

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART TWO (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. THIS DOCUMENT CONTAINS DETAILS OF A PROPOSED ACQUISITION WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF RMG SHARES ON THE OFFICIAL LIST AND OF TRADING OF RMG SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES.**

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 independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the UK, or from another appropriately authorised independent financial adviser, if you are taking advice in a territory outside the UK.

If you have sold or otherwise transferred all of your RMG Shares, please send this document and any reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred part only of your holding of RMG Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The distribution of this document in or into jurisdictions other than the UK may be restricted by the laws or regulations 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 or regulations of any such jurisdiction.

Neither this document 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 document is not a prospectus.

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**Recommended all-share acquisition of**

## **River and Mercantile Group PLC**

by

**AssetCo plc**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

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This document, including all information incorporated into this document by reference to another source and together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chairman of RMG in Part One (*Letter from the Chairman of RMG*) of this document, which contains the unanimous recommendation of the Independent RMG Directors that you vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting. A letter from Lazard and Fenchurch explaining the Scheme appears in Part Two (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and the General Meeting of RMG, each of which will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD, on 1 April 2022, are set out on page 91 to 97 of this document. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.15 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned.

**Action to be taken by RMG Shareholders is set out on pages 9 to 10 of this document. RMG Shareholders are asked to complete and return the enclosed blue and yellow Forms of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by the Company's registrars, Equiniti Limited, no later than 48 hours before the relevant meeting (or adjourned meeting, where applicable), excluding any part of a day that is not a business day. RMG Shareholders who hold RMG Shares in CREST may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on page 10 of this document. If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be completed and handed to the Chair (if attending in person) at any time before the start of the Court Meeting. However, in the case of the General Meeting, if the yellow Form of Proxy is not lodged by the relevant time, and in accordance with the instructions on the yellow Form of Proxy, it will be invalid.**

The Court Meeting and the General Meeting will be held in accordance with the UK Government guidelines and the requirements of the venue in relation to the Covid-19 pandemic in effect at the relevant time. It is currently anticipated that attendance in person at the Court Meeting and the General Meeting will not be unlawful. The situation is constantly evolving, and the UK Government may change current guidance or implement new restrictions relating to the holding of meetings during the affected period. The RMG Board continues to closely monitor the situation and any changes to the arrangements for the Court Meeting or General Meeting will be communicated to RMG Shareholders before the meeting through RMG's website [www.riverandmercantile/investor-relations/](http://www.riverandmercantile/investor-relations/) and, where appropriate, through a Regulatory Information Service.

If you have any questions about this document, the Court Meeting or the General Meeting, or how to complete the Forms of Proxy, please call the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographic rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Certain terms used in this document are defined in Part Seven (*Definitions*) of this document.

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 document 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 document. 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 document, any statement contained herein or otherwise.

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 document 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 document. 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 document, any statement contained herein or otherwise.

Jefferies, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as corporate broker to RMG and no one else in connection with the matters set out in this document and will not be responsible to anyone other than RMG for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the matters set out in this document. Neither Jefferies 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 Jefferies in connection with this document, any statement contained herein or otherwise.

Numis, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AssetCo and no one else in connection with the matters set out in this document and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Numis nor for providing advice in relation to the matters set out in this document. Neither Numis 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 Numis in connection with this document, any statement contained herein or otherwise.

Arden, which is authorised and regulated in the United Kingdom by the FCA and is a member of the London Stock Exchange, is acting exclusively as nominated adviser and broker to AssetCo and no one else in connection with the matters set out in this document and will not be responsible to anyone other than AssetCo for providing the protections afforded to clients of Arden nor for providing advice in relation to the matters set out in this document. Neither Arden 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 Arden in connection with this document, any statement contained herein or otherwise.

## IMPORTANT NOTICE

The release, publication or distribution of this document in or into certain 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 or regulations of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Neither this document 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 Acquisition or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document has been prepared for the purposes of complying with the laws of England and Wales, the Code, the Listing Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales. Further information in relation to Overseas Shareholders is contained in paragraph 17 of Part Two (*Explanatory Statement*) of this document.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful. In the event of any ambiguity or conflict between this document and the AssetCo Circular in respect of the terms and conditions of the Acquisition or the Scheme, this document shall prevail.

### *Overseas Shareholders*

This document has been prepared in accordance with and for the purpose of complying with English law, the Code, the Listing Rules, the UK Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England.

The release, publication or distribution of this document in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable requirements of their jurisdictions.

The availability of the Acquisition to Scheme Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Scheme Voting Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by AssetCo or required by the Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this document, the accompanying documents and any other formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving this document and all such documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of New AssetCo Shares under the Acquisition to Scheme Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws of the relevant jurisdictions in which they are resident.

It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Acquisition, including obtaining any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. RMG Shareholders who are in any doubt regarding such matters should consult an appropriate independent financial adviser in their relevant jurisdiction without delay.

The New AssetCo Shares to be issued pursuant to the Scheme may not be offered, sold or delivered, directly or indirectly, in, into or from any Restricted Jurisdiction or to, or for the account or benefit of, any Restricted Overseas Shareholder except pursuant to an applicable exemption from, or in a transaction not subject to, applicable securities laws of those jurisdictions, or otherwise permitted under applicable securities laws of those jurisdictions.

The Acquisition shall be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Further information in relation to Overseas Shareholders is contained in paragraph 17 of Part Two (*Explanatory Statement*) of this document.

#### *Certain notices to US investors*

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”). Accordingly, the Acquisition is subject to the disclosure and procedural requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document) has been prepared in accordance with generally accepted accounting principles of the UK and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. Each RMG Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences to it (or to its beneficial owners) of the Acquisition.

If, in the future, AssetCo exercises its right to implement the Acquisition by means of a Takeover Offer which is to be made into the US, such a Takeover Offer will be made in compliance with all applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Such a Takeover Offer would be made in the US by AssetCo and no one else.

In the event that the Acquisition is implemented by way of a Takeover Offer, in accordance with normal UK practice and pursuant to Rule 14e-5(b), AssetCo or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of RMG outside of the US, other than pursuant to such a Takeover Offer, during the period in which such a Takeover Offer would remain open for acceptances. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

RMG and AssetCo are both incorporated under the laws of England and Wales. Some or all of the officers and directors of AssetCo and RMG, respectively, are residents of countries other than the United States. In addition, some of the assets of AssetCo and RMG are located outside the US. As a result, it may be difficult for US holders of Scheme Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the UK. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment.

The New AssetCo Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and



may not be offered or sold in the US absent registration or an applicable exemption from the registration requirements of the US Securities Act of 1933, as amended (the “US Securities Act”) and such other laws. It is expected that any New AssetCo Shares to be issued pursuant to the Scheme would be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state. Neither the US Securities and Exchange Commission nor any US state securities commission has reviewed or approved this document, the Acquisition, the Scheme or the issue of the New AssetCo Shares, and any representation to the contrary is a criminal offence in the US.

For the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) with respect to the New AssetCo Shares, RMG will advise the Court that its sanctioning of the Scheme will be relied on by AssetCo as an approval of the Scheme following a hearing on its fairness to RMG Shareholders, at which hearing all such RMG Shareholders are entitled to attend remotely or in person (as applicable) or through counsel, to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such RMG Shareholders.

A RMG Shareholder who is an “affiliate” (within the meaning of the US Securities Act) of RMG, will receive “restricted securities” as defined in Rule 144 under the US Securities Act. Under applicable US federal securities laws, persons who are or will be “affiliates” of RMG, within the meaning of the US Securities Act may not resell the New AssetCo Shares received as a result of the Scheme without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or another applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act). “Affiliates” of a company are generally defined as persons who directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, that company. Whether a person is an affiliate of a company for purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. Persons who believe they may be affiliates of RMG should consult their own legal advisers before any sale of securities received as a result of the Scheme.

RMG Shareholders in the US also should be aware that the transaction contemplated herein may have tax consequences in the US and that such consequences, if any, are not described herein. RMG Shareholders in the US are urged to consult with independent professional advisors regarding the legal, tax and financial consequences of the Acquisition applicable to them.

### **Forward-looking statements**

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition, and other information published by RMG and AssetCo contain statements which are, or may be deemed to be, “forward-looking statements”. Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which the AssetCo Group or the Combined Group will operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. The forward-looking statements contained in this document relate to the AssetCo Group or the Combined Group’s future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “will look to”, “would look to”, “plans”, “prepares”, “anticipates”, “expects”, “is expected to”, “is subject to”, “budget”, “scheduled”, “forecasts”, “synergy”, “strategy”, “goal”, “cost-saving”, “projects” “intends”, “may”, “will” or “should” or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of AssetCo’s, RMG’s, or the Combined Group’s operations and potential synergies resulting from the Acquisition; (iii) new product launches and client relationships; and (iv) the effects of global economic conditions and governmental regulation on AssetCo’s, RMG’s or the Combined Group’s business. For a discussion of important factors which could cause actual results to differ from forward looking statements in relation to the AssetCo Group, refer to the annual report and financial statements of AssetCo for the financial year ended 30 September 2021 expected to be published shortly after the date of this document. Readers should specifically consider

the factors identified above and as will be further described in the “Risk Factors” section of the AssetCo Circular, expected to be published in or around the week commencing 21 March 2022, that could cause actual results of the Combined Group to differ before taking any action in respect of the Acquisition.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business, partnerships, combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. No member of the Wider RMG Group nor the Wider AssetCo Group nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

The forward-looking statements speak only at the date of this document. All subsequent oral or written forward-looking statements attributable to any member of the Wider AssetCo Group or Wider RMG Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statements above.

Each of the Wider RMG Group and the Wider AssetCo Group, and each of their respective members, associates, directors, officers, employees or advisers expressly disclaims any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

#### **No profit forecasts, estimates or quantified benefits statements**

Other than the RMG Profit Forecast, no statement in this document is intended as a profit forecast or profit estimate and no statement in this document should be interpreted to mean that earnings or earnings per RMG Share or AssetCo Share, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earning per RMG Share or AssetCo Share or to mean that the Combined Group’s earnings in the first 12 months following the Acquisition, or in any subsequent period, would necessarily match or be greater than those of RMG or AssetCo for the relevant preceding financial period or any other period.

#### **Disclosure requirements of the Code**

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

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

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk/](http://www.thetakeoverpanel.org.uk/), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 207 638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Rounding**

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

### **Publication on website and availability of hard copies**

A copy of this document and, in due course, the AssetCo Circular (expected to be published in or around the week commencing 21 March 2022), will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AssetCo's website (at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/)) and RMG's website (at [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/)) by no later than 12 noon (London time) on the business day following the date of this document. Save as expressly stated in this document, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

RMG Shareholders, persons with information rights and holders of awards under the RMG Share Plans may request a hard copy of this document, and any information incorporated into this document by reference to another source, by contacting RMG's registrars, Equiniti, between 8:30 a.m. to 5.30 p.m. (London time) Monday to Friday (except UK public holidays) on 0371 384 2050 from the UK (calls to this number are charged at the standard national rate and will vary by provider) or +44 371 384 2050 from outside the UK (charged at the applicable international rate) or by submitting a request in writing to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested and hard copies of information incorporated into this document by reference to another source will not be sent to any recipient of this document, whether in hard copy or in electronic form or via a website notification, unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain other information provided by RMG Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from RMG may be provided to AssetCo during the Offer Period as required under Section 4 of Appendix 4 of the Code.

This document is dated 8 March 2022.

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## ACTION TO BE TAKEN

**For the reasons set out in this document, the Independent RMG Directors recommend unanimously that Scheme Voting Shareholders vote in favour of the Scheme at the Court Meeting, and that RMG Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as all of the Independent RMG Directors who hold RMG Shares have irrevocably undertaken to do in respect of their own beneficial holdings of RMG Shares, and that you take the action described below.**

### 1. The documents

Please check that you have received the following:

- a blue Form of Proxy for use in respect of the Court Meeting on 1 April 2022;
- a yellow Form of Proxy for use in respect of the General Meeting on 1 April 2022; and
- a pre-paid envelope for use in the UK only for the return of the blue Form of Proxy and the yellow Form of Proxy.

If you are a RMG Shareholder and you have not received hard copies of all of these documents, please contact the shareholder helpline on the number indicated below.

### 2. Voting at the Court Meeting and the General Meeting

The Scheme will require approval at a meeting of Scheme Voting Shareholders convened with the permission of the Court to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 11.00 a.m. on 1 April 2022. Implementation of the Scheme will also require the approval of the Resolution by the RMG Shareholders at the General Meeting. The General Meeting will be held at the same place as the Court Meeting at 11.15 a.m. (or as soon thereafter as the Court Meeting shall have concluded or been adjourned). Notices of the Court Meeting and the General Meeting are set out in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document, respectively.

As set out in the opening pages of this document and in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document, Scheme Voting Shareholders or RMG Shareholders (as applicable) and other attendees will be able to attend and participate in the Court Meeting and the General Meeting in person. Scheme Voting Shareholders and RMG Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, submit written questions and vote at the Court Meeting and/or General Meeting (as applicable). A proxy need not be a RMG Shareholder.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of the opinion of Scheme Voting Shareholders. Whether or not you intend to attend and/or vote at the Court Meeting and/or the General Meeting, please sign and return your Forms of Proxy, or deliver your voting instructions by one of the other methods described in this document, as soon as possible.**

**Scheme Voting Shareholders or RMG Shareholders (as applicable) and other attendees will be able to attend the Court Meeting and the General Meeting in person. Scheme Voting Shareholders and RMG Shareholders are strongly encouraged to vote by appointing the Chair of each of the Court Meeting and the General Meeting as their proxy (either electronically, by post or by hand using the printed Forms of Proxy, as set out below) before the relevant deadline. The Chair of the relevant meeting will vote in accordance with the voting instructions of the appointing Scheme Voting Shareholder or RMG Shareholder (as applicable).**

#### 2.1 *Sending Forms of Proxy by post or by hand*

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them, either: (i) by post; or (ii) during normal business hours only, by hand, to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA, so as to be received as soon as possible and in any event no later than the relevant time set out below:

- blue Forms of Proxy for the Court Meeting 11.00 a.m. on 30 March 2022
- yellow Forms of Proxy for the General Meeting 11.15 a.m. on 30 March 2022

or, if in either case the meeting is adjourned, the relevant Form of Proxy should be received no later than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the adjourned meeting.

If the blue Form of Proxy for the Court Meeting is not returned by such time, it may be completed and handed to the Chair at any time before the start of the Court Meeting and will still be valid. However, in the case of the General Meeting, the yellow Form of Proxy must be received by Equiniti by the time mentioned above, or it will be invalid.

Scheme Voting Shareholders and RMG Shareholders are entitled to appoint a proxy in respect of some or all of their respective Scheme Voting Shares or RMG Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Voting Shareholders and RMG Shareholders who wish to appoint more than one proxy in respect of their holding of Scheme Voting Shares or RMG Shares (as applicable) should contact Equiniti for further Forms of Proxy.

