

RIVER AND MERCANTILE

RIVER AND MERCANTILE GROUP PLC CHAIRMAN'S LETTER AND NOTICE OF ANNUAL GENERAL MEETING 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the actions you should take, you should seek advice from an independent professional adviser. If you have sold or otherwise transferred all of your shares in River and Mercantile Group PLC (the "Company"), please pass this document together with the accompanying documents to the person who now holds the shares or to the person who arranged the sale or transfer so they can pass these to the person who now holds the shares.

CHAIRMAN'S LETTER

30 October 2020

Dear Shareholder,

I hope you have been keeping safe and well during the COVID-19 pandemic.

I am pleased to enclose the Company's Notice of Annual General Meeting ("**AGM**") for 2020. The AGM will be held at 9:00 am on 14 December 2020 at the Company's registered office, 30 Coleman Street, London, EC2R 5AL.

The formal Notice of AGM is set out on pages 3 and 4 of this document and the explanatory notes on each resolution to be considered at this year's AGM are set out on pages 5 to 7.

IMPACT OF COVID-19 ON THE 2020 AGM

In light of the COVID-19 pandemic and the current UK government restrictions which prohibit, among other things, gatherings in groups larger than six, indoors or outdoors, this year's AGM will be held in a different format to that of previous years, while still allowing shareholders to exercise their voting rights. The health and safety of our shareholders and colleagues is always our main priority and we are committed to supporting the UK government's efforts in relation to the pandemic.

In the event that the arrangements for the AGM change due to the UK Government changing the current restrictions or implementing further measures relating to the holding of general meetings prior to the AGM (including the arrangements outlined above), the Company will issue a further communication via the Regulatory News Service and on our website.

ATTENDANCE AND VOTING

The AGM will take place as a closed meeting. This means the AGM will be held only with the minimum number of persons in attendance as is legally required to form a quorate meeting. Two members will attend the meeting, being the minimum necessary quorum to constitute the AGM under the Company's Articles of Association.

Please do not travel to the AGM as anyone who seeks to attend in person will be refused entry. We therefore strongly urge all shareholders to register their votes in advance by appointing the Chairman of the AGM as their proxy and giving them voting instructions. We do not recommend the appointment of any other person as your proxy as they will not be able to attend the AGM and your vote will not be counted.

To appoint a proxy you will need to complete your Form of Proxy (enclosed) in accordance with the instructions printed on it. Notice of your appointment of a proxy should reach the Company's Registrar, Equiniti, by 9:00am on 10 December 2020 in order for your vote to be valid. If the Chairman of the AGM is appointed as proxy, they will vote in accordance with any instructions given to them. If the Chairman of the AGM is given discretion as to how to vote, they will vote in favour of each of the resolutions to be proposed at the AGM. Alternatively, you can register your proxy vote electronically, if you are a CREST member, by using the service provided by Euroclear. As in previous years, each resolution will be voted on by way of a poll. The results of voting on all resolutions will be announced via both a Regulatory News Service and published on our website as soon as possible after the conclusion of the AGM.

SHAREHOLDER QUESTIONS

Please note that as shareholders will not be able to attend this year's AGM, shareholders are invited to submit questions relating to the business proposed to be conducted at the meeting in advance of the AGM. Instructions on how to do this can be found on page 13 of this notice. Key themes arising from pre-registered questions will be answered by the Board and published on our website following the AGM.

RECOMMENDATION

The Board believes that the proposed resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends that you vote in favour of each resolution, as they intend to do in respect of their own beneficial holdings.

I would like to thank you, on behalf of the Board, for your continued support of River and Mercantile.

Yours faithfully,

Jonathan Dawson
Chairman

River and Mercantile Group PLC

Registered Office: 30 Coleman Street, London, EC2R 5AL

Registered in England and Wales No: 04035248

RIVER AND MERCANTILE GROUP PLC

NOTICE OF THE 2020 ANNUAL GENERAL MEETING

Notice is hereby given that the 2020 AGM of River and Mercantile Group PLC will be held at 09:00 am on 14 December 2020 at 30 Coleman Street, London, EC2R 5AL, to consider, and if thought fit, pass the following resolutions (of which resolutions 1 to 16 will be proposed as ordinary resolutions and resolutions 17 to 20 will be proposed as special resolutions).

Our 2020 AGM will take place as a closed meeting in light of the UK government restrictions which are in place at the time of issuing this Notice of AGM. Shareholders will not be permitted entry to the AGM. Voting on all resolutions will be by way of a poll.

ORDINARY RESOLUTIONS

Annual Report and Accounts 2020

1. To receive the annual report and accounts for the financial year ended 30 June 2020 together with the report of the auditors thereon.

Directors' Report on Remuneration

2. To approve the Directors' report on remuneration for the financial year ended 30 June 2020 as set out in the Annual Report and Accounts 2020.

Directors' Remuneration Policy

3. To approve the Directors' Remuneration Policy set out on pages 75 to 87 of the Annual Report and Accounts 2020.

Amendment of Deferred Equity Plan Rules

4. To approve the amendment of the rules of the River and Mercantile Group PLC 2017 Deferred Equity Plan ("DEP"), in the form produced to the AGM and initialled by the Chairman for the purposes of identification, to allow vested awards to be settled through the issuance of new shares (a summary of the amendments to the DEP rules is set out in the Explanatory Note on page 8).

