

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer, this document or the action you should take, you are recommended to seek your own personal financial, tax or legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are taking advice in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

JD Sports Fashion plc
Hollinsbrook Way
Pilworth
Bury
Lancashire
BL9 8RR

Footasylum plc
Sandbrook House
Sandbrook Park
Rochdale
Lancashire
OL11 1RY

This letter (**Letter**) should be read in conjunction with the offer document to shareholders of Footasylum plc (**Footasylum**) from JD Sports Fashion plc (JD) dated on or around the date of this Letter (**Offer Document**), a copy of which you should have received with this Letter. It can also be viewed on the Footasylum plc investor relations website at www.investors.footasylum.com/investor-relations/offer-page. Words and expressions defined in the Offer Document have the same meaning in this Letter unless the context requires otherwise. Key terms used in this Letter and the enclosed Form of Instruction are explained in Appendix 1 to this Letter.

22 March 2019

To: Holders of awards (**Awardholders**) under the Footasylum plc Long Term Incentive Plan (**LTIP**).

Dear Awardholder

Recommended cash offer for Footasylum by JD

On 18 March 2019, the boards of Footasylum and JD announced that they had reached agreement on the terms of a recommended cash offer for Footasylum by JD, pursuant to which JD would acquire the entire issued and to be issued ordinary share capital of Footasylum (other than the Footasylum Shares which JD already owns) (**Offer**). For further details of the background to the Offer, please refer to Part I of the Offer Document.

This Letter explains the effect of the Offer on the award granted to you under the LTIP (**Award**), the proposal being made to you by JD in relation to your Award (**Proposal**) and sets out the courses of action available to you. In broad terms, the Proposal is that you exercise your Award to the fullest extent possible and accept the Offer in respect of any Footasylum Shares that you acquire on exercise. Further details of the Proposal are contained in paragraph 7 below.

If you wish to accept the Proposal in respect of your Award as set out in this Letter, it is important that you fill in and sign and date the enclosed Form of Instruction and return it to Nancy Kelsall at Footasylum by email to the following address: Nancy.Kelsall@Footasylum.com to be received as soon as possible and in any event not later than 5.00pm on 12 April 2019. Please then send the original signed and dated Form of Instruction to Nancy Kelsall, Footasylum plc, Sandbrook House, Sandbrook Park, Rochdale, Lancashire, OL11 1RY.

The remainder of this Letter should help to explain what you need to know about the Offer, the effect of the Offer on your Award and the Proposal that is being made to you by JD in relation to your Award.

The Offer

1 How does the Offer work?

The purpose of the Offer is to enable JD to become the owner of the entire issued and to be issued share capital of Footasylum. The Offer is conditional upon, amongst other things, valid acceptances being received in respect of Footasylum Shares which constitute not less than 90 per cent. of the Footasylum Shares to which the Offer relates (**Acceptance Condition**).

If the Offer becomes unconditional in all respects, any Footasylum Shares in respect of which the Offer has been accepted will be acquired by JD.

You can find additional information regarding the Offer in the Offer Document.

2 What are the terms of the Offer for shareholders of Footasylum?

Under the terms of the Offer and provided that no dividend and/or other distribution or any other return of capital in respect of the Footasylum Shares is made or paid on or after the Announcement Date, Footasylum Shareholders will be entitled to receive, for each Footasylum Share held:

82.5 pence in cash

As described in more detail in the Offer Document, based on Footasylum's closing share price on 15 March 2019 of 46.5 pence per Footasylum Share, this Offer Price represents a premium of approximately 77.4 per cent. per Footasylum Share.

The Offer values the fully diluted issued and to be issued ordinary share capital of Footasylum at up to approximately £90.0 million.

3 Will the Acquisition definitely go ahead?

The Offer is conditional on the Acceptance Condition and various other conditions being satisfied by the closing date of the Offer. If the Offer does not become unconditional in all respects, the Acquisition will not go ahead. For further details on this, please refer to Part A of Appendix 1 to the Offer Document.

4 What if the Acquisition does not go ahead?

If the Offer does not become unconditional in all respects, the Acquisition will not go ahead and the Proposal (as described in paragraph 7 below) in relation to your Award will not apply and your Award will continue unaffected.

Your Award

5 What is my Award?

Your Award is an option to acquire a certain number of Footasylum Shares at an exercise price of £0.001 per Footasylum Share. Your Award is subject to the rules of the LTIP and the terms set out in the award documentation provided to you when your Award was granted.

The details of your Award are set out in the enclosed Form of Instruction.

The Proposal

As part of the Offer, JD have agreed to make a Proposal to Awardholders. The Proposal is described in paragraph 7 below.

