

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom or from another appropriately authorised independent financial adviser if you are taking advice in a jurisdiction outside the United Kingdom.

In the event of a conflict between this Letter and the rules of the River and Mercantile Group PLC SAYE Option Plan, or any relevant legislation, the rules of the River and Mercantile Group PLC SAYE Option Plan or the legislation will prevail.

References to taxation are for information only. If you are internationally mobile, you may be subject to tax in more than one jurisdiction. If you have any questions in relation to the tax treatment that applies to you, you should seek professional independent tax advice.

31 May 2022

To: Participants in the River and Mercantile Group PLC SAYE Option Plan (the **Plan**) who hold options granted under the Plan (the **Options**).

Recommended All-Share Acquisition of River and Mercantile Group PLC by AssetCo plc

1. BACKGROUND

On 25 January 2022, the independent directors of River and Mercantile Group PLC (**RMG**) and the board of directors of AssetCo plc (**AssetCo**) announced that they had reached agreement on the terms and conditions of a recommended all-share acquisition by AssetCo of the entire issued and to be issued share capital of RMG other than the RMG shares already beneficially owned by AssetCo (the **Acquisition**) to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the **Scheme**).

Capitalised terms used but not defined in this letter (the **Letter**) have the meanings given to them in the circular to RMG Shareholders in relation to the Scheme dated 8 March 2022 (the **Scheme Document**).

On 16 March 2022, RMG and AssetCo wrote to participants in the Plan setting out the effect of the Acquisition on the Options (the **16 March Letter**). Paragraph 5 of the 16 March Letter stated that, in light of the planned return of capital to shareholders announced by RMG on 8 March 2022 (the **B Share Scheme**), the RMG board may, in accordance with rule 8 of the Plan, adjust outstanding Options to maintain the value of each Option before and after the B Share Scheme takes effect, and that further details would be sent to participants separately in due course.

By way of update, since the 16 March Letter the shareholders of RMG and AssetCo have passed the required approvals relating to the Acquisition and the shareholders of RMG have passed the required approvals relating to the B Share Scheme. In addition, the Financial Conduct Authority has approved the change of control of RMG's regulated subsidiary that will occur as a result of the Acquisition. Therefore, on 25 May 2022, RMG announced that implementation of the B Share Scheme would proceed and set out an expected timetable of principal events relating to the B Share Scheme and the Acquisition (the **25 May Announcement**). A copy of the 25 May Announcement is enclosed with this Letter. Please note that, as set out in the 25 May Announcement, the Acquisition still remains subject to a number of conditions, including sanction of the Scheme by the Court (**Court Sanction**).

The purpose of this letter (the **Letter**) is to set out AssetCo's alternative proposal to holders of Options (**Optionholders**) to neutralise the effect of the B Share Scheme for Optionholders. Please note that, since the 16 March Letter, all participants in the Plan who either left RMG as a consequence of the sale of the RMG Solutions business or who were granted Options on 4 April 2019 have exercised their Options in full. Therefore, this letter is not relevant to them and is only relevant to the remaining participations in the Plan, all of whom hold Options that were granted on either 3 December 2019 or 2 April 2020. As set out in the 16 March Letter, none of these Options are capable of exercise before the Court Sanction.

2. ASSETCO PROPOSAL

As stated in the 16 March Letter, Options, will not become exercisable before Court Sanction, but, as a result of the Acquisition, will be exercisable during the period of six months commencing on Court Sanction (although only to the extent of the accrued savings under the linked savings contract at the date of exercise). At the expiry of the six month period following Court Sanction, the Options will lapse to the extent not exercised. Also as stated in the 16 March Letter, if the Scheme becomes effective, any RMG Shares acquired on the exercise of an Option will be automatically acquired by AssetCo and Optionholders will receive 0.07392 New AssetCo Shares for each RMG Share acquired, which is the same consideration that RMG Shareholders will receive under the terms of the Scheme. No changes are proposed in respect of these matters.