Value Transformation Plan

5. To approve the rules of the River & Mercantile Value Transformation Plan, in the form produced to the AGM and initialled by the Chairman for the purposes of identification (a summary of which is set out in the Appendix to the Notice of AGM).

Dividend

6. To approve a final dividend of 2.34 pence per ordinary share for the financial year ended 30 June 2020.

Re-election of Directors

7. To re-elect Jonathan Dawson as a Director of the Company.
8. To re-elect James Barham as a Director of the Company.
9. To re-elect Angela Crawford-Ingle as a Director of the Company.
10. To re-elect John Misselbrook as a Director of the Company.
11. To re-elect Miriam Greenwood as a Director of the Company.

Election of Directors

12. To elect Simon Wilson as a Director of the Company.

Re-appointment of auditors

13. To re-appoint BDO LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

Remuneration of auditors

14. To authorise the Board to set the remuneration of the auditors.

Authority to allot securities

15. That the Board be generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") (in substitution for any existing authority to allot shares) to allot:

- a. shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £85,453; and
- b. equity securities (as defined in section 560 of the Act) in connection with or pursuant to an offer by way of a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount of £85,453,

provided that this authority shall expire at the conclusion of the Company's next AGM (or on 13 March 2022 whichever is the earlier), save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the Board may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Political Donations

16. That in accordance with sections 366 and 367 of the Act the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect are authorised, during the period beginning with the date on which this resolution is passed and ending on 13 March 2022 or, if sooner, the end of the next AGM of the Company, to incur political expenditure not exceeding £50,000 in total. For the purposes of this resolution the term 'political expenditure' has the meaning given by sections 363 to 365 of the Act.

RIVER AND MERCANTILE GROUP PLC

NOTICE OF THE 2020 ANNUAL GENERAL MEETING CONTINUED

SPECIAL RESOLUTIONS

Authority to disapply pre-emption rights

17. That, subject to the passing of resolution 15 set out in this Notice, the Board be authorised to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for the cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be limited:

- a. to the allotment of equity securities in connection with or pursuant to any offer by way of rights, open offer or pre-emptive offer to holders of shares in the company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with fractional entitlements or legal, regulatory or practical difficulties under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and
- b. to the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) above), up to an aggregate nominal amount of £12,818,

such authority shall expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 13 March 2022) but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would or might require equity securities to be allotted (and treasury shares sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

18. That, subject to the passing of resolution 15 set out in this Notice, the Board be authorised, in addition to any authority granted under resolution 17 above, to allot equity securities (as defined in the Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such authority to be:

- a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £12,818; and
- b. used only for the purposes of financing (or refinancing, if the authority is to be used within 6 months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice,

such authority shall expire at the end of the next AGM of the Company (or, if earlier, at the close of business on 13 March 2022) but in each case prior to its expiry the Company may make offers and enter into agreements which would or might require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Authority for the Company to purchase its own shares

19. That the Company be and is hereby generally and unconditionally authorised, for the purposes of section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 0.003 pence each in the capital of the Company (ordinary shares) on such terms and in such manner as the Directors may from time to time determine, provided that:

- a. the maximum aggregate number of ordinary shares hereby authorised to be purchased is 8,545,363;
- b. the minimum price (exclusive of expenses) that may be paid for an ordinary share is 0.003 pence;
- c. the maximum price (exclusive of expenses) that may be paid for an ordinary share is the higher of (i) an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share, on the trading venues where the purchase is carried out;
- d. the authority conferred hereby shall expire at end of the next AGM of the Company (or, if earlier, at the close of business on 13 March 2022), unless previously revoked, varied or renewed by the Company in general meeting prior to such time; and
- e. the Company may at any time prior to the expiry of such authority enter into a contract or contracts under which a purchase of ordinary shares under such authority will or may be completed or executed wholly or partly after the expiration of such authority and the Company may purchase ordinary shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

Notice of general meetings

20. That a general meeting of the Company (other than an AGM) may be called on not less than 14 clear days' notice.

By order of the Board

Sally Buckmaster

Group Company Secretary

30 October 2020

Registered Office: 30 Coleman Street, London, EC2R 5AL

Registered in England and Wales No: 04035248

T: 020 3327 5100 – F: 020 7785 9040

Explanations of the resolutions are contained on the following pages.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

Annual Report and Accounts 2020 (resolution 1)

The Board will present to the shareholders at the AGM the accounts for the previous financial year (on this occasion for the year ended 30 June 2020), together with the strategic report and the reports of the Directors and the auditor.

Directors' Remuneration Report (resolution 2)

Resolution 2 relates to the Directors' report on remuneration. You can find this part of the report in the Annual Report and Accounts 2020 at pages 88 to 95. In accordance with section 439 of the Act, the Directors' report on remuneration must be put to a vote of shareholders. As this vote is an advisory vote, the Directors' entitlement to remuneration is not conditional upon the resolution being passed.