## ***2.2 Electronic appointment of proxies through CREST***

If you hold RMG Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Meetings (or any adjourned meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any 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 or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with the specifications of Euroclear 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 instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti by 11.00 a.m. on 30 March 2022 in respect of the Court Meeting and 11.15 a.m. on 30 March 2022 in respect of the General Meeting or, if in either case the meeting is adjourned, the relevant Form of Proxy should be received not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the Court Meeting or General Meeting (or adjourned meeting), as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti 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 Euroclear 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 any voting service provider(s), to procure that their 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. CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

RMG may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

## **3. Shareholder helpline**

If you have any questions about this document, the Court Meeting or the General Meeting or on the completion and return of the Forms of Proxy, you should visit [help.shareview.co.uk](http://help.shareview.co.uk) or, alternatively, please call the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographical rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Acquisition.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Event	Expected time/date
Publication of this document	8 March 2022
Latest time for lodging Forms of Proxy or for submitting proxy instructions via the CREST Electronic proxy appointment service for the:	
Court Meeting (blue Form of Proxy)	11.00 a.m. on 30 March 2022 <sup>(1)</sup>
General Meeting (yellow Form of Proxy)	11.15 a.m. on 30 March 2022 <sup>(2)</sup>
Voting Record Time	6.30 p.m. on 30 March 2022 <sup>(3)</sup>
<b>Court Meeting</b>	<b>11.00 a.m. on 1 April 2022</b>
<b>General Meeting</b>	<b>11.15 a.m. on 1 April 2022<sup>(4)</sup></b>

**The following dates are indicative only and are based on the current expectations of the Independent RMG Directors and the AssetCo Directors and may be subject to change; please see note (5) below.**

Event	Expected time/date
Scheme Sanction Hearing	A date expected to be during the second quarter of 2022, subject to the satisfaction (or, if applicable, waiver) of the Conditions (other than Conditions 1 and 2(c)) (D) <sup>(5)(6)</sup>
Last day of dealings in, and for registration of transfers of, and disablement of CREST for, RMG Shares	D + 1 business day
Scheme Record Time	6.00 p.m. on D + 1 business day
Suspension of dealings in RMG Shares	8.00 a.m. on D + 2 business days
Effective Date of the Scheme <sup>(7)</sup>	D + 2 business days
Cancellation of listing of RMG Shares on the main market of the London Stock Exchange	8.00 a.m. on D + 3 business days
Issuance of New AssetCo Shares	at or soon after 8.00 a.m. on D + 3 business days
Admission and commencement of dealings of the New AssetCo Shares on AIM	at or soon after 8.00 a.m. on D + 3 business days
CREST accounts of RMG Shareholders credited with New AssetCo Shares	at or soon after 8.00 a.m. on D + 3 (but not later than 14 days after the Effective Date)
CREST accounts of RMG Shareholders credited with cash due in relation to fractional entitlements	within 14 days after the Effective Date
Despatch of (i) share certificates for the New AssetCo Shares and (ii) cheques for the cash due in relation to fractional entitlements	within 14 days after the Effective Date
Long Stop Date	11.59 p.m. on 31 January 2023 <sup>(8)</sup>

**Notes:**

- (1) It is requested that blue Forms of Proxy for the Court Meeting be lodged no later than 48 hours (excluding any part of a day that is not a business day) before the time appointed for the Court Meeting or, in the case of an adjourned meeting, 48 hours (excluding any part of a day that is not a business day) before the time appointed for the adjourned Court Meeting. Blue Forms of Proxy not so lodged may be completed and handed to the Chair at any time before the start of the Court Meeting.
- (2) Yellow Forms of Proxy for the General Meeting must be lodged no later than 48 hours (excluding any part of a day that is not a business day) before the time appointed for the General Meeting or, in the case of an adjourned meeting, 48 hours (excluding any part of a day that is not a business day) before the time appointed for the adjourned General Meeting.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.30 p.m. on the date which is two days (excluding any part of a day that is not a business day) before the date set for such adjourned meeting.
- (4) Or as soon after 11.00 a.m. as the Court Meeting shall have concluded or been adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived, in particular the FCA Condition and the Return of Capital Condition as explained in paragraph 3 of Section A of Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies.
- (6) The Scheme Sanction Hearing is to be held on a date to be determined following the satisfaction (or, if applicable, waiver) of the Conditions (other than Conditions 1 and 2(c)), as set out in Section A of Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document.
- (7) The Scheme will become effective pursuant to its terms upon the Court Order being delivered to the Registrar of Companies.
- (8) This is the latest date by which the Scheme may become Effective unless RMG and AssetCo agree (and, if required, the Panel consents to and the Court approves) a later date.

All references in this document to times are to London time unless otherwise stated. The dates and times given are indicative only and are based on RMG's and AssetCo's current expectations and may be subject to change (including as a result of changes to the regulatory timetable). If any of the expected times and/or dates above change, the revised times and/or dates will be notified to RMG Shareholders by announcement through a Regulatory Information Service.

## PART ONE

### LETTER FROM THE CHAIRMAN OF RMG

*Independent RMG Directors:*

Jonathan Dawson (Chairman)  
Alex Hocter-Duncan (Chief Executive Officer)  
Simon Wilson (Chief Financial Officer)  
Angela Crawford-Ingle (Senior Independent Non-Executive Director)  
John Misselbrook (Independent Non-Executive Director)  
Miriam Greenwood (Independent Non-Executive Director)

*Registered office:*

30 Coleman Street  
London  
United Kingdom  
EC2R 5AL  
Incorporated in England and Wales  
with registered number 04035248

8 March 2022

*To RMG Shareholders and, for information only, to persons with information rights and holders of awards under the RMG Share Plans*

Dear Sir/Madam,

#### **RECOMMENDED ALL-SHARE ACQUISITION OF RIVER AND MERCANTILE GROUP PLC BY ASSETCO PLC**

##### **1. Introduction**

On 25 January 2022, the Independent RMG Directors and the AssetCo Directors 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.

I am writing to you to set out the background to the Acquisition and the reasons why the Independent RMG Directors consider the terms of the Acquisition to be fair and reasonable and are unanimously recommending that you vote in favour of the Acquisition. I draw your attention to the letter from Lazard and Fenchurch set out in Part Two (*Explanatory Statement*) of this document which gives details about the Acquisition and to the additional information set out in Part Six (*Additional Information*) of this document.

In order to approve the terms of the Acquisition, the required majority of Scheme Voting Shareholders will need to vote in favour of the Scheme at the Court Meeting, and the required majority of RMG Shareholders will need to vote in favour of the Resolution at the General Meeting. The Court Meeting and the General Meeting are to be held on 1 April 2022 at 11.00 a.m. and 11.15 a.m. (or if later, immediately after the conclusion of the Court Meeting) respectively. Details of the actions you are asked to take are set out on pages 9 to 10 and paragraph 18 of Part Two (*Explanatory Statement*) of this document. The recommendation of the Independent RMG Directors is set out in paragraph 17 of this letter. Scheme Voting Shareholders and RMG Shareholders are reminded that they can attend the Court Meeting and the General Meeting (respectively) in person. The RMG Board will continue to monitor the situation regarding public health measures in relation to the Covid-19 pandemic and any changes to the arrangements for the General Meeting and/or the Court Meeting will be communicated to RMG Shareholders before the Meetings, including through RMG's website <https://riverandmercantile.com/investor-relations/> and by announcement through a Regulatory Information Service.

Scheme Voting Shareholders and RMG Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting (respectively) as soon as possible, using any of the methods (by post, by hand, or electronically through CREST) set out in this document. Scheme Voting Shareholders and RMG Shareholders are also strongly encouraged to appoint "the Chair of the meeting" as their proxy. Information about the procedures for appointing proxies and giving voting instructions in relation to the Meetings is set out in paragraph 18 of Part Two (*Explanatory Statement*) and on pages 9 to 10 of this document.

##### **2. Summary of the terms of the Acquisition**

The Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between RMG and the Scheme Shareholders under Part 26 of the Companies Act.



Under the terms of the Acquisition, which will be subject to the terms and conditions set out in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document, including the return of £190 million by RMG to RMG Shareholders by way of the Return of Capital, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

#### **0.07392 New AssetCo Shares in exchange for each RMG Share**

Based on the Closing Price of 1,495 pence per AssetCo Share on 4 March 2022 (being the latest practicable date before the publication of this document), the Acquisition values each RMG Share at 110.5 pence and RMG's entire issued and to be issued ordinary share capital at approximately £95.3 million. The Acquisition and the Return of Capital, taken together, value each RMG Share at approximately 330.8 pence and RMG's entire issued and to be issued ordinary share capital at approximately £285 million.

Immediately following completion of the Acquisition, Scheme Shareholders will own approximately 41.6% of the Combined Group (based on the fully diluted ordinary share capital of each of RMG and AssetCo as at 4 March 2022 (being the latest practicable date before the publication of this document)).

If any dividend and/or other distribution and/or return of capital (other than a dividend on the B Shares in connection with the Return of Capital) is announced, declared, made, payable or paid in respect of RMG Shares on or after the Rule 2.7 Announcement Date, AssetCo has reserved the right to make an equivalent reduction in the terms of the Acquisition, except where the RMG Shares are or will be acquired pursuant to the Scheme on a basis which entitles AssetCo to receive the dividend, distribution or other return of capital and retain it or where it is cancelled. If AssetCo exercises this right or makes such a reduction in respect of a dividend, other distribution or return of capital, RMG Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital.

The Acquisition is subject to the Conditions and certain further terms set out in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document, including the approval of the Scheme at the Court Meeting, the passing of the Resolution at the General Meeting (in each case by the requisite majority or majorities), the Return of Capital Condition, the AssetCo Shareholder Approval Condition, the AIM Admission Condition and the FCA Condition. Subject to the satisfaction or (where applicable) waiver of the Conditions and to the further terms set out in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document, it is expected that the Scheme will become Effective during the second quarter of 2022.

Further information about the Acquisition is provided in Part Two (*Explanatory Statement*) of this document.

### **3. Background to and reasons for the Acquisition**

The AssetCo Board believes that there is a strong strategic and financial rationale for the Acquisition and that a combined RMG and AssetCo business is consistent with AssetCo's strategy to be market leading in its chosen best-in-class investment strategies.

#### **3.1 Industry structural tailwinds**

- The AssetCo Directors believe there are numerous structural shifts taking place within the asset and wealth management industry, including demographics and the use of technology. These are presenting both challenges and opportunities for incumbent firms.
- The AssetCo Directors believe the winners in this environment will need to differentiate their investor proposition to ensure the offering is compelling and meets the needs of tomorrow's investors. Of particular relevance will be high conviction active management, ESG and sustainable strategies, thematic investing, and private markets strategies.
- Without the constraints of a legacy business, the AssetCo Directors believe that AssetCo can successfully capitalise on these structural shifts. The AssetCo Directors also believe that a combination with AssetCo offers RMG the same competitive advantage and will accelerate the generation of significant value creation for the Combined Group's clients, employees and shareholders.

#### **3.2 Creation of a platform to build a best-in-class active equities business**

- The AssetCo Directors believe in the attractiveness of high conviction, active equities strategies as a key component of an investor's portfolio.

- It is currently intended that RMG, together with AssetCo's existing active equities asset manager, Saracen, will form the foundation for AssetCo's active equities business, leveraging the investment expertise of both businesses to deliver best-in-class strategies and performance to investors.
- RMG brings a well-respected equities team which has produced excellent long-term outcomes for clients investing in UK, European and global equities, a highly regarded specialist infrastructure team, and a strong distribution platform in wholesale and institutional markets.
- The AssetCo Directors believe that RMG's strong credentials in ESG and sustainable strategies will be a key source of anticipated growth in the Combined Group's active equities business and an important driver of net inflows.
- The AssetCo Directors believe that the combined expertise of AssetCo and RMG is likely to provide a strong pipeline of new and attractive strategy launches, beginning with the imminent launch of RMG's sustainable PVT range.

### 3.3 *Seed strategy for AssetCo's private markets business*

- It is intended that RMG's new infrastructure investment strategy will form the first, and very important, building block in the Combined Group's private markets capabilities.
- AssetCo can bring significant private markets experience to bear in order to address investor needs with experienced and proven leadership.
- The AssetCo Directors believe that AssetCo's deep knowledge and understanding of private markets and its connectivity to that investment community should enhance the growth of RMG's infrastructure business which will be an integral component of the Combined Group's overall private market activities.

### 3.4 *Leveraging other companies in the AssetCo Group*

- The AssetCo Directors believe that there is material value in leveraging other elements of the AssetCo business and strategy to increase the value of RMG through wider investor appeal, through the way strategies are distributed or the form in which they are delivered.
- For example, AssetCo offers RMG the opportunity to move some of its strategies into ETFs and enhance its distribution, both in the UK and offshore, through the extensive relationships AssetCo has with the world's leading asset allocators.

### 3.5 *Considered and effective rationalisation of costs*

- Following completion of the Solutions Sale, which completed on 31 January 2022, and the US Solutions Sale, there will be a need to right size the RMG business for a significant reduction in scale.
- The AssetCo Directors believe the Acquisition will enable the acceleration of cost savings by extracting the stranded costs arising as a consequence of the Solutions Sale and US Solutions Sale.
- AssetCo's ambitious growth strategy requires ongoing investment in functions and capabilities over time. Certain functions and capabilities of RMG are anticipated to bolster the overall capabilities of the Combined Group.
- AssetCo's management team has significant expertise in building, rationalising and optimising asset management businesses.

### 3.6 *Accelerated growth underpinned by strong industry expertise*

- RMG will benefit from the expertise of AssetCo's strong management team, who have made significant progress in advancing the AssetCo strategy and delivering on its ambition to develop an agile asset and wealth management group.
- AssetCo's management team has the capabilities and experience to accelerate the growth of RMG's asset management strategies, while advancing a strong pipeline of accretive acquisition opportunities.

Following announcement of the Solutions Sale, the AssetCo Directors considered it an opportune time to consider the merits of a combination between AssetCo and RMG. The AssetCo Directors believe that the Acquisition will offer significant benefits to RMG Shareholders, customers and employees and represents a

significantly more attractive and more certain outcome for all stakeholders than the alternative of maintaining RMG as a separate business.

#### **4. Background to and reasons for the recommendation**

The Independent RMG Directors consider that the Acquisition represents an attractive financial proposition for RMG Shareholders.

RMG has supported the growth and strategic development of both its solutions and asset management businesses since the merger of P-Solve and River and Mercantile Asset Management and the subsequent listing of RMG in 2014. However, it became evident to the RMG Board that the market capitalisation of RMG materially undervalued the RMG Group and the sum of its underlying individual businesses. The RMG Board also received a number of approaches from parties interested in acquiring Solutions at values which confirmed this.

In light of both these factors, the Company commenced a competitive process to sell Solutions in 2021. As a consequence of this process, the RMG Board received a number of offers for the remaining asset management business. The RMG Board and management engaged with these parties to assess whether a sale could deliver a more attractive proposition for shareholders compared with the asset management business remaining as an independent listed business.