However, the implementation of the B Share Scheme will reduce the value of RMG's shares (and therefore the value of the Options), but Optionholders cannot exercise their Options before the implementation of the B Share Scheme and participate in the B Share Scheme.

The AssetCo board has considered various proposals to neutralise the effect of the B Share Scheme for Optionholders. The AssetCo board believes that any proposal should reflect two key principles:

1. to be consistent (so far as possible) with the treatment of RMG shareholders and other Plan optionholders under the terms of the Acquisition and the B Share Scheme; and
2. to compensate Optionholders in relation to any PAYE and / or National Insurance, that would not have been incurred by Optionholders had they been entitled to exercise Options in a tax approved manner.

The AssetCo board has concluded that the fairest way to neutralise the effect of the B Share Scheme for Optionholders is for AssetCo to procure that RMG amends the rules of the Plan immediately after the Scheme becomes effective and AssetCo controls RMG so that, on exercise of an Option, RMG will pay a cash sum to the Optionholder equal to the amount per RMG Share payable under the terms of the B Share Scheme multiplied by the number of RMG Shares which the Optionholder acquires on exercise (the **Cash True-up**). As set out in the 25 May Announcement, it is currently expected that the B Share Scheme will result in a payment of 221.38 pence per RMG Share, but this will be confirmed at the time that the B Share Scheme is actually completed. Assuming the final payment under the B Share Scheme is 221.38 pence per RMG Share, if an Option is exercised following Court Sanction and the Scheme becomes effective, the relevant Optionholder will receive 0.07392 new AssetCo shares plus 221.38 pence in cash per RMG Share acquired on exercise.

Furthermore, in addition to the Cash True-up, in respect of any Options that are exercised before the date that is one month after the date on which the Scheme becomes effective (the **Gross-up Deadline**), AssetCo will procure that RMG (or if applicable the RMG subsidiary that is your employer) makes an additional cash payment to the relevant Optionholder so that they receive the approximate equivalent value, net of tax, had they been entitled to exercise Options in a tax approved manner (the

Gross-up). The amount of the Gross-up for each Optionholder who exercises their Options before the Gross-up Deadline will depend on that Optionholder's individual tax position and will be estimated by RMG through the normal payroll PAYE process.

In light of AssetCo's proposal to pay the Cash True-up and the Gross-up, and the fact that none of the Options can be exercised before Court Sanction (and therefore before the amendments to the Plan that AssetCo proposes to make), the RMG board has decided that it will not amend the terms of the Options pursuant to Rule 8 of the Plan in respect of the B Share Scheme unless the Scheme does not become effective (in which case, the RMG board will write to you again).

3. PROCESS FOR EXERCISE

As noted above, none of the Options are currently capable of exercise until completion of the Acquisition. Following completion of the Acquisition, Optionholders who wish to exercise their Options, should do so using the normal exercise process at any time before they lapse. Please contact Link at emailquery@linkgroup.co.uk / 03716640330 if you need any advice on how to exercise your Options.

The position set out in paragraph 4 (*Can I withdraw my savings?*) and paragraph 6 (*What if I cease to hold employment with RMG?*) of the 16 March Letter has not changed.

4. WHAT HAPPENS IF I TAKE NO ACTION?

If you do nothing, your Options will lapse on the date that is six months after the date of Court Sanction to the extent not exercised, and your savings under your linked savings contract will be returned to you in full.

5. WHAT IF THE SCHEME IS NOT SANCTIONED BY THE COURT?

If, for whatever reason, the Scheme is not sanctioned by the Court and the Acquisition does not proceed, any Options not already exercisable will not become exercisable as described in paragraph 2 of this Letter and will remain in place on their existing terms. In such case, the adjustment in respect of the B Share Scheme described in paragraph 2 above will also not occur. Instead, as noted above, the RMG board will consider whether a different adjustment should be made to the Options in relation to the B Share Scheme and will write to you in that regard.

