the reclassified Scheme Shares from which they are derived. Scheme Shareholders who, alone or together with persons connected with them after the Scheme Record Time hold more than five per cent of, or of any class of, the shares in or debentures of the Company should not be treated as making a disposal of such reclassified Scheme Shares provided HMRC accept that the transaction is carried out for *bona fide* commercial reasons and does not form part of a tax avoidance scheme.

4. Stamp duty/SDRT

Except in relation to depository receipt arrangements and clearance services, where special rules apply:

- (a) no stamp duty or SDRT will generally be payable by Scheme Shareholders in connection with the share capital reclassification or the cancellation of the reclassified Scheme Shares; and
- (b) in practice, it is expected that no stamp duty or SDRT will be required to be paid by Scheme Shareholders in connection with the issue of Mirfield B Shares pursuant to the Scheme or their subsequent transfer. Such stamp duty or SDRT will normally be payable by the purchaser of the relevant Mirfield B Shares.

5. Scheme Shareholders pursuant to the Option Schemes

Special tax provisions may apply to Scheme Shareholders who have acquired or agreed to acquire their Scheme Shares by exercising options or awards under the Company’s Option Schemes. Where shareholders are in any doubt as to their taxation position they are advised to seek independent advice.

6. Dividends on Mirfield B Shares

Mirfield is not required to withhold at source any amount in respect of United Kingdom tax when paying a dividend.

To the extent that the gross dividend (taken together with other taxable income) exceeds the individual’s threshold for the higher rate of income tax the individual will, to that extent, pay tax on the gross dividend at the dividend upper rate (currently 32.5 per cent for an individual liable to pay tax at the 40 per cent rate or 37.5 per cent for a taxpayer liable to pay tax at the

45 per cent rate). Accordingly, an individual who is a higher rate tax payer will have further income tax to pay at the rate of 22.5 per cent on the gross dividend (equivalent to 25 per cent of the dividend received) if his highest rate of tax is 40 per cent or 27.5 per cent on the gross dividend (equivalent to approximately 30.6 per cent of the dividend received) if his highest rate of tax is 45 per cent.

A shareholder that is a company resident for tax purposes in the UK will not generally be taxable on any dividend it receives from Mirfield subject to certain conditions being met and subject to no election made to treat an otherwise exempt dividend to be taxable.

A shareholder who is not liable to tax on dividends received from Mirfield will not be entitled to claim payment of the tax credit in respect of those dividends.

The right of a shareholder who is not resident (for tax purposes) in the United Kingdom to a tax credit in respect of a dividend received from Mirfield or to claim payment of any part of that tax credit will depend on the existence and terms of any double taxation convention between the United Kingdom and the country in which the shareholder is resident.

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 5715 of 2013

IN THE MATTER OF THEO FENNELL PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 21 August 2013 made in the above matter, the Court has directed a meeting to be convened of the holders of ordinary shares of £0.05 each (“**Ordinary Shares**”) in the capital of Theo Fennell Plc (the “**Company**”) other than James Brearley Crest Nominees Limited (as nominee for Alister Theodore Fennell and Mr Fennell’s self-invested personal pension) and, if it or its nominee is a holder of Ordinary Shares, Mirfield 1964 Plc or its nominee, for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to sections 895 to 899 of the Companies Act 2006 (the “**Scheme**”) proposed to be made between the Company and the Scheme Shareholders (as defined in the Scheme) and that such meeting will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, WC2A 1AP at 11.00 a.m. on 16 September 2013 at which place and time all such shareholders (the “**Independent Shareholders**”) are requested to attend.

At the Court Meeting the following resolution will be proposed:

“THAT, subject to and conditional upon the passing of each of the resolutions to be proposed at the General Meeting (as defined in the Scheme) the scheme of arrangement (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, be approved and the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect.”

A copy of the said Scheme and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

Independent Shareholders entitled to attend and vote at the meeting may vote in person at the meeting or they may appoint another person as their proxy to attend and vote in their stead. A proxy need not be a member of the Company. A blue form of proxy for use at the meeting is enclosed with this notice. Completion and return of a blue form of proxy will not prevent an Independent Shareholder from attending and voting in person at the meeting, or any adjournment thereof, if he wishes to do so.