The combination of the Solutions Sale and the Acquisition will deliver total value to RMG Shareholders of £285 million, or approximately 330.8 pence per RMG share, comprising:

- a return of capital of £190 million, or approximately £2.20 per RMG Share, funded from the proceeds of the sale of Solutions; and
- a fraction of a number of shares in AssetCo for each RMG Share held, as determined by the Exchange Ratio, representing a value of £95.3 million, or 110.5 pence per RMG Share, based on the Closing Price of 1,495 pence per AssetCo Share on 4 March 2022 (being the latest practicable date before the date of this document).

This represents a premium of:

- 58% to the share price of £2.10 per RMG Share on 9 August 2021 (being the business day immediately before the announcement made by RMG of the possible sale of Solutions);
- 16% to the share price of £2.85 per RMG Share on 22 November 2021 (being the business day immediately before the start of the Offer Period); and
- 23% to the share price of £2.68 per RMG Share on 4 March 2022 (being the latest practicable date before the publication of this document) – given that a large proportion of the current share price is underpinned by the net proceeds from the Solutions Sale, the Independent RMG Directors consider this to be an attractive premium for RMG Shareholders.

The Independent RMG Directors consider that the implied value for the asset management franchise (excluding the return of capital and surplus capital retained in the business) is attractive when compared to precedent transactions for businesses of a similar scale in AuM and revenues, in particular when taking into account the latest run-rate financial profile of the business (see section 8 of Part One *Letter from the Chairman of RMG*). Moreover, RMG Shareholders will have the opportunity to participate in continued value creation through a 41.6% equity stake in the Combined Group, including from:

- the investments AssetCo has made in various high-growth operating businesses, including, most notably Parmenion (a rapidly growing platform for financial advisers with £9.3 billion of AuM), and the specialist ETF issuer Rize (which presents an opportunity for RMG to move into ETFs);
- ongoing development of RMG's PVT and infrastructure investment franchises, where there is no overlap with AssetCo's existing business; and
- the scope to achieve central cost savings as part of AssetCo, in particular relating to the stranded costs arising as a consequence of the Solutions Sale.

In forming this conclusion, the Independent RMG Directors have taken into account findings from a due diligence exercise completed on AssetCo using third party advisers. This was focused on the latest trading and financial performance of AssetCo and its investment companies, as well as an assessment of medium-term growth prospects, and included access to non-public financial and commercial information. On

18 February 2022, subsequent to the Rule 2.7 Announcement, AssetCo published its preliminary results for the year ended September 2021. This provides further publicly-available data for RMG Shareholders.

The Independent RMG Directors have weighed the balance of risks and opportunities arising from a combination with a relatively newly-established and growth-orientated business such as AssetCo. The conclusion reached by the Independent RMG Directors supports their recommendation of the Acquisition. In particular, the Independent RMG Directors consider that AssetCo's leadership team is likely to bring material value to the Combined Group, given their long and deep experience of building and growing business franchises in the asset management industry. AssetCo's leadership team has committed to building a range of best in class capabilities designed to address evolving customer needs, while preserving the existing strengths and investment culture of RMG's business.

The Independent RMG Directors have also taken into account the balance of risks and opportunities that RMG would be likely to face were it to continue operating as a separate business, independently pursuing its stated strategy of developing into a specialist asset manager. In the Independent RMG Directors' view, this would see the RMG Group seek to build on the strengths of its well-respected equities team, to pursue diversification by investment capability, product, and geography. It would also include developing a broader range of high quality and value-add equity products, as well as in-demand alternatives and private market products, with an initial focus for this expanded offering on its existing distribution channels in UK wholesale and institutional clients, before looking to expand its addressable market. In parallel, RMG would build on steps already taken, or underway, to right-size the cost base, with the overall objective to increase profitability whilst laying the foundation for sustainable growth.

Having taken into account this balance of risks and opportunities, the Independent RMG Directors consider that the objectives of RMG's post-Solutions Sale strategic plan can be achieved at an accelerated pace and with lower risk as part of the Combined Group. AssetCo has demonstrated significant progress in advancing its own strategy and those of its operating and investee companies and is delivering on its ambition to develop an agile asset and wealth management group with capabilities appropriate for today's markets and customer preferences. In the view of the Independent RMG Directors, the Combined Group is likely to represent a powerful and broadened investment platform under a highly credible leadership team, providing an attractive backdrop against which RMG's leadership can execute on its strategic objectives for the business.

## **5. Irrevocable undertakings to vote in favour of the Acquisition**

The Independent RMG Directors who hold, or are otherwise beneficially interested in, RMG Shares and James Barham, RMG's former Group CEO, have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of their own beneficial holdings of, in aggregate, 1,857,208 RMG Shares representing approximately 2.17% of RMG's issued share capital, and approximately 2.37% of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this document). The undertakings from the Independent RMG Directors and James Barham will remain binding in the event that a higher competing offer for RMG is made.

In addition to the irrevocable undertakings referred to above:

- AssetCo has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) from Scheme Voting Shareholders in respect of a total of 28,586,635 Scheme Voting Shares, representing in aggregate approximately 33.45% of RMG's issued share capital, and approximately 36.55% of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this document); and
- AssetCo has received irrevocable undertakings from each member of the AssetCo Concert Party (other than AssetCo) to vote in favour of the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) but, in accordance with their having consented not to vote at the Court Meeting in respect of any Scheme Shares they hold, not to vote either in favour or against the Scheme at the Court Meeting, with such irrevocable undertakings representing, in aggregate, approximately 2.63% of RMG's issued share capital, and none of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this document).

AssetCo has therefore received irrevocable undertakings in respect of a total of 32,692,185 RMG Shares, or a total of 30,443,843 Scheme Voting Shares, representing, in aggregate, approximately 38.26% of RMG's issued ordinary share capital, and approximately 38.93% of the RMG Shares eligible to vote at the Court Meeting, on 4 March 2022 (being the latest practicable date before the publication of this document).

The AssetCo Directors have irrevocably undertaken to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in respect of their own (or their close relatives', related trusts' and connected persons') beneficial holdings of 1,336,378 AssetCo Shares representing, in aggregate, approximately 15.86% of AssetCo's issued ordinary share capital on 4 March 2022 (being the latest practicable date before the publication of this document).

In addition to the irrevocable undertakings referred to above, AssetCo has received irrevocable undertakings to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting from AssetCo Shareholders in respect of a total of 3,044,868 AssetCo Shares, representing in aggregate approximately 36.14% of AssetCo's issued ordinary share capital on 4 March 2022 (being the latest practicable date before the publication of this document).

AssetCo has therefore received irrevocable undertakings in respect of a total of 4,381,246 AssetCo Shares representing, in aggregate, approximately 52.00% of AssetCo's issued ordinary share capital on 4 March 2022 (being the latest practicable date before the publication of this document). These irrevocable undertakings are also addressed to RMG given RMG's interest in the AssetCo Resolutions being passed.

Further details of these irrevocable undertakings (including details of the circumstances in which the irrevocable undertakings will cease to be binding) are set out in paragraph 7 of Part Six (*Additional Information*).

## **6. Management, employees and business of RMG**

The following paragraphs are AssetCo's statements of intention as required to be included in this document by virtue of Rule 24.2 of the Code.

### **6.1 Strategic plans for RMG**

The AssetCo Directors expect that RMG will retain its brand and the majority of its investment strategies to ensure clients can take comfort in continuing strategies and service. The AssetCo Directors anticipate that RMG will form the core of AssetCo's active equities business, alongside AssetCo's existing active equities asset manager, Saracen, leveraging the investment expertise of both businesses to deliver best-in-class strategies and performance to investors. RMG's infrastructure capabilities and strategy are anticipated to be the first, and very important, building block in AssetCo's private markets business.

Following the completion of the Solutions Sale, and as foreshadowed in the Solutions Sale Circular, RMG has been taking action to right-size its cost base, whilst ensuring the execution of its post-Solutions Sale strategic plan to grow and diversify RMG's asset management business. This will result in a reduction in administrative costs and the number of full time employees in certain central functions although there will be some uncertainty as to the quantum of the cost base of the business at the time of the Acquisition becoming Effective. There are no intentions to materially reduce the cost base in relation to investment activities. Following completion of the Acquisition, AssetCo will expediently further review the cost base of RMG in the context of the Combined Group's resources and requirements. As at the date of this document, the results of this assessment are uncertain and no firm decisions have been made in relation to specific actions which may be taken.

The Acquisition will create an asset management group with interests in businesses with over £12.9 billion AuM and asset management capabilities across UK active equities and infrastructure through RMG and Saracen, UK wealth management/platform distribution through Parmenion, and the rapidly growing global ETF market through Rize ETF.

RMG will remain a subsidiary of AssetCo and partner with other companies in the Combined Group where appropriate to leverage selectively elements of a shared operating platform, distribution, relationships with leading asset allocators, and strategic direction and guidance.

### **6.2 Employees and management**

AssetCo attaches significant importance to the skills and experience of RMG's existing management team, portfolio managers and employees in protecting and growing the value of RMG and believes there is a strong cultural alignment between the two groups. AssetCo and RMG have highly complementary businesses



and the AssetCo Board expects that RMG employees will contribute significantly to the success of the Combined Group following completion of the Acquisition, with RMG's employees also benefitting from wider career opportunities as part of a larger and more diverse asset and wealth management group, whilst working within a nimble and efficient business.

AssetCo's post Effective Date review will be undertaken whilst respecting the terms of the transitional services agreement entered into with Schroders for the duration of the transition of the Solutions business to Schroders. The AssetCo Board's intention is to define a post-Solutions Sale combined operating model for RMG that leverages other AssetCo businesses and capabilities.

It is anticipated that RMG's investment function will not be materially impacted by cost reductions which will provide certainty to RMG's management, its investment teams and clients. It is therefore expected that the majority of any cost savings will arise within central functions to reflect the smaller footprint of the business. This is expected to result in a mid-to-high-teens percentage reduction in overall current headcount.

The AssetCo Board intends to safeguard the existing statutory and contractual employment and pension rights of RMG employees and management in accordance with applicable law, and does not envisage making any material changes to the conditions of employment or to the balance of skills and functions, except for the proposed changes outlined above.

The AssetCo Directors are not expecting any employee or other cost synergies within the existing AssetCo businesses as a result of the Acquisition.

I will be joining the AssetCo Board as the senior independent non-executive director following the Acquisition.

### **6.3 *Incentive arrangements***

AssetCo would look to work closely with RMG to ensure key people are retained and that competitive remuneration arrangements are put in place following completion of the Acquisition, but no discussions have taken place in this regard to date. Initially, existing retention arrangements will be continued, before being reviewed in due course to ensure they remain effective in retaining and attracting key staff. AssetCo has the benefit of not having significant legacy remuneration structures that would impede reaching agreement quickly and in the best interest of all stakeholders.

### **6.4 *Existing rights and pensions***

AssetCo confirms that, following the completion of the Acquisition, the existing contractual and statutory employment rights of the employees that have remained in the RMG Group following the Solutions Sale, including defined contribution pension rights, of employees of the RMG Group will be fully safeguarded in accordance with applicable law.

RMG makes available to certain employees a UK group personal pension scheme and auto enrolment scheme in accordance with its legal obligations, but does not itself offer any group defined benefit pension scheme. AssetCo does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members.

### **6.5 *Locations, headquarters, fixed assets and research and development***

Further to RMG's lease over its offices in London expiring before the end of 2022, it is AssetCo's intention that the Combined Group is centred in a new office in London by the end of 2022. Other office locations held by RMG will be reviewed as part of the wider re-shaping exercise of RMG.

Subject to AssetCo's review following the Effective Date, certain central functions are intended to supplement and support the broader AssetCo business.

The AssetCo Board does not envisage any other changes with regard to the redeployment of AssetCo or RMG's existing material fixed assets. Owing to the nature of its business, RMG has no research and development function.

### **6.6 *Trading facilities***

RMG Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 14.2 below, a request will be made to the London Stock Exchange for the cancellation of the listing of RMG Shares on the Official List and the cancellation of trading of RMG Shares on the London Stock Exchange.

AssetCo has a high growth strategy based on leveraging its existing platform and adding incremental capabilities through acquisitions and partnerships to build and scale its asset and wealth management business. AssetCo Shares are currently listed on AIM. At this stage of development, an AIM listing has some benefits in terms of process, competitiveness and execution efficiency in delivering AssetCo's strategy. AssetCo intends to remain listed on AIM and, at the appropriate time, would consider the merits of a move to the Main Market.

None of the statements in this paragraph 6 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

#### **6.7 Views of the Independent RMG Directors**

The Independent RMG Directors consider that the Combined Group represents an attractive investment platform under the leadership of a highly credible management team. The Independent RMG Directors are pleased that the AssetCo Directors recognise the value of the RMG brand and investment strategies, as well as the importance for clients of providing continuity in these strategies and client service levels. In particular, the Independent RMG Directors welcome the commitment to RMG forming the core of AssetCo's active equities business and the strategic importance of RMG's infrastructure capabilities to AssetCo's private markets ambitions. Given AssetCo's existing capabilities and the experiences and skills of its management team, the Independent RMG Directors recognise the potential for achieving RMG's post-Solutions Sale strategic plan at an accelerated pace as part of the Combined Group. The Independent RMG Directors therefore consider the Acquisition to be in the best interests of RMG as well as its shareholders, whose shareholding in the Combined Group will afford exposure to an ambitiously-led business with an attractive product proposition in a growing market.

The Independent RMG directors also welcome the fact that a post-Effective Date review will be used to complete any management actions required to amend the operating structure of RMG. This is to reflect its reduced scale following the Solutions Sale and the US Solutions Sale, as well as the potential impact of such management actions on the business, staff, employee, clients and other stakeholders. The Independent RMG Directors also welcome the AssetCo Board's confirmation that the existing contractual and statutory employment and pension rights of all RMG management and employees will be fully safeguarded in accordance with applicable law.

#### **7. RMG Share Plans**

The impact of the Scheme in relation to rights outstanding under the RMG Share Plans is summarised in paragraph 5 of Part Two (*Explanatory Statement*) of this document. Participants in the RMG Share Plans will be contacted regarding the effect of the Acquisition on their rights under the RMG Share Plans and, where required, appropriate proposals will be made to such participants.

#### **8. RMG trading update**

The Solutions Sale completed on 31 January 2022. As a result of the Solutions Sale completing: (i) the RMG Group has received the consideration from the Solutions Sale and a material profit for RMG will therefore arise within the financial year ending 30 June 2022; and (ii) RAMIL is no longer a subsidiary of RMG and RMG no longer owns the Solutions business.

As at 31 December 2021, the latest adjusted AuM for RMG's asset management business was approximately £4.2 billion. The annualised revenues associated with this adjusted AuM is approximately £20.8 million. Calculation of this AuM excludes Solutions' AuM, which transferred as part of the Solutions Sale, and US Solutions AuM, which will transfer on completion of the US Solutions Sale.

On 15 February 2022, RMG announced that it had received notice from a client of its equities asset management business of the client's intention to redeem approximately £927 million of assets managed by the Company across several global equity strategies. The assets to be redeemed represent annualised revenue to RMG of approximately £2.8 million.