Directors' Remuneration Policy (resolution 3)

The Directors' Remuneration Policy can be found at pages 75 to 87 of the Annual Report and Accounts 2020. It sets out the policy of the Company with respect to the making of remuneration payments and payments for loss of office to the Directors.

The Company is required to seek shareholder approval of its Directors' Remuneration Policy at least every three years. The last such approval was granted at the AGM in 2017. This vote is binding on the Company.

Resolution 3 seeks shareholder approval of the Directors' Remuneration Policy which, if approved, will take effect at the conclusion of the AGM. Once effective, all future payments to Directors, past and present, must comply with the terms of the policy, unless specifically approved by shareholders at a general meeting.

If the Directors' Remuneration Policy is not approved by shareholders for any reason, the Company will, if and to the extent permitted to do so under the Act, continue to make payments to Directors in accordance with its existing contractual and policy arrangements and will seek shareholder approval for a revised policy as soon as practicable.

Deferred Equity Plan rules (resolution 4)

Under the DEP rules, deferred awards may be made in the form of options to acquire shares in the Company, units in a unit trust, a UCITS or other funds managed by the Company or any subsidiary of the Company or such other securities or financial instrument as determined by the Company's Remuneration Committee ("**Securities**"), conditional rights to receive Securities, in either case at nil-cost, or a right to a payment of cash which is expressed to relate to a number of notional Securities (together, "**Awards**").

The DEP was established by approval of the Company's Remuneration Committee in October 2016, on the basis that Awards would be satisfied by market purchased shares. In 2017 the DEP rules were amended to allow for Awards to be made to Executive Directors and the amended DEP rules were approved by shareholders at the 2017 AGM.

Shareholder approval is now sought for the amendment of the DEP rules to allow for Awards to be satisfied through the issuance of new shares and/or market purchased shares, subject to compliance with the Investment Association's guidelines on shareholder dilution. The Remuneration Committee intends to grant nil-cost options or conditional awards to certain key members of senior management subject to performance conditions broadly aligned with those set out in the Value Transformation Plan. The Remuneration Committee considers the incentivisation and retention of key employees as critical to the achievement of the Company's strategic objectives.

The Remuneration Committee has further amended the DEP rule by providing for market standard malus and clawback provisions for new Awards and has increased the clawback period to two years from the vesting of Awards for new Awards. Further amendment has been included to update the DEP rules for GDPR.

The DEP rules are available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at 30 Coleman Street, London EC2R 5AL up until the close of the AGM. The DEP rules will also be available at the place of the Meeting from 9.00am on the day of the AGM until its conclusion, although shareholders are reminded that the AGM is a closed AGM. Alternatively, should a shareholder wish to inspect the DEP rules, please submit a request to AGM2020@riverandmercantile.com.

Value Transformation Plan (resolution 5)

The Remuneration Committee has determined that it is appropriate to seek shareholder approval for the implementation of the VTP, to replace the existing long term incentive plan. The Value Transformation Plan is a key element of the Directors' Remuneration Policy and is designed to incentivise the Executive Directors and align their remuneration with shareholder outcomes. The Value Transformation Plan provides for the appropriate sharing in value creation between the Executive Directors and shareholders where material value is created for shareholders. It requires significant value, 12 per cent. per annum TSR growth to be achieved before the Executive Directors are rewarded. The Executive Directors' share in the value created is capped at 6 per cent. split between the Group Chief Executive and Chief Financial Officer as 3.75 per cent. a 2.25 per cent. respectively.

A summary of the VTP rules is set out in the Appendix to this document on pages 10 to 12.

The VTP rules are available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at 30 Coleman Street, London EC2R 5AL up until the close of the AGM. The VTP rules will also be available at the place of the Meeting from 9.00am on the day of the AGM until its conclusion although shareholders are reminded that the AGM is a closed AGM. Alternatively, should a shareholder wish to inspect the VTP rules, please submit a request to AGM2020@riverandmercantile.com.

Dividend (resolution 6)

A final dividend can only be paid following approval by shareholders at an AGM. A final dividend of 2.34 pence per ordinary share is recommended by the Board for payment to shareholders on the register of members of the Company at the close of business on 27 November 2020. If approved by shareholders at the AGM, the final dividend will be paid on 18 December 2020.

Re-election and election of Directors (resolutions 7 to 12)

These resolutions are to approve the election or re-election of the Directors of the Company and are proposed as separate resolutions. In accordance with the UK Corporate Governance Code (the "**Code**"), each of the Directors offers themselves for election or re-election by shareholders. The biographical details of each of the Directors standing for election or re-election are set out in the Annual Report and Accounts 2020 on pages 48 to 49.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

CONTINUED

The biographical details of Simon Wilson, who is seeking election having been appointed by the Board since the last AGM, is set out in the Annual Report and Accounts 2020 on page 48 and is also set out below.