6. RECOMMENDATION

The Independent RMG directors, who have been so advised by Lazard & Co., Limited and Fenchurch Advisory Partners LLP as to the financial terms of the proposal from AssetCo in paragraph 2 of this Letter (the **Proposal**), consider the terms of the Proposal to be fair and reasonable in the context of the Acquisition. In providing advice to the Independent RMG directors, Lazard & Co., Limited and Fenchurch Advisory Partners LLP have taken into account the commercial assessments of the Independent RMG directors.

If you have any queries about this Letter, please contact Link at emailquery@linkgroup.co.uk / 03716640330.

Yours faithfully,

JDS Dawson



Jonathan Dawson
Chairman
River and Mercantile Group PLC

Campbell Fleming
CEO
AssetCo plc

Encl.

NOTES

Subject to the paragraph below, the RMG Directors, whose names are set out in paragraph 2.1 of Part Six of the Scheme Document, accept responsibility for the information (including any expression of opinion) contained in this Letter other than the information for which responsibility is taken by the AssetCo Directors pursuant to the paragraph below. To the best of the knowledge and belief of the RMG Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Martin Gilbert, a non-executive director of RMG, is not an Independent RMG Director, due to his position as the Chairman of AssetCo, and therefore has not participated in the consideration of the Acquisition or the Proposal by the Independent RMG Directors or the decision of the Independent RMG Directors to recommend the Acquisition and the Proposal. Consequently, Martin Gilbert does not accept responsibility for: (i) the views and opinions of the Independent RMG Directors in relation to the Acquisition set out in this document; and (ii) any expressions of intention or expectation on the part of the Independent RMG Directors set out in this document.

The AssetCo Directors, whose names are set out at paragraphs 2.2 of Part Six of the Scheme Document, accept responsibility for the information (including any expression of opinion) contained in this letter relating to AssetCo and each member of the Wider AssetCo Group. To the best of the knowledge and belief of the AssetCo Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Lazard & Co., Limited (Lazard), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser and Rule 3 advisor to RMG and no one else in connection with the matters set out in this letter and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Lazard nor for providing advice in relation to the matters set out in this letter. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this letter, any statement contained herein or otherwise.

Fenchurch Advisory Partners LLP (Fenchurch), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as joint financial adviser and Rule 3 advisor to RMG and no one else in connection with the matters set out in this letter and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Fenchurch nor for providing advice in relation to the matters set out in this letter. Neither Fenchurch nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Fenchurch in connection with this letter, any statement contained herein or otherwise.

Each of Lazard and Fenchurch has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which they appear.

The tax information included in this Letter is for information only and assumes you are UK tax resident. If you are internationally mobile, you may be subject to tax in more than one country. The tax implications in relation to your

participation in the Plan and the Acquisition may depend on your personal circumstances. Nothing in the Letter constitutes tax advice and if you are in any doubt about the tax implications for you, you should take independent professional tax advice. No warranty express or implied is given as to the accuracy of the tax information included in this Letter. The information is based on laws and practices current at the time of publication of this Letter but may be subject to change in the future. Further, the above tax implications may be different if you cease to hold employment with RMG.

The distribution of this Letter in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. Neither this Letter nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Letter has been prepared for the purposes of complying with English law and the Takeover Code and the information disclosed may not be the same as that which had been disclosed if this Letter had been prepared in accordance with the laws of any other jurisdiction.

Nothing in this Letter shall be construed as investment advice or any investment recommendation given by or on behalf of any other person.

Accidental omission to dispatch this Letter to, or any failure to receive the same by, any person shall not invalidate any of the Proposal.

Receipt of documents, acceptances and elections will not be acknowledged. All documents sent by or to you will be sent at your risk.

The Proposal (and any acceptances and elections in respect thereof) shall be governed by and construed in accordance with English law.

A copy of this Letter will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AssetCo's website (at www.assetco.com/investor-relations/) and RMG's website at www.riverandmercantile.com/investor-relations/ by no later than 12 noon (London time) on the business day following the date of this Letter. The contents of RMG's website are not incorporated into and do not form part of this Letter.