In the case of Independent Shareholders who are joint holders of Ordinary Shares, the vote of the senior Independent Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Independent Shareholders are entitled to appoint a proxy of some or all of their Ordinary Shares. Independent Shareholders are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the right attached to a different share or shares held by such holder. A space has been included in the blue form of proxy to allow Independent Shareholders to specify the number of Ordinary Shares in respect of which that proxy is appointed. Independent Shareholder who return the blue form of proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all of their Scheme Shares.

Independent Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s Registrar, Capita Registrars, for further blue Forms of Proxy or photocopy the blue form of proxy as required. Such holders should also read the “multiple proxy voting instructions” set out in paragraph 9 of Part II of the document of which this notice forms

part and in the blue form of proxy and should note the principles that shall be applied in relation to multiple proxies.

It is requested that blue forms of proxy for this meeting be returned either by post or, during normal business hours only, by hand to the Company's Registrars, Capita Registrars, as soon as possible, but in any event so as to be received at least 48 hours before the time appointed for the Court Meeting, but if forms are not so lodged they may be handed to the Company's Registrars at the meeting on behalf of the Chairman of the meeting before the taking of the poll.

Independent Shareholders who hold their Ordinary Shares in uncertificated form (that is, in CREST), may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual. Proxies submitted through CREST (under CREST participant ID **RA10**) must be received by Capita Registrars by no later than 11.00 a.m. on 14 September 2013 (or, if the meeting is adjourned, not less than 48 hours prior to the time and date set for the adjourned meeting).

As an alternative to appointing a proxy, any Independent Shareholder which is a corporation, may vote by a corporate representative in accordance with the Companies Act 2006.

The entitlement of an Independent Shareholder to vote at the meeting or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company at 6.00 p.m. on 14 September 2013, or, if the meeting is adjourned by more than 48 hours, at 6.00 p.m. on the day which is two days before such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said order, the Court has appointed Rupert Hambro, or, failing him, Francis McKay to act as chairman of the meeting and has directed the chairman to report the result of the meeting to the Court.

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

Dated: 23 August 2013

Memery Crystal LLP
44 Southampton Buildings
London WC2A 1AP
Solicitors for the Company

THEO FENNELLC

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Theo Fennell Plc (the “**Company**”) will be held at the offices of Memery Crystal LLP, 44 Southampton Buildings, London, WC2A 1AP on 16 September 2013 at 11.15 a.m. (or, if later, as soon thereafter as the Court Meeting (as defined in the Scheme of Arrangement referred to below) convened by the direction of the Court for 11.00 a.m. on the same day and at the same place shall have concluded or been adjourned) to consider and, if thought fit, pass the following resolutions, of which resolution 1 shall be proposed as a special resolution and resolutions 2, 3, 4, 5, 6 and 7 shall be proposed as ordinary resolutions. Resolutions 2, 3, 4, 5 and 6 are to be voted on by way of a poll on which neither Alister Theodore Fennell (“**Mr Fennell**”), Mr Fennell’s self-invested personal pension), Alasdair Hadden-Paton (“**Mr Hadden-Paton**”) or any person acting in concert with them or connected to them or their respective nominees may vote. Terms and conditions defined in the scheme circular sent to shareholders of the Company dated 23 August 2013 (the “**Scheme Document**”) shall have the same meaning in this notice of General Meeting.