Simon Wilson

Simon Wilson was appointed to the Board on 19 May 2020. Simon is a Chartered Accountant and has over 20 years' experience in asset management and the financial services sector gained in senior financial roles. Prior to joining, Simon spent five years as Group Finance Director for the Topland Group, one of the UK's largest privately owned investment groups which focuses on real estate, hotels, healthcare and the provision of equity and debt finance. He qualified as a Chartered Accountant at Deloitte in its financial services assurance department in London and moved to Hawkpoint, the M&A advisory business, where he advised on public and private transactions, capital raises and IPOs in the financial services and mid-market sectors. From Hawkpoint he joined the financial services investment group, Pacific Investments, where he spent twelve years, latterly as Managing Director of Corporate Finance and COO of fund management. While at Pacific Investments, Simon represented Pacific's interests in River and Mercantile Asset Management LLP from its formation in 2006 until its merger in 2014 prior to the IPO of the Company.

Selection Process for a new Chief Financial Officer

In mid-2019, the Nomination Committee commenced a search for a new Chief Financial Officer. The Committee considered candidates recommended by a recruitment firm, an internal candidate and Simon Wilson, who was known to the business and Group Chief Executive, having worked for one of the Group's founder shareholders, representing its interest in River and Mercantile Asset Management LLP before the IPO of the Company in 2014.

The Committee's shortlisted candidates were interviewed by the Chairman, Non-Executive and Executive Directors. Feedback from the interviews was provided to the Committee. This process led to a unanimous conclusion with the Nomination Committee recommending the appointment of Simon Wilson as an Executive Director and Chief Financial Officer based on his expertise and significant knowledge of the Company's and the group.

Re-election and election

The Board supports the election or re-election of each director, as it believes the knowledge and experience of each director, as set out in their biographies on pages 48 to 49 of the Annual Report and Accounts 2020, assists in ensuring that the Board has an appropriate balance of skills and experience for the requirements of the business. Pages 48 to 49 in the Annual Report and Accounts include a summary of the skills, experience and contribution of each Director and illustrate why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success.

The performance of the Board as a whole, as well as the contribution made by each individual Director, has been formally evaluated during the course of 2020. After considering this evaluation, the Chairman believes that each of the Directors standing for re-election is performing effectively and each demonstrates commitment to their role and that their respective skills and experience enhance the overall operation of the Board.

Directors' Independence

The Board has determined that, in its judgment, all of the independent Non-Executive Directors being proposed for re-election meet the independence criteria prescribed in the Code as all are independent in character and judgment and there are no material relationships or circumstances which are likely to affect, or could appear to affect, their judgment.

Re-appointment of auditors (resolution 13)

The auditor of the Company is required to be appointed or re-appointed at each AGM at which accounts are presented. Accordingly, resolution 13 proposes the re-appointment of BDO LLP as the Company's auditors. The Audit Committee Report includes an evaluation of external audit services and the implementation of the European Audit Reforms regarding retender. This is set out on pages 66 and 67 of the Annual Report and Accounts 2020.

Remuneration of auditors (resolution 14)

Approval is sought for the Board to be authorised to agree the auditors' remuneration.

Authority to allot securities (resolution 15)

Under the Act, the Board may only allot unissued shares with the authority of shareholders granted to them in a general meeting. The authority given to the Board at the general meeting held on 9 December 2019 to allot and issue shares in the capital of the Company will expire at the conclusion of the forthcoming AGM. The Board recommends that the authority is renewed.

Accordingly, resolution 15 will be proposed as an ordinary resolution to grant authorities to allot shares and grant rights to subscribe for, or convert any security into, shares.

Paragraph (a) of resolution 15 will allow the Board to allot ordinary shares up to a maximum nominal amount of £85,453 representing approximately one third of the Company's existing issued share capital and calculated as at 30 October 2020 (being the latest practicable date prior to publication of this document).

In accordance with the latest institutional guidelines issued by the Investment Association paragraph (b) of resolution 15 seeks additional authority to allot shares up to a further nominal amount of £85,453, representing approximately one third of the issued share capital of the Company as of 30 October 2020, solely to be used in connection with a pre-emptive rights issue.

Each of the authorities sought under resolution 15 will expire at the conclusion of the Company's 2021 AGM or on 13 March 2022, whichever is the earlier. As at 30 October 2020, the Company holds no treasury shares.

Political Donations (resolution 16)

Under section 366 of the Act, a company must not incur political expenditure without shareholder approval. Political expenditure is widely defined and can include gifts (of money or other property), sponsorship and subscriptions and possibly the granting of paid leave to an employee to attend duties as an elected councillor, or support for bodies representing the business community in policy review or reform. For this reason, the Board supports the passing of the above resolution to avoid any inadvertent infringement. The Board confirms that there were no political donations made in the previous year. The Board further confirms that there are at present no plans to make political donations and it is not their intention to use the authority given for that purpose.

SPECIAL RESOLUTIONS**Authority to disapply pre-emption rights (resolutions 17 and 18)**

These resolutions seek shareholder approval to grant the Board the power to allot equity securities of the Company pursuant to section 570 and 573 of the Act without first offering them to existing shareholders in proportion to their existing shareholdings.

The power in resolution 17 will be limited to allotments of shares and/or sale of treasury shares (a) for cash in connection with a rights issue or other pre-emptive offer and (b) otherwise for cash up to a maximum nominal value of £12,818, representing 5 per cent of the Company's issued share capital as at 30 October 2020, which is in accordance with the guidelines set out in the Pre-Emption Group's Statement of Principles (as updated in 2015) (the "**Statement of Principles**").