As announced by RMG on 8 February 2022, portfolio manager Dan Hanbury has notified RMG's subsidiary, RAMAM, of his intention to resign as a partner and portfolio manager. Dan Hanbury is to be succeeded by George Ensor to manage the ES River and Mercantile UK Equity Smaller Companies Fund (the "**Smaller Companies Fund**"), and by Matt Hudson who joined RMG at the end of February 2022 and will manage the ES River and Mercantile UK Equity Income Fund. George Ensor has been with RAMAM since 2014, manages the highly successful R&M UK Micro Cap Investment Company and has worked closely with Dan Hanbury on the Smaller Companies Fund for a number of years.

The launch of the first Infrastructure fund has been held up as investors consider the outcome of the Company's future and, while RMG continues to expect a successful launch upon resolution of the future, there can be no certainty of this.

Following the completion of the Solutions Sale, and as foreshadowed in the Solutions Sale Circular, RMG has been taking action to right-size its cost base, whilst ensuring the execution of its post-Solutions Sale strategic plan to grow and diversify RMG's asset management business. This will result in a reduction in administrative costs and the number of full time employees in certain central functions although there will be some uncertainty as to the quantum of the cost base of the business at the time of the Acquisition becoming Effective. There are no intentions to materially reduce the cost base in relation to investment activities. Following completion of the Acquisition, AssetCo will expediently further review the cost base of RMG in the context of the Combined Group's resources and requirements. As at the date of this document, the results of this assessment are uncertain and no firm decisions have been made in relation to specific actions which may be taken.

RMG expects to publish its full interim results for the period up to 31 December 2021 on or around 24 March 2022.

## **9. AssetCo's current trading and prospects**

AssetCo released its preliminary results for the financial year ended 30 September 2021 on 18 February 2022 with an increase in AuM from zero to £9.6 billion, an improvement in the capital position from £32.3 million to £56.1 million, a tender offer returning £27 million to AssetCo Shareholders and profit before taxation of £16.1 million. Please refer to the preliminary results announcement of AssetCo for the financial year ended 30 September 2021, which is available on AssetCo's website (at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/)), for further details of AssetCo's current trading and prospects.

## **10. Dividends and dividend policy**

### **10.1 Dividends**

If any dividend and/or other distribution and/or return of capital (other than a dividend on the B Shares in connection with the Return of Capital) is announced, declared, made, payable or paid in respect of RMG Shares on or after the Rule 2.7 Announcement Date, AssetCo has reserved the right to make an equivalent reduction in the terms of the Acquisition, except where the RMG Shares are or will be acquired pursuant to the Scheme on a basis which entitles AssetCo to receive the dividend, distribution or other return of capital and retain it or where it is cancelled. If AssetCo exercises this right or makes such a reduction in respect of a dividend, other distribution or return of capital, RMG Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital.

### **10.2 Combined Group dividend policy**

Following the completion of the Acquisition and the right-sizing of the RMG cost base, the AssetCo Board intends to declare a nominal dividend of 13.0 pence per AssetCo Share, to be paid sometime in Q4 2022. Thereafter, AssetCo intends to adopt a progressive dividend policy.

The declaration and payment of dividends and the quantum thereof will be dependent upon AssetCo's financial condition, future prospects, cash requirements, levels of profits available for distribution, and any other factors regarded by the AssetCo Board as relevant at the time.

## **11. AssetCo Shareholder approval**

As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. Accordingly, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting.

AssetCo expects to send the AssetCo Circular to AssetCo Shareholders in or around the week commencing 21 March 2022 summarising the background to, and reasons for the Acquisition, which will also include a notice convening the AssetCo General Meeting. The Acquisition is conditional on, amongst other things, the AssetCo Resolutions being passed by the requisite majority of AssetCo Shareholders at the AssetCo General Meeting.

The AssetCo Directors intend to unanimously recommend that AssetCo Shareholders vote in favour of all of the AssetCo Resolutions to be proposed at the AssetCo General Meeting.

When published, a copy of the AssetCo Circular will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AssetCo's website (at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/)) and RMG's website (at [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/)). When it has been published, RMG Shareholders may request a hard copy of the AssetCo Circular by contacting RMG's registrars, whose contact details are set out at page 2 of this document.

## **12. New AssetCo Shares**

The New AssetCo Shares to be issued to Scheme Shareholders pursuant to the Scheme will be issued credited as fully paid and will rank *pari passu* in all respects with the AssetCo Shares in issue at the time the New AssetCo Shares are issued pursuant to the Scheme, including the right to receive all dividends and other distributions declared, made or paid on AssetCo Shares by reference to a record date falling on or after the Effective Date (but will not, for the avoidance of doubt, carry the right to receive any dividends and other distributions for which the record date is before the Effective Date). Further details of the rights attaching to the New AssetCo Shares will be set out in the AssetCo Circular.

Fractions of New AssetCo Shares will not be issued to Scheme Shareholders. Instead, Scheme Shareholders who otherwise would have received a fraction of a New AssetCo Share will receive an additional amount in cash, rounded to the nearest penny, based on the amount obtained by multiplying such fraction by the average of the high and low sales prices of AssetCo Shares on AIM on each of the five consecutive trading days ending on the trading day that is two trading days prior to the Effective Date, save that individual entitlements to amounts of less than £5.00 will not be paid to Scheme Shareholders but will be retained for the benefit of the Combined Group.

Applications will be made to the London Stock Exchange for the New AssetCo Shares to be admitted to trading on AIM. It is expected that admission of the New AssetCo Shares to trading on AIM will become effective, and that dealings for normal settlement in the New AssetCo Shares will commence, at 8.00 am on the business day immediately following the Effective Date.

No application has been made or is currently intended to be made by AssetCo for the New AssetCo Shares to be admitted to listing or trading on any other exchange.

The New AssetCo Shares will be issued in registered form and will be capable of being held in both certificated form and uncertificated form.

The price at which AssetCo Shares are publicly traded on the AIM market of the London Stock Exchange is subject to fluctuation and may be influenced by a large number of factors. These factors could be specific to AssetCo and its operations or may affect the asset and/or wealth management sectors or listed companies generally. The price at which New AssetCo Shares are publicly traded on the AIM market of the London Stock Exchange as at the Effective Date and the price which Scheme Shareholders may subsequently realise for their New AssetCo Shares cannot be guaranteed.

## **13. UK taxation**

Your attention is drawn to paragraph 16 of Part Two (*Explanatory Statement*) of this document headed "UK taxation". This document contains a general guide only to certain tax-related information. If you are in any doubt about your own tax position, or you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional adviser immediately.

## **14. Overseas Shareholders**

Overseas Shareholders should refer to paragraph 17 of Part Two (*Explanatory Statement*) of this document.

## **15. Action to be taken by RMG Shareholders**

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Scheme Voting Shareholders and RMG Shareholders in respect of the Acquisition are set out in paragraphs 7 and 18 of Part Two (*Explanatory Statement*) and pages 9 to 10 of this document.

Details relating to the settlement of the Consideration are included in paragraph 15 of Part Two (*Explanatory Statement*) of this document.

## **16. Further information**

Your attention is drawn to the Explanatory Statement set out in Part Two (*Explanatory Statement*) of this document, the full terms of the Scheme set out in Part Four (*The Scheme of Arrangement*), the additional information set out in Part Six (*Additional Information*) and the notices of the Meetings set out in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document. **You should read the whole of this document and the accompanying Forms of Proxy and not rely solely on the information contained in this letter or the Explanatory Statement.**

A copy of this document (and all information incorporated into this document by reference to another source) and the Forms of Proxy are and will be available, subject to certain restrictions relating to Restricted Jurisdictions, for inspection on RMG's website at <https://riverandmercantile.com/investor-relations/>.

## **17. Recommendation**

**The Independent RMG Directors, who have been so advised by Lazard and Fenchurch as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Independent RMG Directors, Lazard and Fenchurch have taken into account the commercial assessments of the Independent RMG Directors. Lazard and Fenchurch are providing independent financial advice to the Independent RMG Directors for the purposes of Rule 3 of the Code.**

**Accordingly, the Independent RMG Directors consider that the Acquisition is in the best interests of RMG Shareholders as a whole and recommend unanimously that Scheme Voting Shareholders vote or procure votes in favour of the Scheme at the Court Meeting and RMG Shareholders vote or procure votes in favour of the Resolution at the General Meeting, as the Independent RMG Directors who hold RMG Shares have irrevocably undertaken to do in respect of their entire beneficial holdings, amounting in aggregate to 179,982 RMG Shares representing approximately 0.21% of the issued share capital of RMG, as at 4 March 2022 (being the latest practicable date before the publication of this document).**

**For the purposes of the Acquisition, Martin Gilbert, the Deputy Chairman 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 by the Independent RMG Directors or the decision of the Independent RMG Directors to recommend the Acquisition as set out above.**

Yours faithfully,

**Jonathan Dawson**

*Chairman*

River and Mercantile Group PLC



**PART TWO**  
**EXPLANATORY STATEMENT**

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

Lazard & Co., Limited  
50 Stratton St  
London  
W1J 8LL

Fenchurch Advisory Partners LLP  
110 Bishopsgate  
London  
EC2N 4AY

8 March 2022

*To RMG Shareholders and, for information only, persons with information rights and participants in the RMG Share Plans*

Dear Sir/Madam,

**RECOMMENDED ALL-SHARE ACQUISITION**

of

**RIVER AND MERCANTILE GROUP PLC**

by

**ASSETCO PLC**

**to be effected by means of a scheme of arrangement under Part 26 of the  
Companies Act 2006**

**1. Introduction**

On 25 January 2022, the Independent RMG Directors and the AssetCo Directors 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.

**Your attention is drawn to the letter from the Chairman of RMG set out in Part One (*Letter from the Chairman of RMG*) of this document, which forms part of this Explanatory Statement. That letter contains, among other things: (a) information on the background to and reasons for the Acquisition; and (b) the unanimous recommendation by the Independent RMG Directors to Scheme Voting Shareholders to vote in favour of the Scheme at the Court Meeting, and to RMG Shareholders to vote in favour of the Resolution at the General Meeting.**

The Independent RMG Directors have been advised by Lazard and Fenchurch as to the financial terms of the Acquisition. Lazard and Fenchurch have been authorised by the Independent RMG Directors to write to you to set out the terms of the Acquisition and to provide you with other relevant information.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part 4 (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part One (*Letter from the Chairman of RMG*), the Conditions and certain further terms set out in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*), and the additional information set out in Part Six (*Additional Information*) of this document.

Your attention is also drawn to the AssetCo Circular, expected to be published in or around the week commencing 21 March 2022, which will contain further information on AssetCo and the New AssetCo Shares to be issued in connection with the Acquisition. A copy of the AssetCo Circular will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AssetCo's website (at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/)) and RMG's website (at [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/)).

RMG Shareholders may request a hard copy of the AssetCo Circular by contacting RMG's registrars, whose contact details are set out at page 2 of this document.

## **2. Summary of the terms of the Acquisition**

The Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between RMG and the Scheme Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition, which will be subject to the terms and Conditions set out in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document, including the return of £190 million by RMG to RMG Shareholders by way of the Return of Capital, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

### **0.07392 New AssetCo Shares in exchange for each RMG Share**

Based on the Closing Price of 1,495 pence per AssetCo Share on 4 March 2022 (being the latest practicable date before the publication of this document), the Acquisition values each RMG Share at 110.5 pence and RMG's entire issued and to be issued ordinary share capital at approximately £95.3 million, and the Acquisition and the Return of Capital, taken together, value each RMG Share at approximately 330.8 pence and RMG's entire issued and to be issued ordinary share capital at approximately £285 million.

Immediately following completion of the Acquisition, Scheme Shareholders will own approximately 41.6% of the Combined Group (based on the fully diluted ordinary share capital of each of RMG and AssetCo as at 4 March 2022 (being the latest practicable date before the publication of this document)).

If any dividend and/or other distribution and/or return of capital (other than a dividend on the B Shares in connection with the Return of Capital) is announced, declared, made, payable or paid in respect of RMG Shares on or after the Rule 2.7 Announcement Date, AssetCo has reserved the right to make an equivalent reduction in the terms of the Acquisition, except where the RMG Shares are or will be acquired pursuant to the Scheme on a basis which entitles AssetCo to receive the dividend, distribution or other return of capital and retain it or where it is cancelled. If AssetCo exercises this right or makes such a reduction in respect of a dividend, other distribution or return of capital, RMG Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital.

The Acquisition is subject to the Conditions and certain further terms set out, respectively, in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document, including the approval of the Scheme at the Court Meeting, the passing of the Resolution at the General Meeting (in each case by the requisite majority or majorities), the Return of Capital Condition, the AssetCo Shareholder Approval Condition, the AIM Admission Condition and the FCA Condition. Subject to the satisfaction or (where applicable) waiver of the Conditions and to the further terms set out in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document, it is expected that the Scheme will become Effective during the second quarter of 2022.

## **3. Information on RMG**

RMG is an investment group with AuM of £4.2 billion as at 31 December 2021, specialising in a range of investment activities. RMG's principal businesses include an asset management business, US Solutions business ("**US Solutions**"), and previously also included a UK Solutions business ("**Solutions**").

On 26 October 2021, RMG announced that it had agreed to sell Solutions to Schroders. The completion of the sale of Solutions took place on 31 January 2022. The consideration paid by Schroders to RMG on completion is subject to adjustment via a customary completion accounts process which is ongoing. However, based on the adjustments already made at completion for the estimated completion accounts, RMG does not expect a material adjustment and RMG expects net proceeds from the sale of Solutions to be approximately £238 million.

On 25 January 2022, a wholly owned subsidiary of RMG signed an agreement for the sale of US Solutions to the US Solutions Purchaser conditional on (amongst other things) RMG Shareholder approval. The consideration for the sale of US Solutions will be \$8.6 million (subject to adjustment based on net tangible assets at completion) comprising \$2.6 million in cash, and the issuance of a secured loan note of \$6 million. Repayment of this note can be accelerated by RMG Group in certain circumstances including acceleration in full following completion of the Acquisition. The RMG Directors expect that the sale of US Solutions will complete in the second quarter of 2022. If the sale of US Solutions completes before completion of the Acquisition, the proceeds will not be distributed to RMG Shareholders, but will be available to the RMG Group and (if the Acquisition becomes Effective) the Combined Group. If the sale of

US Solutions completes after the Acquisition becomes Effective, the proceeds will be available to the Combined Group.

Following the completion of the sale of US solutions, RMG will comprise solely its asset management business, which is focused on delivering a range of active investment strategies to institutional and wholesale investors in the UK, Europe, Australia, New Zealand and the US.

Save for the return of £190 million by RMG to RMG Shareholders by way of the Return of Capital (including any dividend on the B Shares in connection with the Return of Capital), the RMG Directors do not anticipate making any dividend or other distribution to RMG Shareholders before completion of the Acquisition.

RMG's asset management business comprises established and well-respected equities teams based in the UK and US, offering investors exposure to UK, European, emerging market and global equities. The UK-based team utilises an investment process known as Potential, Value, Timing (“PVT”) – which has produced excellent long-term outcomes for clients investing in UK, European and global equities. The US-based team has also delivered excellent returns for clients investing in emerging markets.