SPECIAL RESOLUTION

1. **THAT** for the purpose of giving effect to the Scheme of Arrangement dated 23 August 2013 (the “**Scheme**”) proposed to be made between the Company and holders of Scheme Shares (as defined in the Scheme), and the proposed acquisition of the Company by Mirfield (as defined in the Scheme) in the manner and on the terms and conditions set out or referred to in the Scheme Document in its original form, or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Mirfield:

1.1 upon the Scheme becoming effective, each of the Scheme Shares held at the Scheme Record Time (in each case as defined in the Scheme) shall be reclassified as an X Share (an “**X Share**”) or a Y Share (a “**Y Share**”) each of nominal value £0.05, as the case may be, on the following basis:

- (a) each Scheme Share in respect of which:
 - (i) a valid Share Election has not been made and/or accepted, or is deemed not to have been made and/or accepted, in accordance with the Scheme under the Share Alternative; or
 - (ii) in respect of which a valid Share Election has been made and accepted, or has been deemed to have been made and accepted, in accordance with the Scheme under the Share Alternative, but in respect of which no Mirfield B Shares are to be issued due to the application of any scale back under the Share Alternative,shall be reclassified into an X Share; and
- (b) each Scheme Share in respect of which a valid Share Election has been made and accepted, or has been deemed to have been made and accepted, in accordance with the Scheme under the Share Alternative, following the application of any scale back under the Share Alternative, shall be reclassified into a Y Share,

and for these purposes, each portion of a Scheme Shareholder’s holding which is recorded in the Register of Members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as though it were a separate holding held at such time by a separate person;

1.2 the X Shares and Y Shares created by this reclassification will rank equally and have the rights and be subject to the restrictions contained in the new Article 13B to be adopted pursuant to paragraph 1.7 of this resolution and shall rank equally save that upon the Scheme becoming effective:

- (a) every X Share shall confer upon the holder thereof the right to receive Cash Consideration pursuant to the Acquisition under the terms of the Scheme; and
- (b) every Y Share shall confer upon the holder thereof the right to receive the Mirfield B Shares pursuant to the Acquisition under the terms of the Scheme;

- 1.3 forthwith and contingent on the reclassification set out in paragraph 1.1 of this resolution taking effect, the share capital of the Company shall be reduced by cancelling and extinguishing all the X Shares and the Y Shares held at the Scheme Record Time;
- 1.4 forthwith and contingent upon such reduction of capital taking effect and notwithstanding anything to the contrary in the Articles of Association of the Company:
- (a) the share capital of the Company shall be increased to its former amount by the creation of such number of new ordinary shares of £0.05 each (“**New Shares**”) as have an aggregate nominal value which is equal to the aggregate nominal value of the X Shares and Y Shares so cancelled; and
- (b) the Company shall apply the reserve arising as a result of the cancellation of the X Shares and Y Shares in paying up in full at par the New Shares, which shall be allotted and issued credited as fully paid, to Mirfield;
- 1.5 the Independent Directors be and are hereby authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to give effect to this resolution and accordingly effect the allotment of the New Shares referred to in paragraph 1.4 of this resolution, provided that:
- (a) the authority shall expire on the fifth anniversary of the date of this resolution;
- (b) the maximum aggregate nominal amount of shares which may be allotted hereunder shall be the aggregate nominal amount of the said New Shares pursuant to paragraph 1.4 above; and
- (c) the authority shall be without prejudice to any other authority under the said section 551 of the Companies Act 2006 previously granted before the date on which this resolution is passed;
- 1.6 the Independent Directors be and are hereby authorised to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect;
- 1.7 the articles of association of the Company be amended by the adoption and inclusion of the following new Articles 13A and 13B:

“13A Scheme of Arrangement

13A.1 *In this Article and in Article 13B, references to the “**Scheme**” are to the Scheme of Arrangement dated 23 August 2013 under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme), as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme or (if not so defined in the Scheme) defined in the Scheme Document dated 23 August 2013 and circulated with the Scheme pursuant to Section 897 of the Companies Act 2006, shall have the same meanings where used in this Article and Article 13B.*

13A.2 *Notwithstanding any other provision of these Articles, if any shares are issued on or after the Voting Record Time (other than to Mirfield or any person identified by written notice to the Company as its nominee(s) and/or designated subsidiary) but before 6.00 p.m. on the Business Day immediately preceding the date of the Court hearing to sanction the Scheme and to confirm the Reduction of Capital (“**Hearing Date**”), such shares shall be issued subject to the terms of the Scheme and the holder or holders of such shares shall be bound by the Scheme accordingly.*