The Statement of Principles also supports, in addition to the authority granted under resolution 17, the annual dispensation of pre-emption rights in respect of allotments of shares and/or sales of treasury shares for cash in respect of transactions which the Board determines to be an acquisition or other capital investment as defined in the Statement of Principles. Accordingly, and in line with the guidelines set out in the Statement of Principles, resolution 18 seeks authority to authorise the Board to allot shares and/or sell treasury shares, for cash (a) up to a further amount equal to 5 per cent of the Company's issued share capital; and (b) to be used for transactions which the Board determines to be an acquisition or other capital investment as defined by the Statement of Principles.

The Board confirms, in accordance with the Statement of Principles, that it does not intend to issue shares for cash representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period, other than to existing shareholders, save as permitted in connection with an acquisition or specified capital investment as described above, without prior consultation with shareholders.

The Board currently has no intention to use such authorities. If approved, the authorities shall apply until the earlier of 13 March 2022 or the conclusion of the Company's next AGM after the resolutions are passed.

Authority for the Company to purchase its own shares (resolution 19)

In certain circumstances, it may be advantageous for the Company to purchase its own ordinary shares and this resolution seeks authority to enable the Company to make market purchases of up to 8,545,363 of its own shares (i.e. £25,636 in nominal value), representing approximately 10 per cent. of its issued share capital (excluding treasury shares) as at 30 October 2020 (the latest practicable date before the publication of this Notice of AGM). The resolution specifies the maximum and minimum prices at which shares may be bought, exclusive of expenses, reflecting the requirements of the Act and the Financial Conduct Authority's Listing Rules.

The authority will expire at the conclusion of the Company's next AGM, or on 13 March 2022, whichever is the earlier. The Board, however, intends to seek renewal of this authority at subsequent AGMs in accordance with current best practice.

The Act allows the Company to hold its own shares in treasury following a buyback instead of having to cancel them. This enables the Company to re-issue treasury shares quickly and cost-effectively and provides the Company with additional flexibility in the management of its capital base. Such shares may be resold for cash, but all rights attaching to them, including voting rights and any right to receive dividends, are suspended while they are held in treasury.

Any ordinary shares purchased under the renewed authority will either be cancelled or held in treasury. The Directors will use this authority to purchase shares after taking into account, inter alia, market conditions, other investment opportunities and the overall financial position of the Company. Further, the Directors will only purchase such shares after taking into account the effects on earnings per ordinary share and if such purchase is in the interests of shareholders generally. The Directors have no present intention of exercising the authority to purchase any of the Company's ordinary shares but wish to have the ability should the returns from such purchase be more attractive than other routes such as special dividends and where the Directors consider that the Company has surplus capital which could not be profitably invested in growing the business. The Company currently holds no ordinary shares in treasury.

Notice of general meetings (resolution 20)

Changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings of the Company to at least 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice).

Resolution 20 enables the Company to call general meetings other than an AGM on at least 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

NOTES TO THE ANNUAL GENERAL MEETING NOTICE

ENTITLEMENT TO ATTEND AND VOTE

A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote on his/her behalf. Such a proxy need not also be a shareholder of the Company, but must attend the meeting in person for the shareholder's vote to be counted. If a shareholder appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the shareholder.

For this year's AGM, in light of the COVID-19 pandemic, shareholders are not permitted to attend the AGM. We strongly advise that shareholders appoint the Chairman of the AGM as their proxy to vote in accordance with their instructions. Please refer to the section headed "Impact of COVID-19 on the 2020 AGM" in the Chairman's letter to which this Notice of AGM is attached for further information.

APPOINTMENT OF PROXIES

To be valid, a Form of Proxy must be completed and any power of attorney or other authority under which it is executed (or a duly certified copy thereof) must be received by post or by hand (during normal business hours only) by Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in each case no later than 9:00 am on 10 December 2020 (or 48 hours before the time appointed for any adjourned meeting at which it is to be used). Completion and return of a Form of Proxy or any CREST Proxy Instruction will not preclude a shareholder subsequently from personally attending and voting at the AGM (in substitution for their proxy vote) if the shareholder decides to do so.

The Form of Proxy must be executed by or on behalf of the shareholder making the appointment. A corporation may execute the Form of Proxy either under its common seal or under hand of a duly authorised officer. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand on the Register of Members in respect of the relevant joint holdings.

This year, in light of the COVID-19 pandemic, shareholders will not be able to attend the AGM. We therefore strongly advise all shareholders to appoint the Chairman of the AGM as their proxy. Proxies (other than the Chairman of the AGM) will not be permitted to attend the AGM.

REGULATION 41 OF THE UNCERTIFICATED SECURITIES REGULATIONS 2001 (AS AMENDED)

Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 and section 360(b)(2) of the Act, the Company specifies that in order to have the right to attend and vote at the AGM (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be registered on the Register of Members of the Company as at 6:30pm on 10 December 2020 or, if the meeting is adjourned, on the Company's Register of Members by 6:30pm two days before the adjourned meeting. Changes to entries on the Register of Members after 6:30pm on 10 December 2020 or, if the meeting is adjourned by 6:30pm two days before the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

CREST VOTING

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via www.euroclear.com) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment 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 ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 9:00 am on 10 December 2020. 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) 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 (as amended).