As at 31 December 2021, the latest adjusted AuM for the asset management business was approximately £4.2 billion. The annualised management fee revenues associated with these AuM are approximately £20.8 million. Calculation of this AuM excludes £45.8 billion of AuM relating to Solutions, which transferred as part of the sale to Schroders, and US Solutions, for which a sale was announced on 25 January 2022. In addition, on 15 February 2022, RMG announced that it had received notice from a client of its equities asset management business of the client's intention to redeem approximately £927 million of assets managed by the Company across several global equity strategies. The assets to be redeemed represent annualised revenue to RMG of approximately £2.8 million.

In addition to the existing franchise, RMG intends to launch a range of products that will meet European Sustainable Finance Directive Regulations. RMG has also recently developed an infrastructure investment team which is based in the UK, following recruitment of a specialist team from Aviva. The team operates in specialist physical sustainable infrastructure markets in the UK and has a strong track record in delivering stable and attractive returns since 2011. RMG therefore has a quality and highly regarded capability in infrastructure and anticipates that it will shortly launch the RMG Infrastructure Income Fund.

Key financial highlights for RMG in the six months ended 31 December 2021 (including Solutions and US Solutions) were as follows:

- fee earning AuM increased by 4.9% to £49.9 billion;
- gross sales of £3.5 billion (six months ended 31 December 2020 – £1.9 billion);
- net flows of £1.3 billion (six months ended 31 December 2020 – £68 million);
- net flow ratio was +2.8% of opening AuM; and
- investment performance was positive £1 billion or +2.1% of opening AuM.

#### **4. Information on AssetCo**

AssetCo is primarily involved in acquiring, managing and operating asset and wealth management activities and interests, together with other related services. AssetCo's strategy principally focuses on making strategic acquisitions and building organic activities in areas of the asset and wealth management sector where structural shifts have the potential to deliver exceptional growth opportunities.

To date, AssetCo has made three strategic investments as part of its overall strategy to develop an agile asset and wealth management company that meets the needs of investors in the 21st century: Parmenion (a leading discretionary investment manager and advisory platform for the wealth and financial planning sector), Rize ETF (believed to be Europe's first specialist thematic ETF issuer and one of the fastest growing providers of ETFs in the rapidly growing thematic ETF segment of the asset management industry) and Saracen (a small fund management firm which serves as a platform to grow high conviction, high alpha, niche equity strategies where AssetCo sees significant growth potential). AssetCo also has a strong pipeline of complementary opportunities, at varying stages of progress, that the AssetCo Directors believe would further accelerate the growth strategy and be highly accretive to the Combined Group.

The AssetCo Directors believe that the acquisitions completed to date and AssetCo's buy-and-build strategy are consistent with a new approach to asset management, being unbridled by legacy constraints and ways of doing things, and tapping into the new, emerging trends in the way the next generation of investors choose

to allocate their capital. AssetCo Shareholders have been supportive of its acquisition strategy, most recently supporting a £25 million capital raise in July 2021 to partially fund the acquisitions of Parmenion and Rize ETF.

AssetCo has assembled a management team with a long history in asset and wealth management. In early 2021, Martin Gilbert became Chairman and Peter McKellar became Deputy-Chairman and CEO. Martin co-founded Aberdeen Asset Management in 1983 which under his stewardship grew to become one of the world's leading independent asset managers with £308 billion of AuM. In 2017 Aberdeen merged with Standard Life, which at the time of the merger became the largest UK-based asset management company. In September 2020, Peter McKellar retired as executive Chairman and Global Head of Private Markets for Standard Life Aberdeen, where he oversaw investments totalling £55 billion of AuM.

In October 2021, Campbell Fleming joined the AssetCo Board as CEO. Campbell was previously Global Head of Distribution and Marketing at Standard Life Aberdeen and, prior to that, Chief Executive-EMEA and Global Chief Operating Officer at Columbia Threadneedle. In addition, below board level, AssetCo has made a number of appointments of experienced individuals to enhance its distribution and corporate capabilities.

As announced by AssetCo on 28 February 2022, AssetCo has exchanged contracts in relation to the acquisition of the entire issued share capital of Revera, an independent fund management business based in Edinburgh. Completion of the acquisition of Revera is conditional on FCA approval of the change of control and admission to trading on AIM of the new ordinary shares in AssetCo being issued as consideration. It is currently anticipated that completion of the acquisition will occur by the end of June 2022.

## **5. RMG Share Plans**

Participants in the RMG Share Plans will be contacted regarding the effect of the Acquisition on their outstanding rights under the RMG Share Plans and with details of the arrangements applicable to them. A summary of the effect of the Scheme on rights under the RMG Share Plans is set out below. In the event of any conflict between the summary set out below and the rules of the relevant RMG Share Plan (as amended from time to time) and/or the communications to participants in the RMG Share Plans regarding the effect of the Scheme on their rights under the RMG Share Plans and the details of the arrangements applicable to them, the rules of the relevant RMG Share Plan (as amended from time to time) or the terms of the separate communications (as the case may be) will prevail.

The Scheme will apply to any RMG Shares which are unconditionally allotted and issued to satisfy the exercise of awards granted under the RMG Share Plans before the Scheme Record Time. It is proposed to amend the RMG Articles to ensure that any RMG Shares issued between the time at which the Resolution is passed and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the RMG Articles, subject to the Scheme becoming Effective, so that any RMG Shares issued to any person other than AssetCo (or its nominee(s)) after the Scheme Record Time will be automatically acquired by AssetCo (or its nominee(s)) on the same terms as under the Scheme. This will avoid any participant in the RMG Share Plans being left with RMG Shares after dealings in such shares have ceased on the London Stock Exchange (which is currently expected to occur by no later than 8.00 a.m. on the business day after the Effective Date).

### *River and Mercantile Group PLC Deferred Equity Plan*

Awards outstanding under the River and Mercantile Group PLC Deferred Equity Plan, which are cash based awards, will vest and be paid in accordance with their terms.

### *River and Mercantile Value Transformation Plan*

Awards outstanding under the River and Mercantile Value Transformation Plan, will vest and be paid in accordance with their terms.

### *RMG SAYE Scheme*

Options held by participants in the RMG SAYE Scheme will become exercisable for a period of six months commencing on the date on which the Scheme is sanctioned by the Court. Options will be exercisable to the extent of the participants' accrued savings and interest (if any) under the linked savings arrangements at the date of exercise. Any outstanding options not exercised will lapse, and any accrued savings and interest (if any) which are not applied to the exercise of options will be refunded to participants. AssetCo will make an appropriate proposal to the participants in the SAYE Scheme, as required under Rule 15 of the Code,

based on the treatment set out above. RMG and AssetCo intend that this proposal will be detailed in a joint letter from RMG and AssetCo to participants in the RMG SAYE Scheme.

## **6. RMG Directors and the effects of the Scheme on their interests**

The names of the RMG Directors and details of their interests in the share capital of RMG, and awards in respect of such share capital, are set out in paragraph 4.2 of Part Six (*Additional Information*) of this document. As with other Scheme Shareholders, Scheme Shares held by the RMG Directors will be subject to the Scheme and, in common with the other participants in the RMG Share Plans, the RMG Directors will receive shares under awards, to the extent such awards vest.

Particulars of the service contracts (including termination provisions) and letters of appointment of the RMG Directors are set out in paragraph 8 of Part Six (*Additional Information*) of this document.

The Independent RMG Directors who hold, or are otherwise beneficially interested in, RMG Shares and James Barham, RMG's former Group CEO, have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of their own beneficial holdings of, in aggregate, 1,857,208 RMG Shares representing approximately 2.17% of RMG's issued share capital, on 4 March 2022 (being the latest practicable date before the publication of this document). The undertakings from the Independent RMG Directors and James Barham will remain binding in the event that a higher competing offer for RMG is made.

Further details of these irrevocable undertakings are set out in paragraph 6 of Part Six (*Additional Information*) of this document.

Save as set out above in respect of the vesting of awards held by RMG Directors, the effect of the Scheme on the interests of the RMG Directors does not differ from the effect of the Scheme on the like interests of other RMG Shareholders.

## **7. Description of the Scheme and the Meetings**

### **7.1 The Scheme**

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between RMG and the Scheme Shareholders who are on the register of members at the Scheme Record Time, under Part 26 of the Companies Act. The procedure requires approval by Scheme Voting Shareholders at the Court Meeting and approval of the Resolution at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part 4 (*The Scheme of Arrangement*) of this document.

The purpose of the Scheme is to provide for AssetCo to become the holder of the entire issued and to be issued share capital of RMG. This is to be achieved by transferring the Scheme Shares held by Scheme Shareholders to AssetCo, in consideration for which AssetCo will allot and issue the New AssetCo Shares to the Scheme Shareholders on the basis set out in this Part Two (*Explanatory Statement*).

### **7.2 The Meetings**

Before the Court's sanction can be sought for the Scheme, the Scheme requires approval by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of the Scheme Voting Shareholders present and voting, either in person or by proxy, representing not less than 75% in value of the Scheme Voting Shares voted by such Scheme Voting Shareholders. In addition, the Resolution must be passed at the General Meeting to authorise the RMG Directors to implement the Scheme and deal with certain ancillary matters (which requires the approval of RMG Shareholders present and voting representing at least 75% of the votes cast at the General Meeting (either in person or by proxy)). The General Meeting will be held immediately after the Court Meeting. Notices of the Court Meeting and the General Meeting are set out in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document (respectively).

Save as set out below, entitlement to attend, submit written questions (and, in the case of the Court Meeting only, submit any written objections) and vote at these meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of RMG at the Voting Record Time.

Any RMG Shares which AssetCo or any subsidiary of AssetCo (or their respective nominees) owns or may acquire before the Court Meeting are not Scheme Shares and therefore none of AssetCo or any of its subsidiaries (or their respective nominees) is entitled to vote at the Court Meeting in respect of the RMG Shares held or acquired by it. AssetCo will undertake to be bound by the Scheme.



Members of the AssetCo Concert Party (excluding AssetCo), have consented to be treated as a separate class of Scheme Shareholders who will not be entitled to attend or vote at the Court Meeting but will separately undertake to be bound by the Scheme, and will be permitted to vote their respective RMG Shares at the General Meeting.

The Court Meeting and the General Meeting will be held on 1 April 2022.

**The Court Meeting and the General Meeting will be held in accordance with the UK Government guidelines and the requirements of the venue in relation to the Covid-19 pandemic in effect at the relevant time. It is currently anticipated that attendance in person at the Court Meeting and the General Meeting will not be unlawful. The situation is constantly evolving, and the UK Government may change current guidance or implement new restrictions relating to the holding of meetings during the affected period. The RMG Board continues to closely monitor the situation and any changes to the arrangements for the General Meeting and Court Meeting will be communicated to RMG Shareholders before the meeting through its website [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/) and, where appropriate, through a Regulatory Information Service. Scheme Voting Shareholders and RMG Shareholders are strongly encouraged to vote by appointing the Chair of each of the Court Meeting and the General Meeting as their proxy (either electronically or by post or by hand using the printed Forms of Proxy, as set out below) before the relevant deadline. The Chair of the relevant meeting will vote in accordance with the voting instructions of the appointing Scheme Voting Shareholder or RMG Shareholder.**

Scheme Voting Shareholders, RMG Shareholders, proxies and corporate representatives attending in person will be able to ask written questions at the Meetings but, in order to facilitate the smooth running of the Meetings, are asked to submit any written questions in advance to [sally.buckmaster@riverandmercantile.com](mailto:sally.buckmaster@riverandmercantile.com). Any written questions submitted before the Meetings must be received by 4.00 p.m. on 30 March 2022.

The Chair of the relevant Meeting will ensure that all such written questions (and, in the case of the Court Meeting only, any written objections) relating to the formal business of the meeting are addressed during the meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chair of the relevant Meeting's discretion, otherwise be undesirable in the interests of the Company or the good order of the meeting.

Information about the procedures for appointing proxies and giving voting instructions in relation to the meetings is set out in paragraph 18 of this Part Two (*Explanatory Statement*) and on pages 9 to 10 of this document.

If the Scheme is withdrawn or lapses, any documents of title and any other documents lodged with any Form of Proxy will be returned to the relevant Scheme Voting Shareholder or RMG Shareholder (as applicable) as soon as practicable and in any event within 14 days of such lapse or withdrawal.

No revision will be made to the Scheme less than 14 days prior to the date of the Meetings or following the Meetings without the consent of the Panel.

(a) *The Court Meeting*

The Court Meeting has been convened with the permission of the Court for 11.00 a.m. on 1 April 2022 for Scheme Voting Shareholders who are registered as members of RMG at the Voting Record Time to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Voting Shareholder present in person or by proxy will be entitled to one vote for each Scheme Voting Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of those Scheme Voting Shareholders present and voting in person or by proxy, representing not less than 75% in value of the Scheme Voting Shares voted by such Scheme Voting Shareholders.

It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair representation of opinion of the Scheme Voting Shareholders. You are therefore strongly urged to sign and return your Forms of Proxy or to appoint a proxy through CREST for both the Court Meeting and the General Meeting as soon as possible. Doing so will not prevent you from attending and/or voting at the Meetings or any adjournment of either Meeting if you so wish and are so entitled.

The result of the vote at the Court Meeting will be announced by RMG via a Regulatory Information Service as soon as practicable after the Court Meeting.

You will find the notice of the Court Meeting in Part Eight (*Notice of Court Meeting*) of this document.

(b) *The General Meeting*

The General Meeting has been convened for 11.15 a.m. on 1 April 2022, or as soon after that time as the Court Meeting has concluded or been adjourned, for RMG Shareholders to consider and, if thought fit, pass the Resolution.

The Resolution is proposed to approve:

- (i) giving the RMG Board the authority to take all necessary action to carry the Scheme into effect; and
- (ii) amending the RMG Articles as described in paragraph 7.4 below.

At the General Meeting, voting on the Resolution will be by poll and each RMG Shareholder present in person or by proxy and entitled to vote will have one vote for every RMG Share of which they are the holder. The approval required for the Resolution to be passed is at least 75% of the votes cast (in person or by proxy).

The result of the vote at the General Meeting will be announced by RMG via a Regulatory Information Service as soon as practicable after the General Meeting.

You will find the notice of the General Meeting in Part Nine (*Notice of General Meeting*) of this document.

### 7.3 *The Scheme Sanction Hearing*

Under the Companies Act, the Scheme requires the sanction of the Court. The Scheme Sanction Hearing is expected to be held remotely by video-conference or, if so directed by the Court, at The Royal Courts of Justice, The Rolls Buildings, Fetter Lane, London EC4A 1NL. RMG will give adequate notice of the location, date and time of the Scheme Sanction Hearing, once known, by issuing an announcement through a Regulatory Information Service.

Scheme Shareholders are entitled to attend and be heard at the Scheme Sanction Hearing to support or oppose the sanction of the Scheme, should they wish to do so, remotely or in person (as applicable) or represented by counsel.