6 What is the effect of the Offer on my Award?

Your Award became capable of exercise immediately upon the Offer being made by the issue of the Offer Document by JD but, if you choose to exercise your Award before the time that the Offer becomes unconditional in all respects, such exercise will only take effect when the Offer becomes unconditional in all respects. Any such exercise is earlier than would ordinarily be the case, as an Award would normally only become capable of exercise on the third anniversary of the date of grant of the Award.

The Remuneration Committee of the board of Footasylum has determined that, provided that the Offer becomes unconditional in all respects, your Award will be capable of exercise over all of the Footasylum Shares in respect of which it subsists and that no time prorating reduction will apply to your Award. Details of the number of Footasylum Shares in respect of which you may exercise your Award under the LTIP if the Offer becomes unconditional in all respects are set out in the enclosed Form of Instruction.

7 What is the proposal being made by JD?

You are being offered the opportunity to exercise your Award to the fullest extent possible and accept the Offer in respect of all of the Footasylum Shares you acquire on the exercise of your Award using the Form of Instruction enclosed with this Letter.

There may be certain tax consequences on the exercise of your Award, as outlined in this Letter, the paragraphs regarding taxation in Appendix 2 to this Letter and the Offer Document. As part of the Proposal, any income tax and employee's National Insurance contributions arising on the exercise of your Award will be deducted from the proceeds due to you from the sale of the Footasylum Shares you acquire on the exercise of your Award.

The aggregate exercise price payable on the exercise of your Award will also be deducted from your sale proceeds so that you do not have to fund this amount from your own resources. This is referred to as a cashless exercise facility.

8 How do I exercise my Award and accept the Offer?

If you wish to exercise your Award to the fullest extent possible and accept the Offer in respect of the Footasylum Shares acquired on exercise of your Award and thereby sell each Footasylum Share you acquire to JD, you should complete, sign and submit the enclosed Form of Instruction. You must return your form so as to be received by Nancy Kelsall at Footasylum no later than 12 April 2019.

If you complete the Form of Instruction and return it, the exercise of your Award in respect of all of the Footasylum Shares over which it subsists will take effect immediately upon the Offer becoming unconditional in all respects.

As mentioned above, for each Footasylum Share sold pursuant to the Offer, you will receive (subject to the terms of the Offer) 82.5 pence in cash (**Offer Proceeds**).

Payment of the Offer Proceeds will be made to you in cash through payroll within 14 days of the Offer becoming unconditional in all respects (following the deduction therefrom of the aggregate exercise price and any applicable income tax and employee's National Insurance contributions).

9 What will happen if I exercise my Award but do not accept the Offer?

If you wish to exercise your Award after the Offer becomes unconditional in all respects, you are not obliged to accept the Offer if you do not wish to do so. If you do not accept the Offer you may instead seek to retain any Footasylum Shares that you acquire on the exercise of your Award or sell them on AIM (so long as the Footasylum Shares continue to be admitted to trading on AIM). However, if you do not accept the Offer you should note the following:

- (a) if you attempt to sell your Footasylum Shares on AIM you may find that it is not possible to sell them at the Offer Price. In addition, you would ordinarily expect to incur dealing costs in respect of such a sale;
- (b) you will be required to provide the necessary funds in respect of the exercise price and any income tax and employee's National Insurance contributions that arise on the exercise of your Award;
- (c) if sufficient acceptances are received and/or sufficient Footasylum Shares are otherwise acquired, JD intends to apply the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily any outstanding Footasylum Shares to which the Offer relates that have not been acquired, or agreed to be acquired, pursuant to the Offer or otherwise (**Compulsory Acquisition Procedure**);

- (d) if the Compulsory Acquisition Procedure is invoked, the Footasylum Shares that you acquire on the exercise of your Award will be acquired under the Compulsory Acquisition Procedure for a price per Footasylum Share equal to the Offer Price;
- (e) if JD has by virtue of its shareholdings, acceptances of the Offer and any other purchases acquired, or agreed to acquire, Footasylum Shares representing at least 75 per cent. of the voting rights attaching to Footasylum Shares, JD intends to procure that Footasylum makes an application to the London Stock Exchange for the cancellation of the admission to trading on AIM of the Footasylum Shares and, if the Footasylum Shares are no longer traded in AIM, this will make it even more difficult for you to sell the Footasylum Shares resulting from the exercise of your Award.

If you wish to exercise your Award but not accept the Offer, you should contact Footasylum for a separate notice of exercise as soon as possible.

10 What happens if I do nothing?

If you choose to do nothing, your Option will remain exercisable for the period of six months after the Offer becomes unconditional in all respects and will then lapse. However, if JD applies the Compulsory Acquisition Procedure, your Award will only remain exercisable until 7 days before the last day on which JD remains entitled to acquire Footasylum Shares compulsorily and will then lapse and become worthless. You will be notified in the event that JD intends to apply the Compulsory Acquisition Procedure.