CORPORATE REPRESENTATIVES

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

NOMINATED PERSONS

Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (“**Nominated Person**”) may have a right, under an agreement between him/her and the shareholder by whom he/she was nominated, to be appointed or to have someone else appointed as a proxy for the AGM.

If a Nominated Person does not have such a right or does not wish to exercise it, he/she may have a right under, any such agreement, to give instructions to the shareholder as to the exercise of voting rights.

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by members of the Company.

VOTING RIGHTS

The total number of ordinary shares of £0.003 in issue as at 30 October 2020, the latest practicable day before publication of this document, was 85,453,634 ordinary shares. Each ordinary share carries one vote and therefore the total voting rights in the Company as at that date are 85,453,634.

WEBSITE

A copy of this notice and other information required by section 311A of the Act can be found at www.riverandmercantile.com.

SHAREHOLDER QUESTIONS

This year, even with the exceptional circumstances impacting on the format of the AGM as a result of the UK government’s guidance in relation to COVID-19, the Board is keen to maintain engagement with shareholders. In order to facilitate this, the Company is proposing to allow shareholders the opportunity to raise questions relating to the business proposed to be conducted at the meeting. Appropriate questions relating to the business of the meeting should be emailed to AGM2020@riverandmercantile.com.

You will be able to email questions until 9:00am on Friday 11 December 2020 or as such other time as the Chairman of the AGM deems appropriate in light of the number of questions received. Please include your Shareholder Reference Number in any correspondence. You will be asked to supply your Shareholder Reference Number for verification. Key themes arising from questions will be answered by the Board and published on our website at www.riverandmercantile.com following the AGM.

The Company will answer questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

SHAREHOLDER REQUESTS UNDER SECTION 527 OF THE COMPANIES ACT 2006

Under section 527 of the Act, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (a) the audit of the Company’s accounts (including the auditors’ report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which the annual report and accounts were laid in accordance with section 437 of the Act (in each case) that the members propose to raise at the AGM. The Company may not require the shareholders requesting any such website publication to cover any costs incurred in complying with sections 527 to 528 of the Act. Where the Company is required to place a statement on a website in accordance with section 527 of the Act, it must forward the statement to the Company’s auditors not later than the time when it makes the statement on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

INSPECTION OF DOCUMENTS

Copies of the executive Directors’ service contracts, together with letters of appointment in respect of non-executive Directors, will be available for inspection at the Company’s registered office during normal business hours on any business day (excluding public holidays) from the date of this Notice until the close of the AGM.

You may not use any electronic address (within the meaning of section 333(4) of the Act) provided in this Notice (or any related documents including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

APPENDIX: SUMMARY OF THE VALUE TRANSFORMATION PLAN

The terms of the new Value Transformation Plan (the “**VTP**”) are summarised below. The VTP is intended to be a one-off plan which allows the Company’s directors to participate in the growth in value of the Company over a significant total shareholder return hurdle.

ADMINISTRATION

1. The VTP will be administered by the Remuneration Committee (the “**Committee**”).

ELIGIBILITY

2. The Company’s CEO and CFO (the “**Participants**”) shall be eligible to participate in the VTP. Their participation shall be in accordance with the terms of the Company’s remuneration policy as approved by shareholders from time to time (the “**Remuneration Policy**”), unless and until specifically approved otherwise by shareholders.

FORM OF AWARD

3. Under the VTP, awards will be granted as nil-cost options (“**Options**”).

INDIVIDUAL LIMIT

4. Different caps shall apply to the number of Company shares (“**Shares**”) which may be subject to Options granted to the CEO and CFO under the VTP. The caps are as follows:

- a) *Share Capital* – in the case of the CEO 2.5% and, in the case of the CFO 1.5%, of the issued share capital of the Company on the proposed grant date; and
- b) *Value* – such number of Shares as have an aggregate market value equal to, in the case of the CEO, £20m and, in the case of the CFO, £12m, on the proposed grant date,

or in either case such other percentage/amount as may be approved under the Company’s Remuneration Policy from time to time.

The above caps shall apply on an aggregate basis to all Options granted to each of the CEO/CFO, and not to each individual Option grant to be made under the VTP.