RMG will make an announcement via a Regulatory Information Service stating the decision of the Court as soon as practicable after the Scheme Sanction Hearing. Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur one business day after the date of the Scheme Sanction Hearing, subject to the satisfaction (or, where applicable, waiver) of the Conditions.

RMG will make an announcement via a Regulatory Information Service stating that the Scheme has become Effective as soon as practicable on or after the Effective Date. **Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour of, or against, or abstained from voting on, the Scheme at the Court Meeting or the Resolution at the General Meeting.**

### 7.4 *Amendment of the RMG Articles*

Currently, RMG Shares issued after the Scheme Record Time will not be subject to the Scheme. It is proposed, as part of the Resolution, to amend the RMG Articles to ensure that any RMG Shares issued between the time at which the Resolution is passed and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the RMG Articles, subject to the Scheme becoming Effective, so that any RMG Shares issued to any person other than AssetCo (or its nominee(s)) after the Scheme Record Time will be automatically acquired by AssetCo (or its nominee(s)) on the same terms as under the Scheme. This will avoid any person (other than AssetCo or its nominee(s)) being left with RMG Shares after dealings in such shares have ceased on the London Stock Exchange (which is currently expected to occur by no later than 8.00 a.m. on the business day after the Effective Date). The Resolution in Part Nine (*Notice of General Meeting*) of this document seeks the approval for such amendment at the General Meeting.

### 7.5 *Reclassification of the AssetCo RMG Shares as "A" ordinary shares*

The AssetCo RMG Shares are not Scheme Shares, and are therefore treated differently from the RMG Shares held by other RMG Shareholders. To reflect this difference in treatment, and ensure that the

holders of each class of RMG Shares are treated equally in the Scheme, the AssetCo RMG Shares are reclassified as “A” ordinary shares under the terms of the Scheme.

#### **7.6 Entitlement to vote at the Meetings**

Each RMG Shareholder (other the members of the AssetCo Group and the AssetCo Concert Party) who is entered in RMG’s register of members at the Voting Record Time (expected to be 6.30 p.m. on 30 March 2022) will be entitled to attend, submit written questions and any written objections, and/or vote on all resolutions to be proposed at the Court Meeting. If the Court Meeting is adjourned, only those RMG Shareholders (other the members of the AssetCo Group and the AssetCo Concert Party) on the register of members at 6.30 p.m. on the day which is two days (excluding any part of a day that is not a business day) before the adjourned meeting will be entitled to attend and/or vote. Each eligible RMG Shareholder is entitled to appoint a proxy or proxies to attend the Court Meeting and, on a poll, to vote instead of them. A proxy need not be a RMG Shareholder.

Each eligible RMG Shareholder who is entered in RMG’s register of members at the Voting Record Time (expected to be 6.30 p.m. on 30 March 2022) will be entitled to attend, submit written questions and/or vote on all resolutions to be proposed at the General Meeting. If the General Meeting is adjourned, only those RMG Shareholders on the register of members at 6.30 p.m. on the day which is two days (excluding any part of a day that is not a business day) before the adjourned meeting will be entitled to attend and/or vote. Each eligible RMG Shareholder is entitled to appoint a proxy or proxies to attend the General Meeting and, on a poll, to vote instead of them. A proxy need not be a RMG Shareholder.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies electronically shall not prevent an eligible RMG Shareholder from attending, submitting written questions (and, in the case of the Court Meeting only, submit any written objections) and/or voting at either meeting or any adjournment of a meeting if such RMG Shareholder wishes and is entitled to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please call the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographic rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Acquisition.

Further information on the actions to be taken is set out in paragraph 18 of this Part Two (*Explanatory Statement*) and on pages 9 to 10 of this document.

#### **7.7 Modifications to the Scheme**

The Scheme contains a provision for RMG and AssetCo jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be adverse to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Voting Shareholders should be held in those circumstances.

#### **7.8 Implementation by way of a Takeover Offer**

Subject to obtaining the Panel’s consent and the terms of the Co-operation Agreement, AssetCo reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on substantially the same terms and conditions, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments including (without limitation) to reflect the change in method of implementing the Acquisition and the inclusion of an acceptance condition set at 75% (or such other percentage as AssetCo may, subject to the rules of the Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide) of the RMG Shares to which the Takeover Offer relates and those required by, or deemed appropriate by, AssetCo under applicable law, so far as applicable. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient RMG Shares are otherwise acquired, it is the intention of AssetCo to apply the provisions of the Companies Act to acquire compulsorily any outstanding RMG Shares to which such Takeover Offer relates.

## 8. Conditions to the Scheme and the Acquisition

The Acquisition and, accordingly, the Scheme are subject to a number of conditions set out in full in Part Three (*Conditions to and Certain Further Terms of the Scheme and the Acquisition*) of this document. In summary, the Acquisition is conditional upon, among other things:

- the Return of Capital having been completed;
- the AssetCo Shareholder Approval Condition and AIM Admission Condition having been satisfied or waived;
- receipt of regulatory approval from the FCA;
- (i) the Scheme being approved by a majority in number of the Scheme Voting Shareholders who are on the register of members of RMG at the Voting Record Time and who are present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or any adjournment thereof) and who represent 75% or more in value of the Scheme Voting Shares voted by those Scheme Voting Shareholders; and (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting (or such later date as may be agreed between AssetCo and RMG);
- (i) the Resolution being duly passed at the General Meeting (or any adjournment thereof); and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting (or such later date as may be agreed between AssetCo and RMG);
- (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to AssetCo and RMG)) and the delivery of a copy of the Court Order to the Registrar of Companies; and (ii) the Scheme Sanction Hearing being held on or before the 22nd day after the expected date of the Scheme Sanction Hearing once announced in accordance with this document (or such later date as may be agreed between AssetCo and RMG (and that the Court may allow)); and
- the Scheme becoming Effective by 11.59 p.m. on the Long Stop Date (or such later date as may be agreed between AssetCo and RMG and the Panel (and that the Court may allow)).

## 9. The Solutions Sale and return of proceeds to RMG Shareholders

On 26 October 2021, RMG announced that it had entered into a contract with Schroders in relation to the acquisition by Schroders of RMG's Solutions business for an enterprise value of £230 million. RMG Shareholders approved the Solutions Sale on 13 December 2021 and the Solutions Sale completed on 31 January 2022.

In the Solutions Sale Circular, the RMG Directors stated that it was proposed to return £180 million of the net cash proceeds expected to be received by RMG from the Solutions Sale to RMG Shareholders (subject to required regulatory and shareholder approvals) via a tender offer or other means. In light of the Acquisition and following discussions with AssetCo the Independent RMG Directors now intend to return £190 million to RMG Shareholders in conjunction with (and conditional upon completion of) the Acquisition. As set out in the Solutions Sale Circular, were it not for the Acquisition, the RMG Directors would be minded to implement a return of capital via a tender offer. However, a tender offer would return a variable aggregate amount depending on elections of individual RMG Shareholders. In light of the Acquisition and based on discussions with AssetCo, it is necessary to ensure that a certain aggregate amount is returned to RMG Shareholders and not a variable amount. Therefore, the Independent RMG Directors propose to implement this return of capital by means of a B Share Scheme.

The Return of Capital is conditional on, *inter alia*, the approval of the Scheme by Scheme Voting Shareholders at the Court Meeting, the passing of the Resolution by RMG Shareholders at the General Meeting and the passing of the Return of Capital Resolutions by RMG Shareholders at the Return of Capital General Meeting.

The Return of Capital Circular has been despatched to RMG Shareholders today and the Return of Capital General Meeting has been convened for 11.30 a.m. on 1 April 2022 (being the same date as the Meetings).

As set out in the Return of Capital Circular, the RMG Directors intend that the Return of Capital will be implemented before the Sanction Hearing, but only after the FCA Condition has been satisfied or waived. If the Acquisition does not proceed for any reason, including, *inter alia*, if the Scheme is not approved by Scheme Voting Shareholders at the Court Meeting, the Resolution is not passed by RMG Shareholders at

the General Meeting or the FCA Condition is not satisfied or waived, then the Return of Capital will not be implemented and the RMG Directors will consider in light of the relevant circumstances at the time what action to take in relation to returning capital to RMG Shareholders out of the net proceeds of the Solutions Sale.

As further described in the Return of Capital Circular, the Return of Capital will involve, *inter alia*:

- RMG issuing irredeemable preference B Shares to RMG Shareholders *pro rata* to their holdings of RMG Shares;
- such B Shares being purchased by the Broker (acting as principal not as agent for RMG) for an aggregate amount equal to £190 million;
- the Broker receiving a dividend on such B Shares equal to £190 million in aggregate plus an amount equal to any stamp duty or stamp duty reserve tax arising on the purchase of the B Shares (or in the unlikely scenario that the Broker has not purchased the B Shares by the prescribed time), RMG Shareholders receiving a dividend for an aggregate amount equal to £190 million; and
- the B Shares converting into C shares with no dividend rights and being repurchased and cancelled by RMG (via the Broker, if being repurchased from RMG Shareholders rather than directly from the Broker) for an amount equal to their nominal value (plus any stamp duty or stamp duty reserve tax if applicable).

Full details of the Return of Capital are set out in the Return of Capital Circular.

#### **10. The US Solutions Sale**

On 25 January 2022, the US Solutions Seller signed an agreement for the sale of US Solutions to the US Solutions Purchaser conditional on, *inter alia*, RMG Shareholder approval (as a related party transaction). The consideration for the sale of US Solutions will be \$8.6 million (subject to adjustment based on net tangible assets at completion) comprising \$2.6 million in cash, and the issuance of a secured loan note of \$6 million. Repayment of this note can be accelerated by RMG Group in certain circumstances including acceleration in full following completion of the Acquisition.

On or around the date of this document, RMG will send to RMG Shareholders a circular setting out details of the US Solutions Sale and notice of the general meeting at which RMG Shareholders will be asked to approve the US Solutions Sale. However, approval of the US Solutions Sale is not a condition of either the Acquisition or the Return of Capital.

The RMG Directors expect that the sale of US Solutions will complete in the second quarter of 2022. If the sale of US Solutions completes before completion of the Acquisition, the proceeds will not be distributed to RMG Shareholders, but will be available to the RMG Group and (if the Acquisition becomes Effective) the Combined Group. If the sale of US Solutions completes after the Acquisition becomes Effective, the proceeds will be available to the Combined Group.

Following the completion of the sale of US Solutions, RMG will comprise solely its asset management division, which is focused on delivering a range of active investment strategies to institutional and wholesale investors in the UK, Europe, Australia, New Zealand and the US.

#### **11. The AssetCo Circular and AssetCo Shareholder approval**

As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. Accordingly, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting.

AssetCo expects to send the AssetCo Circular to AssetCo Shareholders in or around the week commencing 21 March 2022, setting out the background to, and reasons for the Acquisition, which will also include a notice convening the AssetCo General Meeting. The Acquisition is conditional on, amongst other things, the AssetCo Resolutions being passed by the requisite majority of AssetCo Shareholders at the AssetCo General Meeting.

The AssetCo Directors intend to unanimously recommend that AssetCo Shareholders vote in favour of all of the AssetCo Resolutions to be proposed at the AssetCo General Meeting as the AssetCo Directors who hold AssetCo Shares have irrevocably undertaken to do in respect of their entire beneficial holdings, amounting



in aggregate to 1,336,378 AssetCo Shares representing approximately 15.86% of the issued share capital of AssetCo, as at 4 March 2022 (being the latest practicable date before the publication of this document).

When published, a copy of the AssetCo Circular will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AssetCo's website (at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/)) and RMG's website (at [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/)). When it has been published, RMG Shareholders may request a hard copy of the AssetCo Circular by contacting RMG's registrars, whose contact details are set out at page 2 of this document.

## **12. Offer-related arrangements**

### **12.1 Confidentiality Agreements**

AssetCo and RMG have entered into the Confidentiality Agreements, pursuant to which they have undertaken to keep certain information relating to each other confidential and not to disclose such information to third parties, except to certain permitted recipients or if required by applicable laws or regulations.

The confidentiality obligations of each party under each Confidentiality Agreement continue until the earlier of (i) two years after the date of the agreement or on which the materials containing the confidential information are returned or destroyed in accordance with the terms of such Confidentiality Agreement (as applicable), or (ii) the Acquisition completes. The Second Confidentiality Agreement also contains customary standstill provisions, subject to customary carve-outs, for a period of 12 months from the date of the Second Confidentiality Agreement.

### **12.2 Co-operation Agreement**

On January 25 2022, AssetCo and RMG entered into the Co-operation Agreement, pursuant to which they agreed, *inter alia*, to cooperate in relation to obtaining any consents, clearances, permissions, waivers and/or approvals (including in order to satisfy the FCA Condition) as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition.

In addition, AssetCo has agreed to restrictions on switching to a Takeover Offer without RMG's consent and certain other provisions if the Scheme should switch to a Takeover Offer. The Co-operation Agreement will terminate in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a competing offer completes, becomes effective or is declared unconditional, or if prior to the Long Stop Date any Condition has been invoked by AssetCo, if the Independent RMG Directors withdraw their recommendation of the Acquisition or if the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between AssetCo and RMG. Pursuant to the terms of the Co-operation Agreement, AssetCo undertakes that it will deliver a notice in writing to RMG on the last business day prior to the Scheme Sanction Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than the Scheme Conditions); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

## **13. Disclosure of interests in RMG Shares**

As of 4 March 2022 (being the latest practicable date before the publication of this document), AssetCo has an interest in 5,000,000 RMG Shares representing approximately 5.85% of the issued share capital of RMG.

As 4 March 2022 (being the latest practicable date before the publication of this document), the following persons acting in concert with AssetCo have interests in the issued share capital of RMG:

- Harwood Capital LLP owns 1,721,842 RMG Shares representing approximately 2.01% of the issued share capital of RMG;
- Toscafund Asset Management LLP owns 400,000 RMG Shares representing approximately 0.47% of the issued share capital of RMG;
- Cadoc Limited owns 100,000 RMG Shares representing approximately 0.12% of the issued share capital of RMG; and
- Mark Butcher owns 26,500 RMG Shares representing approximately 0.03% of the issued share capital of RMG.

"Interests in" RMG Shares for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has

a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

The RMG Shares owned or controlled by the members of the AssetCo Concert Party (other than AssetCo, whose RMG Shares are not Scheme Shares), being 2,248,342 RMG Shares, are not Scheme Voting Shares. Each member of the AssetCo Concert Party (other than AssetCo, whose RMG Shares are not Scheme Shares) has consented not to vote at the Court Meeting in respect of any Scheme Shares they hold, but will be permitted to vote their RMG Shares at the RMG General Meeting. Upon the Acquisition becoming Effective, the RMG Shares owned or controlled by each member of the AssetCo Concert Party (other than AssetCo) will be acquired by AssetCo under the terms of the Scheme.