General

11 Will I receive dividends in relation to my Award?

No, you will receive no dividends or dividend equivalent amounts in respect of your Award or the Footasylum Shares you acquire on exercise.

12 Do I need to pay anything?

No, you will not need to make any upfront payments if you accept the Proposal. You would be liable for the aggregate exercise price payable in respect of the Footasylum Shares you acquire by exercising your Award and for any income tax and employee's National Insurance contributions arising on the exercise of the Award by reference to the value of the Footasylum Shares acquired pursuant to the exercise of your Award less the aggregate exercise price payable for such Footasylum Shares (see paragraph 16 below). However, if you accept the Proposal, both the aggregate exercise price and any income tax and employee's National Insurance contributions will be deducted from your Offer Proceeds so that you will not need to fund these costs from your own resources.

13 Can I give my Award to someone else?

No, under the rules of the LTIP, you cannot transfer your Award.

14 Will the Proposal affect my employment rights?

No, the Proposal, and whether or not you accept it, will not affect your employment rights.

15 What if I leave employment?

You must either be an employee of Footasylum or a former employee who is entitled to retain their Award under the rules of the LTIP on the date on which the Offer becomes unconditional in all respects to benefit from the Proposal in relation to your Award.

Tax

16 What tax will I have to pay if I accept the Proposal?

Please see Appendix 2 to this Letter, which sets out a summary of the UK tax and employee's National Insurance contributions that you will be required to pay in relation to your Award if you accept the Proposal.

Before you decide what action you would like to take, you should consider your tax position. If you are in any doubt as to your tax position, you should seek your own independent professional tax advice immediately.

17 How will any income tax and employee's National Insurance contributions be paid?

If you accept the Proposal, any income tax and employee's National Insurance contributions that arise in relation to the exercise of your Award will be deducted from the Offer Proceeds due to you and paid to HM Revenue & Customs by your employer in the Footasylum Group.

Next Steps

18 What should I do now?

If you wish to accept the Proposal you should complete, sign, date and return the Form of Instruction to Nancy Kelsall at Footasylum by email to the following address: Nancy.Kelsall@Footasylum.com to be received as soon as possible and in any event not later than 5.00pm on 12 April 2019. Please then send the original signed and dated Form of Instruction to Nancy Kelsall at Footasylum plc, Sandbrook House, Sandbrook Park, Rochdale, Lancashire, OL11 1RY.

If you wish to exercise your Award but not accept the Offer, please contact Nancy Kelsall at Footasylum as soon as possible for a separate notice of exercise.

If you do not take any action, your Award will lapse in due course in accordance with the rules of the LTIP.

19 Can I amend my choice after I have submitted my Form of Instruction?

No. Once submitted, the Form of Instruction is irrevocable.

20 Power of attorney

Under the power of attorney included within the Form of Instruction, you authorise Footasylum and/or JD to take certain actions on your behalf including signing the documents that are required to put into place the arrangements described as part of the Proposal.

21 What is the view of the Footasylum Directors?

The Footasylum Directors, who have been so advised by GCA Altium as to the financial terms of the Proposal, consider the terms of the Proposal set out in this Letter to be fair and reasonable in the context of the Offer. In providing its advice to the Footasylum Directors, GCA Altium has taken into account the commercial assessments of the Footasylum Directors.

The Footasylum Directors unanimously recommend that you should give careful consideration to the Proposal set out in this letter and make the choice in relation to your Award most appropriate to your personal circumstances.

22 Further queries

If you have any queries in relation to this Letter or how to complete the enclosed Form of Instruction please contact Nancy Kelsall at Footasylum either by email on Nancy.Kelsall@Footasylum.com or by telephone on 01706 714299. Please note that neither Footasylum nor your Footasylum Group employer will be able to provide you with any legal, financial, tax planning or investment advice or advice on the merits of any particular choice or on the Offer itself. **If you are in any doubt as to the action you should take, you should seek your own independent professional advice.**

Yours faithfully

Neil Greenhalgh
Chief Financial Officer
For and on behalf of JD Sports Fashion plc