GRANT OF OPTIONS AND PERFORMANCE CONDITIONS

5. Options shall be capable of being granted shortly following the publication of preliminary results for each of the 2023, 2024 and 2025 financial years. Options shall only be granted in respect of each of those financial years provided that the Company has achieved a greater than 12% per annum compound total shareholder return (“**TSR**”) since the publication of preliminary financial results for the 2020 financial year on 8 October 2020.
6. For these purposes, TSR shall be measured using an initial Share price of the higher of:
 - a) £1.70; or
 - b) the volume weighted average Share price over the period from 9 October 2020 to 19 November 2020 (i.e. the average share price over the 30 dealing days following publication of preliminary results for the financial year ending 30 June 2020).
7. In order to assess if Options should be granted for each of the 2023, 2024 and 2025 financial years, the Committee shall measure TSR 30 dealing days following publication of preliminary results for each year (the last date of each such 30 day period being the “**2023 Measurement Date**”, “**2024 Measurement Date**” and “**2025 Measurement Date**” respectively).
8. Provided that TSR as at the relevant Measurement Date is greater than the “**Hurdle TSR**” for that Measurement Date (being the higher of any previous TSR achieved on a Measurement Date or based on the 12% compound return requirement), the Participants will be granted Options over Shares which have a value equal to 6% of the excess total value over the Hurdle TSR. Of that 6%, the CEO shall be entitled to 3.75% and the CFO shall be entitled to 2.25%. In other words, the CEO and CFO shall be entitled to share a fixed percentage of the growth in value of the Company based on the extent to which actual TSR exceeds the Hurdle TSR, each adjusted appropriately to reflect any new Share issuance prior to a Measurement Date.
9. No Options will be granted if TSR is below Hurdle TSR on the relevant Measurement Date. The grant of Options after each Measurement Date shall be subject to the individual caps referred to in paragraph 4 above. No further Options shall be capable of being granted to a Participant once either of that Participant’s caps has been met, regardless of whether the TSR condition has been met.
10. The Committee may alter the TSR condition if events happen prior to measurement that cause the Committee to consider that any element of the TSR condition is no longer a fair measure of the Company’s performance, provided that the revised condition is not considered to be materially less challenging than was intended in setting the original condition. Where an Option is required to be granted prior to the Measurement Dates (for example on a corporate action), the Committee will assess performance using such information as it determines to be appropriate.

VESTING

11. Options will vest and become exercisable as follows:

- a) in respect of an Option granted shortly following the 2023 Measurement Date, that Option shall vest and be immediately exercisable in respect of 25% of the Shares subject to the Option. The remaining 75% of the Shares subject to that Option shall be “banked” (i.e. the Option shall become exercisable in respect of those banked Shares in the future, as set out below);
- b) in respect of an Option granted shortly following the 2024 Measurement Date, that Option shall be added to the bank. 25% of the banked Shares shall then vest and become exercisable; and
- c) in respect of an Option granted shortly following the 2025 Measurement Date, that Option shall vest and be immediately exercisable in full. At the same time, any Options granted in 2023 and 2024 shall vest and become exercisable in respect of all remaining “banked” Shares.

The illustrations in Part 2 of this Appendix demonstrate how vesting and the banking of Shares operate in practice.

12. The Committee may adjust the extent to which Options vest on each of the above dates, if it considers it appropriate to do so to reflect the Company or the individual's broader performance. Such adjustments may, for the avoidance of doubt include a reduction in vesting to avoid windfall gains or reflect exposure to current and future risks, taking into account the Group's risk profile and cost of capital.
13. If the Remuneration Committee so determines, an award may be satisfied in whole or in part by a cash payment as an alternative to the issue or transfer of Shares.

HOLDING PERIOD

14. The Shares in respect of which an Option vests will be subject to a holding period up to the 2025 Measurement Date. During the holding period participants shall not be permitted to dispose of the Shares acquired on exercise of an Option (other than to cover tax liabilities or in the event of a corporate action).

DIVIDEND EQUIVALENTS

15. The Committee may determine that Participants should receive additional Shares (or exceptionally a cash payment) equal to the dividends which would have been paid during the vesting period on the number of Shares that vest.

LEAVERS

16. Where a Participant ceases to hold office or employment with the Group prior to a Measurement Date, they will normally cease to be eligible to be granted an Option in respect of that Measurement Date. Participants will not cease to be eligible where the cessation of office or employment with the Group is due to injury, disability, ill-health, redundancy, retirement, the transfer of the Participant's employment in connection with a business sale, the company with which the Participant holds office or employment ceasing to be a member of the Group, or any other reason if the Committee so determines (a "Good Leaver").
17. Where a Participant ceases employment as a Good Leaver, the Committee may determine that they should continue to be eligible to be granted Options in connection with future Measurement Dates, and in doing so may impose additional conditions on any such Options (including imposing a limit on the number of Shares over which an Option may be granted and conditions as to when any such Option may vest).
18. Where a Participant ceases employment whilst holding an unvested Option, that Option shall lapse, unless they cease employment as a Good Leaver. Where a Participant ceases employment as a Good Leaver, their unvested Option will continue to remain outstanding and vest in the ordinary course, provided that the Committee may determine that the Option will instead vest on or at any time following the date of cessation. Where the Committee has exercised its discretion to treat a Participant as a Good Leaver, it may impose additional conditions on their unvested Options.
19. On the death of a Participant, an Option shall, unless the Committee determines otherwise, immediately vest.
20. An Option will be exercisable during a period of six months from the date of cessation as a Good Leaver or 12 months in the case of death (in either case or such longer period as the Committee may permit).

CORPORATE ACTIONS

Corporate action prior to grant of an Option

21. If TSR as at the date of the change of control exceeds Hurdle TSR for that date then an additional immediately exercisable Option shall be granted to reflect this excess. For these purposes, the value achieved on such change of control shall be used to determine whether the Hurdle TSR has been achieved, with the Committee having the discretion to assess TSR using such information as it considers fit and to adjust the TSR Hurdle. This additional Option will be exercisable in accordance with paragraphs 22 and 23. The grant of any such additional Option shall be subject to the individual limits referred to in paragraph 4 above.