#### **14. Admission to trading of New AssetCo Shares, cancellation of trading of RMG Shares and re-registration**

##### **14.1 Admission to trading of New AssetCo Shares**

Applications will be made to the London Stock Exchange for the New AssetCo Shares to be admitted to trading on AIM. It is expected that admission of the New AssetCo Shares to trading on AIM will become effective, and that dealings for normal settlement in the New AssetCo Shares will commence, at 8.00 am on the business day immediately following the Effective Date.

No application has been made or is currently intended to be made by AssetCo for the New AssetCo Shares to be admitted to listing or trading on any other exchange.

The ISIN number for the New AssetCo Shares will be GB00B42VYZ16.

##### **14.2 Cancellation of trading of RMG Shares and re-registration**

Prior to the Scheme becoming Effective, an application will be made to the London Stock Exchange for the cancellation of the listing of RMG Shares on the Official List and for cancellation of trading of the RMG Shares on the London Stock Exchange's main market for listed securities, to take effect shortly after the Effective Date once the Scheme Shares have been transferred to AssetCo. The last day of dealings in RMG Shares on the Main Market of the London Stock Exchange is expected to be the date of the business day immediately after the Scheme Sanction Hearing. No transfers of RMG Shares will be registered after 6.00 p.m. on that date, other than the registration of the transfer of RMG Shares to AssetCo pursuant to the Scheme or the RMG Articles, as proposed to be amended by the Resolution at the General Meeting.

From the Transfer Effective Time, share certificates in respect of Scheme Shares will cease to be valid. Such share certificates should be destroyed or, at the request of RMG, delivered up to RMG, or to any person appointed by RMG to receive the same. In addition, as from the Scheme Record Time, each holding of RMG Shares credited to any stock account in CREST will be disabled and all entitlements to RMG Shares held within the CREST system will be cancelled promptly thereafter.

It is also proposed that, as soon as practicable following the Effective Date and after the cancellation of the admission to trading of the RMG Shares, RMG will be re-registered as a private limited company pursuant to section 97 of the Companies Act.

#### **15. Settlement**

Subject to the Scheme becoming Effective, settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

##### **15.1 RMG Shares in uncertificated form (that is, in CREST)**

Where, at the Scheme Record Time, a Scheme Shareholder holds RMG Shares in uncertificated form, settlement of entitlements to New AssetCo Shares due pursuant to the Scheme will be effected through CREST. AssetCo will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such relevant Scheme Shareholder's entitlement to New AssetCo Shares by no later than 14 days after the Effective Date.

As from the Scheme Record Time, each holding of RMG Shares credited to any stock account in CREST will be disabled and all RMG Shares will be removed from CREST in due course.

As at the close of trading on the last day of dealings in RMG Shares prior to the Effective Date, there may be unsettled, open trades for the sale and purchase of RMG Shares within CREST. The RMG Shares that

are the subject of such unsettled trades will be treated under the Scheme in the same way as any other RMG Share registered in the name of the relevant seller under that trade. Consequently, those RMG Shares will be transferred under the Scheme and the seller will receive the appropriate consideration in accordance with the terms of the Scheme.

AssetCo reserves the right to issue New AssetCo Shares to any Scheme Shareholder who holds RMG Shares in uncertificated form in the manner referred to in paragraph 15.2 below if, for any reason, it is not able to effect settlement in accordance with this paragraph 15.1.

### **15.2 *RMG Shares in certificated form***

Where, at the Scheme Record Time, a holder of Scheme Shares holds such shares in certificated form, settlement of entitlements to New AssetCo Shares due pursuant to the Scheme will be effected by issuing New AssetCo Shares in certificated form to such RMG Shareholders. Certificates for the New AssetCo Shares shall be despatched:

- by first class post (or international standard post, if overseas), to the address appearing on RMG's register of members at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding); or
- by such other methods as may be approved by the Panel.

Share certificates will be despatched no later than 14 days after the Effective Date to the person entitled to them at the address as appearing in the register of members of RMG at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of RMG in respect of such joint holding at the Scheme Record Time). None of RMG, AssetCo, Computershare or any of their respective nominees or agents shall be responsible for any loss or delay in the transmission of share certificates sent in this way, and such share certificates shall be sent at the risk of the person entitled to them.

From the Effective Transfer Time, each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of RMG, delivered up to RMG, or to any person appointed by RMG to receive the same.

### **15.3 *General***

All documents sent to, by or on behalf of RMG Shareholders will be sent at their own risk.

Except with the consent of the Panel, settlement of the consideration to which any RMG Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which AssetCo might otherwise be, or claim to be, entitled against such RMG Shareholder.

Fractions of New AssetCo Shares will not be issued to Scheme Shareholders. Instead, Scheme Shareholders who otherwise would have received a fraction of a New AssetCo Share will receive an additional amount in cash, rounded to the nearest penny, based on the amount obtained by multiplying such fraction by the average of the high and low sales prices of AssetCo Shares on AIM on each of the five consecutive trading days ending on the trading day that is two trading days prior to the Effective Date, save that individual entitlements to amounts of less than £5.00 will not be paid to Scheme Shareholders but will be retained for the benefit of the Combined Group.

## **16. UK taxation**

The comments set out below summarise certain limited aspects of the UK taxation treatment of RMG Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and what is understood to be the practice of HMRC (which may not be binding on HMRC), both of which are subject to change at any time, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain categories of RMG Shareholder such as (but not limited to) charities, dealers in securities, persons who have or could be treated for tax purposes as having acquired their RMG Shares by reason of their employment or as holding RMG Shares as carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies. The comments relate to the Consideration only and do not relate to the treatment for tax purposes of any dividend payable to RMG Shareholders.

The comments do not address any possible tax consequence relating to an investment in New AssetCo Shares. For information on the UK tax consequences of: (i) a subsequent disposal of all or any New AssetCo Shares acquired under the Scheme or otherwise; and (ii) dividends paid in respect of any New AssetCo Shares, please see the AssetCo Circular (expected to be published in or around the week commencing 21 March 2022).

References below to “**UK Holders**” are to RMG Shareholders who are solely resident for tax purposes in the UK (and, in the case of individuals, domiciled in the UK and to whom “split year” treatment does not apply), who hold their RMG Shares as an investment (other than (a) under a personal equity plan or individual savings account, or (b) in the case of a company that holds more than 10% of the ordinary share capital of RMG) and who are the absolute beneficial owners of their RMG Shares.

RMG Shareholders in the US also should be aware that the transaction contemplated herein may have tax consequences in the US and that such consequences, if any, are not described herein. RMG Shareholders in the US are urged to consult with independent professional advisors regarding the legal, tax and financial consequences of the Acquisition applicable to them.

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION, AND IN PARTICULAR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UK, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.**

### 16.1 *UK taxation of chargeable gains*

The exchange of RMG Shares for New AssetCo Shares by UK Holders should, subject to the following paragraphs, be treated as a reorganisation for the purposes of the UK taxation of chargeable gains (“**UK CGT**”). This means that UK Holders should not be treated as disposing of their RMG Shares for UK CGT purposes and, instead, the New AssetCo Shares issued to them should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as their RMG Shares. The New AssetCo Shares should therefore have the same base cost for UK CGT purposes as the RMG Shares they replace.

Any UK Holder who alone, or together with persons connected with them, holds more than 5% of RMG Shares (or of any class of shares or debentures in RMG) will be eligible for the above treatment only if the exchange is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is the avoidance of a liability to UK CGT (the “**no-avoidance conditions**”). UK Holders are advised that no clearance has been or will be sought under section 138 of the Taxation of Chargeable Gains Act 1992 to confirm that HMRC agree that the no-avoidance conditions are satisfied.

Any RMG Shareholder that is a company subject to corporation tax and holds more than 10% of the ordinary share capital of RMG may be eligible to apply the “substantial shareholdings exemption” to its disposal of RMG Shares, in which case it is likely that the reorganisation treatment described above will not apply to it. Any such shareholder is recommended to seek professional advice.

### 16.2 *UK stamp duty and stamp duty reserve tax (“SDRT”)*

No UK stamp duty or SDRT should be payable by Scheme Shareholders as a result of the transfer of RMG Shares held by them under the Scheme.

## 17. **Overseas Shareholders**

The availability of the Scheme and the Acquisition to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Overseas Shareholders should inform themselves about and should observe any applicable legal or regulatory requirements. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. RMG Shareholders who are in any doubt regarding such matters should consult an appropriate independent financial adviser in their relevant jurisdiction without delay.

If AssetCo reasonably believes or is advised that a Scheme Shareholder is a Restricted Overseas Shareholder, AssetCo may at its discretion determine that either: (i) such Restricted Overseas Shareholder shall not have allotted and issued to him New AssetCo Shares and that the New AssetCo Shares which

would otherwise have been attributable to such Restricted Overseas Shareholder under the terms of the Acquisition shall instead be allotted, issued and delivered to a person appointed by AssetCo for such Scheme Shareholder on terms that such person shall as soon as practicable following their allotment and issue, sell the New AssetCo Shares so allotted and issued in the market and the cash proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) shall be forwarded to such Restricted Overseas Shareholder as soon practicable following such sale; or (ii) the New AssetCo Shares shall not be allotted and issued to such Restricted Overseas Shareholder but instead a cash amount equal to the value of the New AssetCo Shares that would otherwise have been allotted and issued to the Restricted Overseas Shareholder shall be paid to him as soon as practicable.

The release, publication or distribution of this document and/or any accompanying documents in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their RMG Shares with respect to the Scheme at the Court Meeting or the General Meeting, or to appoint another person as proxy may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document and any accompanying documents have been prepared for the purposes of complying with English law, the Code and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Unless otherwise determined by AssetCo or required by the Code, and permitted by applicable law and regulation, no person may vote in favour of the Acquisition by any use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

For Overseas Shareholders that are located in the US, please see “*Important Notice—Certain notices to US investors*” at the beginning of this document for additional information.

## **18. Action to be taken**

### **18.1 The documents**

Please check that you have received the following:

- a blue Form of Proxy for use in respect of the Court Meeting on 1 April 2022;
- a yellow Form of Proxy for use in respect of the General Meeting on 1 April 2022; and
- a pre-paid envelope for use in the UK only for the return of the blue Form of Proxy and the yellow Form of Proxy.

If you are a RMG Shareholder and you have not received hard copies of, or you have not been able to access online, all of these documents, please contact the shareholder helpline on the number indicated below.

### **18.2 Arrangements for, and voting at, the Court Meeting and the General Meeting**

**Scheme Voting Shareholders and RMG Shareholders are strongly encouraged to vote by appointing the Chair of each of the Court Meeting and the General Meeting as their proxy (either electronically or by post or by hand using the printed Forms of Proxy, as set out below) before the relevant deadline. The Chair of the relevant meeting will vote in accordance with the voting instructions of the appointing Scheme Voting Shareholder or RMG Shareholder.**

The Scheme will require approval at a meeting of Scheme Voting Shareholders convened with the permission of the Court to be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 11.00 a.m. on 1 April 2022. Implementation of the Scheme will also require approval of the Resolution by the RMG Shareholders at the General Meeting. The General Meeting will be held at the same place as the Court Meeting, at 11.15 a.m. on 1 April 2022 (or as soon thereafter as the Court Meeting shall



have concluded or been adjourned). Notices of the Court Meeting and the General Meeting are set out in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document.

Scheme Voting Shareholders and RMG Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, submit written questions (and, in the case of the Court Meeting only, submit any written objections) and vote at the Court Meeting and/or General Meeting. A proxy need not be a RMG Shareholder.

Scheme Voting Shareholders, RMG Shareholders, proxies and corporate representatives will be able to ask written questions at the Meetings but, in order to facilitate the smooth running of the Meetings, are asked to submit any written questions in advance to [sallybuckmaster@riverandmercantile.com](mailto:sallybuckmaster@riverandmercantile.com). Any written questions submitted before the Meetings must be received by 4.00 p.m. on 30 March 2022.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair representation of the opinion of Scheme Voting Shareholders. Whether or not you intend to attend the Court Meeting and/or the General Meeting, please sign and return your Forms of Proxy, or deliver your voting instructions by one of the other methods mentioned below, as soon as possible.**

(a) *Sending Forms of Proxy by post or by hand*

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them, either: (i) by post; or (ii) during normal business hours only, by hand, to at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA, so as to be received as soon as possible and in any event no later than the relevant time set out below:

- blue Forms of Proxy for the Court Meeting 11.00 a.m. on 30 March 2022
- yellow Forms of Proxy for the General Meeting 11.15 a.m. on 30 March 2022

or, if in either case the meeting is adjourned, the relevant Form of Proxy should be received no later than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the adjourned meeting.

If the blue Form of Proxy for the Court Meeting is not returned by such time, it may be completed and handed to the Chair at any time before the start of that meeting and will still be valid. However, in the case of the General Meeting, the yellow Form of Proxy must be received by Equiniti by the time mentioned above, or it will be invalid.

Scheme Voting Shareholders and RMG Shareholders are entitled to appoint a proxy in respect of some or all of their RMG Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Voting Shareholders and RMG Shareholders who wish to appoint more than one proxy in respect of their holding of RMG Shares should contact Equiniti for further Forms of Proxy.

(b) *Electronic appointment of proxies through CREST*

If you hold RMG Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Meetings (or any adjourned meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any 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 or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with the specifications of Euroclear 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 instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti by 11.00 a.m. on 30 March 2022 in respect of the Court Meeting and 11.15 a.m. on 30 March 2022 in respect of the General Meeting or, if in either case the meeting is adjourned, the relevant Form of Proxy should be received not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the Court Meeting or General Meeting (or adjourned meeting), as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti

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 Euroclear 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 any voting service provider(s), to procure that their 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

RMG may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### ***Shareholder helpline***

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy online or electronically through the CREST electronic proxy appointment service, please call the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographical rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Acquisition.

### **19. Risk factors**

RMG Shareholders should consider fully and carefully the risk factors associated with the Combined Group and the Acquisition. Your attention is drawn to the “Risk Factors” section that will be included in the AssetCo Circular, expected to be published in or around the week commencing 21 March 2022, which will also contain, *inter alia*, further information on RMG, AssetCo and the New AssetCo Shares. When published, a copy of the AssetCo Circular will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AssetCo’s website (at [www.assetco.com/investor-relations/](http://www.assetco.com/investor-relations/)) and RMG’s website (at [www.riverandmercantile.com/investor-relations/](http://www.riverandmercantile.com/investor-relations/)). When it has been published, RMG Shareholders may request a hard copy of the AssetCo Circular by contacting RMG’s registrars, whose contact details are set out at page 2 of this document.

### **20. Further information**

The terms of the Scheme are set out in full in Part 4 (*The Scheme of Arrangement*) of this document. Further information regarding RMG and AssetCo is set out in Part Six (*Additional Information*) of this document. Documents published and available for inspection are listed in paragraph 15 of Part Six (*Additional Information*) of this document.

Yours faithfully,

Nicholas Millar

For and on behalf of  
**Lazard & Co., Limited**

Vincent Bounie

For and on behalf of  
**Fenchurch Advisory Partners LLP**

## PART THREE

### CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### Section A: Conditions to the Scheme and the Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, by no later than 11.59 p.m. on the Long Stop Date, or such later date (if any) as AssetCo and RMG may agree, with the consent of the Panel, and the Court may allow.