Barry Bown
Executive Chairman
For and on behalf of Footasylum plc

Notes

1. The distribution of this Letter and Form of Instruction in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.
2. The JD Directors, whose names are set out in paragraph 2.2 of Appendix 3 to the Offer Document, accept responsibility for all of the information contained in this Letter and the Form of Instruction (including any expressions of opinion), other than information for which responsibility is taken pursuant to paragraph 3 below. To the best of the knowledge and belief of the JD Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter and the Form of Instruction for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
3. The Footasylum Directors, whose names are set out in paragraph 2.1 of Appendix 3 to the Offer Document, accept responsibility for the information contained in this Letter and the Form of Instruction relating to the Footasylum Group, the Footasylum Directors (including their respective immediate families, related trusts and connected persons) and persons deemed to be acting in concert with the Footasylum Group, including the opinion and views of the Footasylum Directors in respect of the Proposal (including their recommendation set out in paragraph 21 of the Letter). To the best of the knowledge and belief of the Footasylum Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter and the Form of Instruction for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
4. GCA Altium, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Footasylum and no one else in connection with the subject matter of this document and will not be responsible to anyone other than Footasylum for providing the protections afforded to clients of GCA Altium or for providing advice in connection with the subject matter of this document.
5. GCA Altium has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
6. Accidental omission to dispatch this Letter or the Form of Instruction to, or any failure to receive the same by, any person to whom the Proposal in the Letter is made or should be made, will not invalidate the Proposal in any way.

Appendix 1

Schedule of Key Terms

The below is a glossary of the key terms used in the Letter and Form of Instruction. For the full definitions of certain of these terms, please refer to the Offer Document or the rules of the LTIP (as appropriate).

Acquisition	the proposed acquisition by JD of the entire issued and to be issued share capital of Footasylum (other than the Footasylum Shares held by JD) on the terms and subject to the conditions set out in the Offer Document
Award	an option to acquire Footasylum Shares under the LTIP
Form of Instruction	the form, enclosed with this Letter, whereby you can indicate your acceptance of the Proposal
Footasylum Shares	the ordinary shares of £0.001 each in the capital of Footasylum
Offer	the recommended cash offer made by JD for the entire issued and to be issued share capital of Footasylum
Offer Document	the document setting out the terms and conditions of the Offer which was dispatched to Footasylum Shareholders on or around the date of this Letter
Proposal	the Proposal that is being made to you by JD in relation to your Award as set out in this Letter

Appendix 2

UK Taxation

This Taxation Appendix is intended as a general guide to the **UK tax** implications of the exercise of your Award and accepting the Offer if you are resident and domiciled for tax purposes in the UK only at all material times. This Taxation Appendix is not a full description of all the circumstances in which a tax liability may arise. **If you are in any doubt as to your tax position or if you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriate professional adviser without delay.**

1 Income tax and National Insurance Contributions

- 1.1 On the exercise of your Award, an income tax and employee's National Insurance contributions charge (**Tax Liability**) will arise on the amount by which the market value of the Footasylum Shares acquired pursuant to such exercise (measured at the point of exercise) exceeds the aggregate exercise price paid for such Footasylum Shares (**Award Gain**).
- 1.2 The Tax Liability must be accounted for by Footasylum (or the relevant employing company) to HMRC on your behalf under the PAYE system (see paragraph 2 below).

2 Recovery of Income Tax and National Insurance Contributions through PAYE

- 2.1 If you accept the Proposal, on the exercise of your Award and the sale of the resulting Footasylum Shares under the Offer, you authorise Footasylum to deduct from the Offer Proceeds payable to you in respect of such Footasylum Shares the aggregate exercise price payable in respect of such shares and an amount equal to the Tax Liability due and to make arrangements to account for the Tax Liability to HMRC under the PAYE system.
- 2.2 You will then receive the amount of such Offer Proceeds remaining after the deduction of the Tax Liability and the aggregate exercise price referred to above through the relevant Footasylum payroll.

3 Capital gains tax (CGT)

- 3.1 On the sale of Footasylum Shares under the Offer, it is unlikely that you will become liable to CGT because it is unlikely that any further gain will be realised by you over and above the Award Gain (see 1.1 above).
- 3.2 In particular, the amount of any gain which is chargeable to CGT on the disposal of your Footasylum Shares under the Offer will be the amount (if any) by which the total cash you receive on the disposal of your Footasylum Shares (i.e. the Offer Proceeds) exceeds the sum of the Award Gain which arose on the exercise of your Award and the aggregate exercise price payable.

4 Accounting For Tax Under Self-Assessment

- 4.1 Under the self-assessment regime, taxpayers are required to provide HMRC with all the information needed to calculate their taxable income (from all sources) and any chargeable gains. The calculation of tax may then be carried out either by the taxpayer or by HMRC. The time limit for filing a return on-line and paying your tax (if any) for the 2019/2020 tax year is 31 January 2021.
- 4.2 If your Award is exercised whilst you continue to be an employee or director of Footasylum (or another company within the group), the entire Tax Liability due will be accounted for under PAYE directly to HMRC (and if this is the case you should not need to complete a tax return). If your Award is exercised after you have ceased to be an employee or director of Footasylum or another company within the group (and you are a higher or additional rate tax payer), then there may be some further income tax to pay under the self-assessment regime described above (and if this is the case you must complete a tax return).