Corporate action following grant of an Option

22. Any outstanding unvested Option shall immediately vest and become exercisable in full in the event of a change of control.
23. Options may be exercised for a period of six months in the event of a change of control. In the event of the passing of a resolution for the voluntary winding-up of the Company, Options will be exercisable for a period of two months. In the event of a demerger of a substantial part of the Group's business, a special dividend or a similar event affecting the value of the Shares to a material extent, Options may be adjusted as set out below or the Committee may allow Options to vest, in which case they may be exercised for a period of two months, or such longer period as the Committee may permit. Where the corporate action forms part of an internal re-organisation, unless the Committee determines otherwise, an Option shall not vest, and instead will be replaced with an award of equivalent value over shares in the new controlling company.

TIMING OF GRANT OF AWARDS

24. The Company shall use reasonable endeavours to ensure that Options are granted within a period of 42 days following the date of announcement by the Company of its interim or final results (or as soon as practicable thereafter if the Company is restricted from being able to grant Options during such period). Options may however be granted shortly following the expiry of this period where it is not administratively feasible to grant options during the 42 day period, having regard to the need to assess TSR up to each of the Measurement Dates.

NON-TRANSFERABLE AND NON-PENSIONABLE

25. Options are non-transferable, save to personal representatives following death, and do not form part of pensionable earnings.

APPENDIX: SUMMARY OF THE VALUE TRANSFORMATION PLAN

CONTINUED

PLAN LIMITS

26. Shares may be newly issued, transferred from treasury or market purchased for the purposes of the VTP.
27. In addition to the individual limits referred to in paragraph 4:
- a) Options may not be granted under the VTP on terms capable of being satisfied by newly issued Shares where to do so would cause the number of Shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under the VTP and any other employees' share scheme adopted by the Company, when added to the number of Shares issued for the purpose of any such awards and options, to exceed 10 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant; and
 - b) Options may not be granted under the VTP on terms capable of being satisfied by newly issued shares where to do so would cause the number of Shares which may be issued pursuant to outstanding awards or options granted within the previous 10 years under the VTP and any other discretionary employees' share scheme adopted by the Company, when added to the number of Shares issued for the purpose of any such awards and options, to exceed 5 per cent. of the Company's ordinary share capital in issue immediately prior to the proposed date of grant.
28. These limits do not include rights to Shares which have been released, lapsed or otherwise become incapable of exercise or vesting.
29. Treasury shares will count as new issue shares for the purpose of these limits for so long as institutional investor bodies consider that they should be so counted.
30. For the avoidance of doubt, the Committee interprets the 5 per cent. limit as applying to options and awards granted to executive directors only and has determined that for the purposes of applying the above limits outstanding options and awards granted by the Company (or Shares issued pursuant to such options and awards) prior to or in connection with the Company's admission to listing on the London Stock Exchange will not be included.

VARIATION OF CAPITAL

31. Options may be adjusted, in such manner as the Committee may determine following any variation of share capital of the Company or a demerger of a substantial part of the group's business, a special dividend or a similar event affecting the value of Shares to a material extent.
32. In the event that the Company issues additional Shares during the performance period, for example to raise cash or as consideration for an acquisition, the Committee shall, in respect of any future Measurement Date, adjust TSR and Hurdle TSR, so as to ensure that:
- a. the value of the issue of such Shares is removed from the definition of TSR; and
 - b. Hurdle TSR is increased so as to require 12% compound growth per annum of such additional Shares from the date of issue.

ALTERATIONS

33. The Committee may amend the VTP rules as it considers appropriate, subject to any relevant legislation, provided that no modification may be made which confers any additional advantage on participants relating to eligibility, plan limits, the basis of individual entitlement and the provisions for the adjustment of Options without prior shareholder approval, except in relation to the performance condition or for amendments which are minor amendments to benefit the administration of the VTP, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company (or other group companies).

CLAW-BACK

34. The Committee may apply claw-back where at any time before or within two years following the grant of an Option it determines that:
- a) the audited financial results of the Company were materially misstated;
 - b) an error was made in any calculation or in assessing performance;
 - c) the participant committed fraud or misconduct that justified, or could have justified, dismissal;
 - d) there has been a substantial failure of risk control or risk management or a breach of any policy or regulation applicable to the Group;
 - e) there has been a "corporate failure";
 - f) the Participant has contributed to:
 - i. circumstances giving rise to a negative impact on the Company's reputation or censure by a regulatory body; or
 - ii. a material downturn in the group's financial performance.
35. A claw-back may be satisfied in a number of ways, including by reducing the amount of any future bonus, by reducing the vesting of any subsisting or future options or awards under any share plan operated by the Group, by reducing the number of Shares under any vested but unexercised Option and/or by either one or both of a requirement to make a cash payment or transfer of Shares to the Company.

EMPLOYEE BENEFIT TRUST (THE "EBT")

36. The Company may use its existing EBT, or may establish a new EBT, to operate in conjunction with the VTP and otherwise to benefit employees and former employees of the Company and its subsidiaries.