13A.3 *If, at any time on or after 6.00 p.m. on the Business Day immediately preceding the Hearing Date, any shares (“**New Shares**”) are to be issued to any person (a “**New Member**”) other than to Mirfield or any person identified by written notice to the Company by Mirfield as its nominee(s) and/or designated subsidiary, provided that the Scheme has become effective, such New Shares shall be transferred immediately after the time at which the Scheme becomes effective (“**Effective Date**”) or, if later, upon the issue of the New Shares, free of all encumbrances to Mirfield (or as Mirfield may direct by notice in writing to the Company) in consideration for, and conditionally upon the issue or transfer free of all encumbrances to the New Member (as soon as is practicable after the Effective Date) of 12.5 pence for each New Share transferred to Mirfield (being the Cash Consideration which the New Member would have been*

entitled to receive in aggregate if the New Shares transferred hereunder had been Scheme Shares and the New Member had been the holder thereof at the Hearing Date).

13A.4 *To give effect to any such transfer required by Article 13A.3, the Company may appoint any person to execute and deliver a form of transfer on behalf of the New Member in favour of Mirfield (or as directed by Mirfield). Pending the registration of Mirfield (or its designated subsidiary and/or nominee(s)) as the holder of any share to be transferred pursuant to the Article 13A.3 Mirfield shall be empowered to appoint a person nominated by the directors of Mirfield to act as attorney on behalf of the holder of such share in accordance with such directions as Mirfield may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attaching thereto or receiving any distribution or other benefit accruing or payable in respect of thereof and the registered holder of such share shall exercise all rights attaching thereto in accordance with the directions of Mirfield but not otherwise. The payment of Cash Consideration in respect of any shares transferred pursuant to this Article 13A.4 shall be made within 14 days of the date of transfer of such shares.”*

“13B X Shares and Y Shares

Each of the X share of £0.05 each in the capital of the Company (“X Shares”) and Y shares of £0.05 each in the capital of the Company (“Y Shares”) created by the reclassification of the Scheme Shares upon the Scheme becoming effective shall rank equally and have the same rights save that upon the Scheme becoming effective:

- (a) *every X Share shall confer upon the holder thereof the right to receive Cash Consideration pursuant to the Acquisition under the terms of the Scheme; and*
- (b) *every Y Share shall confer upon the holder thereof the right to receive Mirfield B Shares pursuant to the Share Alternative under the terms of the Scheme.”; and*

1.8 if the cancellation of the X Shares and the Y Shares referred to in paragraph 1.3 of this resolution does not become effective by 6.00 p.m. (London time) on the tenth Business Day following the Scheme Record Time, or such earlier or later time and date as Mirfield and the Company may agree and the Company may announce through a Regulatory Information Service, the reclassifications effected by paragraph 1.1 of this resolution shall be reversed and the X Shares and Y Shares shall revert to and be reclassified as ordinary shares of £0.05 each in the capital of the Company, and the new Articles 13A and 13B adopted and referred to in paragraph 1.7 of this resolution shall be deleted from the Articles

ORDINARY RESOLUTIONS

- 2. **THAT** for the purposes of Rule 16 of the City Code on Takeovers and Mergers, the New Service Agreement and Sweet Equity Arrangements with Mr Fennell be approved.
- 3. **THAT** for the purposes of Rule 16 of the City Code on Takeovers and Mergers, the ODP Sale Agreement entered into by the Company with Mr Fennell be approved.
- 4. **THAT** for the purposes of Rule 16 of the City Code on Takeovers and Mergers, the Brand Repatriation Agreement entered into by the Company with Mr Fennell be approved.
- 5. **THAT** for the purposes of Rule 16 of the City Code on Takeovers and Mergers, the New Service Agreements with Mr Hadden-Paton be approved.
- 6. **THAT** for the purposes of Rule 16 of the City Code on Takeovers and Mergers, the ODP Sale Agreement entered into by the Company with Mr Hadden-Paton be approved.
- 7. **THAT** for the purposes of section 188 of the Companies Act 2006 the minimum term for Mr Fennell’s employment of 36 months under the TF Service Agreement be approved and that for the purposes of section 190 of the Companies Act 2006 the acquisition by the Company of shares in the capital of The Original Design Partnership Limited from Mr Fennell on the terms of the ODP Sale Agreement be approved.

BY ORDER OF THE BOARD

Alasdair Hadden-Paton, Company Secretary

Registered Office:

*2b Pond Place
London SW3 6TF*

23 August 2013

Registered in England No. 1955534

Notes:

1. A member of the Company is entitled to appoint another person as his proxy to exercise all or any rights to attend and to speak and vote at the meeting of the Company. You may appoint more than one proxy in relation to the meeting, provided each proxy is appointed to exercise the rights attaching to a different share.
2. A white Form of Proxy is enclosed. To be valid, the white Form of Proxy, together with the authority (if any) under which it is executed or a notarially certified copy of such authority, must be returned to the Company's Registrars, Capita Registrars by no later than 11.15 a.m. on 14 September 2013, or not less than 48 hours before the time appointed for any adjourned or postponed meeting.
3. The completion and return of a white Form of Proxy will not preclude a member from attending and voting in person at the meeting.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered on the register of members of the Company as at 6.00 p.m. on 14 September 2013 (the "Voting Record Time"), shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares in the Company registered in their name at that relevant time. If the meeting is adjourned or postponed to a time not more than 48 hours after the Voting Record Time applicable to the original meeting, the Voting Record Time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned or postponed meeting. If however, the meeting is adjourned or postponed for a longer period of time then, to be so entitled, members must be entered on the register of members at 6.00 p.m. on the day which is two days before the date fixed for the adjourned or postponed meeting.
5. Copies of the Company's existing articles of association and copies of the articles of association as proposed to be amended by special resolution 2 set out in the notice of the meeting and copies of the New Service Agreements, the ODP Sale Agreement, the Brand Repatriation Agreement and the articles of association of Mirfield 1964 Plc which set out the 'sweet equity' arrangements for Mr Fennell, are available for inspection at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP during normal business hours on a weekday (Saturdays, Sundays and public holidays excepted) until opening of business on the day on which the meeting is held and will also be available for inspection at the General Meeting for at least 15 minutes prior to and during the General Meeting.
6. As at 5.00 p.m. on the day immediately prior to the date of posting of this notice of General Meeting, the Company's issued ordinary share capital comprised 23,158,029 ordinary shares of 5 pence each and, therefore, the total number of voting rights in the Company as at 5.00 p.m. on the day immediately prior to the date of posting of this notice of General Meeting is 23,158,029.
7. Documents available for inspection
Copies of the following documents will be available for inspection at the office of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AP, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the close of the General Meeting:
 - (a) the current memorandum and articles of association of the Company and Mirfield (with the articles of association of Mirfield setting out the Sweet Equity Arrangements and the rights attaching to the Mirfield B Shares offered under the Share Alternative);
 - (b) the proposed new articles of association of the Company showing the full terms of the proposed amendments to those articles under the Scheme;
 - (c) the audited and consolidated accounts of the Company for the two years ended 31 March 2012 and 31 March 2013 including the auditors' reports thereon;
 - (d) the rules of the Option Schemes;
 - (e) the material contracts referred to in paragraph 7 of Part IV of the Scheme Document;
 - (f) the Company Directors' service contracts and letters of appointment referred to in paragraph 6 of Part IV of the Scheme Document;
 - (g) the written consents referred to in paragraph 11 of Part IV of the Scheme Document;
 - (h) the Scheme Document, incorporating the Notice of the Court Meeting and the Notice of the General Meeting, the Forms of Proxy and the Form of Election, all dated 23 August 2013; and
 - (i) the irrevocable undertakings referred to in paragraph 4 of Part IV of the Scheme Document.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for a General Meeting to be held on 16 September 2013 at 11.15 a.m. and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors 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 by means of CREST to be valid, the appropriate CREST message (a "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 must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider 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, to procure that his CREST sponsor or voting service provider takes) 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 sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