#### Scheme Conditions

2. The Scheme will be conditional upon:
  - (a) (i) its approval by a majority in number representing not less than 75% in value of Scheme Voting Shareholders who are on the register of members of RMG (or the relevant class or classes thereof) at the Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof); and
  - (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting (or such later date as may be agreed between AssetCo and RMG with the consent of the Panel (and that the Court may approve if required));
  - (b) (i) the Resolution being duly passed at the General Meeting (or any adjournment thereof); and
  - (ii) such General Meeting being held on or before the 22nd day after the expected date of the General Meeting (or such later date as may be agreed between AssetCo and RMG with the consent of the Panel (and that the Court may approve if required)); and
  - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to AssetCo and RMG)) and the delivery of a copy of the Court Order to the Registrar of Companies; and
  - (ii) the Scheme Sanction Hearing being held on or before the 22nd day after the expected date of the Scheme Sanction Hearing (or such later date as may be agreed between AssetCo and RMG with the consent of the Panel (and that the Court may approve)).

#### General Conditions

3. In addition, subject as stated in Section B of this Part Three, AssetCo and RMG have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

##### *Return of Capital*

- (a) RMG having completed the Return of Capital;
- (b) the aggregate amount paid by RMG to RMG Shareholders and/or the Broker pursuant to the Return of Capital not exceeding an amount equal to £190 million plus the Broker's costs and expenses;

##### *AssetCo Shareholder approval*

- (c) the passing at the AssetCo General Meeting (or at any adjournment thereof) of such resolutions as are necessary to approve, implement and effect the Acquisition and the acquisition of any RMG Shares including resolutions to authorise the allotment of New AssetCo Shares pursuant to the Acquisition and approve the Acquisition in accordance with reverse takeover requirements under AIM Rule 14 (which resolutions shall be set out in the AssetCo Circular in due course);

##### *Admission to trading*

- (d) the London Stock Exchange having acknowledged to AssetCo or its agent (and such acknowledgement not having been withdrawn) that the New AssetCo Shares will be admitted to trading on AIM;

*Approval under FSMA*

- (e) in respect of AssetCo and any AssetCo Shareholders or RMG Shareholders who, following completion of the Acquisition, would be interested in 10% or more of the issued share capital and/or voting rights of AssetCo, the FCA, in respect of each UK authorised person (as defined in section 191G of FSMA) within the Wider RMG Group in which AssetCo and such AssetCo Shareholder(s) and/or RMG Shareholder(s) intends to acquire or increase control:
  - (i) having given notice for the purposes of section 189(4) (a) of FSMA that it has determined to approve the acquisition or increase in control on terms reasonably satisfactory to AssetCo and such AssetCo Shareholder(s) and/or RMG Shareholder(s); or
  - (ii) being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control;

*Other regulatory approvals*

- (f) no government, governmental, quasi-governmental, supranational, statutory or regulatory body, trade agency, association, institution or professional body having responsibility for the regulation or supervision of banking, consumer credit or financial services having:
  - (i) withdrawn or refused to renew, or threatened to withdraw or to refuse to renew, any licence or permission; or
  - (ii) instituted, implemented, taken or omitted, or threatened to take or to omit, any other action,

the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider RMG Group (save as Disclosed) or the Wider AssetCo Group, and upon no such licences or permissions terminating or otherwise becoming invalid as a result of the Acquisition or its implementation the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider RMG Group or the Wider AssetCo Group;

*General Third Party clearances*

- (g) excluding the Condition set out in paragraph (e) above, no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the requirement or action) and there not continuing to be outstanding any statute, regulation, decision or order which would or might:
  - (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group or require amendment of the Scheme;
  - (ii) require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider AssetCo Group or by any member of the Wider RMG Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider RMG Group taken as a whole;

- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider AssetCo Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in RMG (or any member of the Wider RMG Group) or on the ability of any member of the Wider RMG Group or any member of the Wider AssetCo Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider RMG Group to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
  - (iv) other than pursuant to the implementation of the Scheme or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider AssetCo Group or the Wider RMG Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider RMG Group or any asset owned by any third party which is material in the context of the Wider RMG Group or the Wider AssetCo Group, in either case taken as a whole;
  - (v) require, prevent or delay a divestiture by any member of the Wider AssetCo Group of any shares or other securities (or the equivalent) in any member of the Wider RMG Group;
  - (vi) result in any member of the Wider RMG Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
  - (vii) impose any limitation on the ability of any member of the Wider AssetCo Group or any member of the Wider RMG Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider AssetCo Group and/or the Wider RMG Group in a manner which is adverse and material to the Wider AssetCo Group and/or the Wider RMG Group, in either case, taken as a whole or in the context of the Acquisition; or
  - (viii) except as Disclosed, otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider RMG Group or any member of the Wider AssetCo Group in each case in a manner which is adverse to and material in the context of the Wider RMG Group taken as a whole or of the financing of the Acquisition,
- and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any RMG Shares or otherwise intervene having expired, lapsed, or been terminated;
- (h) excluding the Condition set out in paragraph 3(g) above, all notifications, filings or applications which are deemed by AssetCo, acting reasonably, to be necessary or reasonably considered by AssetCo to be appropriate having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations which are deemed by AssetCo, acting reasonably, to be necessary or reasonably considered by AssetCo to be appropriate in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, RMG by any member of the Wider AssetCo Group having been obtained in terms and in a form reasonably satisfactory to AssetCo from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider RMG Group or the Wider AssetCo Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider RMG Group taken as a whole, any member of the AssetCo Group or the ability of AssetCo to implement the Scheme and all such Authorisations remaining in full force and effect



at the time at which the Scheme becomes otherwise unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

- (i) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent injunction, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider RMG Group by any member of the Wider AssetCo Group;

*Confirmation of absence of adverse circumstances*

- (j) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider RMG Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider AssetCo Group of any shares or other securities in RMG or because of a change in the control or management of any member of the Wider RMG Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider RMG Group taken as a whole or to the financing of the Acquisition:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider RMG Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider RMG Group or any member of the Wider AssetCo Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider RMG Group or any member of the Wider AssetCo Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider RMG Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider RMG Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider RMG Group otherwise than in the ordinary course of business;
  - (v) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider RMG Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
  - (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance, of any member of the Wider RMG Group being prejudiced or adversely affected to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition; or

- (vii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider RMG Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (viii) any liability of any member of the Wider RMG Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

*No material transactions, claims or changes in the conduct of the business of the RMG Group*

- (k) except as Disclosed, no member of the Wider RMG Group having since 30 June 2021:
  - (i) save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, issued or agreed to issue or authorised or announced its intention to authorise the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised the transfer or sale of RMG Shares out of treasury;
  - (ii) recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (other than a dividend on the B Shares in connection with the Return of Capital) (whether payable in cash or otherwise) other than to RMG or one of its wholly-owned subsidiaries;
  - (iii) save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, or announced any intention to do so, in each case to an extent which is material in the context of the Wider RMG Group taken as a whole;
  - (iv) save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, or announced an intention to propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider RMG Group taken as a whole;
  - (v) issued, authorised or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between RMG and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
  - (vi) entered into, varied, authorised entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the business of any member of the Wider RMG Group to an extent which is or is reasonably likely to be material to the Wider RMG Group taken as a whole;
  - (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider RMG Group which are material in the context of the Wider RMG Group taken as a whole and outside the normal course of business;
  - (viii) entered into, varied, authorised entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider RMG Group save for salary increases, bonuses or variations of terms in the ordinary course;

- (ix) agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider RMG Group which, taken as a whole, are material in the context of the Wider RMG Group taken as a whole;
- (x) (excluding the trustee of any pension scheme(s) established by a member of the Wider RMG Group unless that trustee is RMG itself):
  - (A) made, agreed or consented to or procured any significant change to: (I) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider RMG Group or their dependants and established by a member of the Wider RMG Group (a “**Relevant Pension Plan**”); (II) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (III) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (IV) the basis or rate of employer contribution to any Relevant Pension Plan, in each case to the extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or
  - (B) entered into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or
  - (C) carried out any act: (I) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (II) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (III) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (IV) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;
- (xi) other than to replace a vacancy on the board of directors of a corporate trustee, changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of RMG) is material in the context of the Wider RMG Group taken as a whole, in each case other than as required in relation to the Return of Capital;
- (xiv) other than with respect to claims between RMG and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (xv) made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme) which is material in the context of the Acquisition;

- (xvi) (other than in respect of a member of the Wider RMG Group which is dormant and was solvent at the relevant time) taken any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider RMG Group taken as a whole or in the context of the Acquisition;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider RMG Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider RMG Group taken as a whole; or
- (xx) having taken (or agreed to take) any action which requires, or would require, the consent of the Panel or the approval of RMG Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

*No material adverse change*

- (I) since, in the case of RMG, 30 June 2021 or, in the case of AssetCo, 31 March 2021, and except as Disclosed, there having been:
  - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or any operational performance of any member of the Wider RMG Group or the Wider AssetCo Group to an extent which is material to the Wider RMG Group or Wider AssetCo Group taken as a whole or to the financing of the Acquisition;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider RMG Group or Wider AssetCo Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider RMG Group or Wider AssetCo Group or to which any member of the Wider RMG Group or Wider AssetCo Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, might reasonably be expected to have a material adverse effect on the Wider RMG Group or Wider AssetCo Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider RMG Group or Wider AssetCo Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider RMG Group or Wider AssetCo Group which, in any such case, might reasonably be expected to have a material adverse effect on the Wider RMG Group or Wider AssetCo Group taken as a whole;
  - (iii) no contingent or other liability having arisen, increased or become apparent to AssetCo or RMG, which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider RMG Group or Wider AssetCo Group to an extent which is material to the Wider RMG Group or Wider AssetCo Group taken as a whole;

- (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider RMG Group or Wider AssetCo Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider RMG Group taken as a whole; and
  - (v) no member of the Wider RMG Group or Wider AssetCo Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider RMG Group or Wider AssetCo Group taken as a whole;
- (m) except as Disclosed, AssetCo not having discovered:
- (i) that any financial, business or other information concerning the Wider RMG Group publicly announced or disclosed to any member of the Wider AssetCo Group or to any of their advisers at any time prior to the Rule 2.7 Announcement Date by or on behalf of any member of the Wider RMG Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider RMG Group taken as a whole in the context of the Acquisition;
  - (ii) that any member of the Wider RMG Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider RMG Group taken as a whole; or
  - (iii) any information which affects the import of any information disclosed to AssetCo at any time prior to the Rule 2.7 Announcement Date by or on behalf of any member of the Wider RMG Group which is material in the context of the Wider RMG Group taken as a whole;

*Intellectual property*

- (n) except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider RMG Group which would have a material adverse effect on the Wider RMG Group taken as a whole, or is otherwise material in the context of the Acquisition, including:
- (i) any member of the Wider RMG Group losing its title to any intellectual property material to the Wider RMG Group taken as a whole, or any intellectual property owned by the Wider RMG Group and material to the Wider RMG Group taken as a whole being revoked, cancelled or declared invalid;
  - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider RMG Group, or the validity or effectiveness, of any intellectual property of the Wider RMG Group that is material to the Wider RMG Group taken as a whole; or
  - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider RMG Group that is material to the Wider RMG Group taken as a whole being terminated or varied;

*Anti-corruption and sanctions*

- (o) except as Disclosed, AssetCo not having discovered that (to an extent that is material in the context of the Wider RMG Group taken as a whole):
- (i) any past or present member of the Wider RMG Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - (ii) any member of the Wider RMG Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);



- (iii) any past or present member of the Wider RMG Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
- (iv) a member of the RMG Group has engaged in a transaction which would cause the AssetCo Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; and

*No criminal property*

- (p) except as Disclosed, AssetCo not having discovered that any asset of any member of the Wider RMG Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Section B: Further terms of the Acquisition**

1. Subject to the requirements of the Panel in accordance with the Code, AssetCo reserves the right in its sole discretion to waive:
  - (a) any of the deadlines set out in paragraph 2 of Section A of this Part Three for the timing of the Court Meeting, the General Meeting and the Scheme Sanction Hearing. If any such deadline is not met, AssetCo shall make an announcement by 7.00 a.m. on the business day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with RMG to extend the deadline in relation to the relevant Condition; and
  - (b) in whole or in part, all or any of the Conditions listed in Section A of this Part Three, except for Conditions 2(a)(i), 2(b)(i), and 2(c)(i) which cannot be waived by AssetCo alone and the Return of Capital Condition which cannot be waived by AssetCo.
2. Subject to the requirements of the Panel in accordance with the Code, RMG reserves the right in its sole discretion to waive the Return of Capital Condition.
3. Conditions 3(b) to 3(p) (inclusive) must each be fulfilled, determined by AssetCo to be or to remain satisfied or (if capable of waiver) be waived by AssetCo by no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Sanction Hearing, failing which the Acquisition will lapse. AssetCo shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. The Return of Capital Condition must be fulfilled, determined by RMG to be or to remain satisfied or be waived by RMG by no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Sanction Hearing, failing which the Acquisition will lapse. RMG shall be under no obligation to waive or treat as satisfied the Return of Capital Condition by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
5. If AssetCo is required by the Panel to make an offer for RMG Shares under the provisions of Rule 9 of the Code, AssetCo may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
6. Under Rule 13.5(a) of the Code, AssetCo may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to AssetCo in the context of the Acquisition. The Conditions contained in paragraphs 1 and 2 of this Part Three, and, if applicable, any acceptance condition if the Acquisition is implemented by means of a takeover offer, are not subject to this provision of the Code.

7. Under Rule 13.6 of the Code, RMG should not invoke, or cause or permit AssetCo to invoke, any condition to the Acquisition unless the circumstances which give rise to the right to invoke the Condition are of material significance to the shareholders in RMG in the context of the Acquisition. The Return of Capital Condition is not subject to this provision of the Code.
8. AssetCo reserves the right to elect to implement the Acquisition by way of a takeover offer (as defined in section 974 of the Companies Act) as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75% (or such other percentage as AssetCo may, subject to the rules of the Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, AssetCo under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer are received and/or sufficient RMG Shares are otherwise acquired, it is the intention of AssetCo to apply the provisions of the Companies Act to acquire compulsorily any outstanding RMG Shares to which such offer relates.
9. The Acquisition and the Scheme will be governed by English law and be subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Part Three and to the full terms and conditions set out in Part Four (*The Scheme of Arrangement*) of this document. The Acquisition and the Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
10. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
11. Fractions of New AssetCo Shares will not be issued to Scheme Shareholders. Instead, Scheme Shareholders who otherwise would have received a fraction of a New AssetCo Share will receive an additional amount in cash, rounded to the nearest penny, based on the amount obtained by multiplying such fraction by the average of the high and low sales prices of AssetCo Shares on AIM on each of the five consecutive trading days ending on the trading day that is two trading days prior to the Effective Date, save that individual entitlements to amounts of less than £5.00 will not be paid to Scheme Shareholders but will be retained for the benefit of the Combined Group.
12. The New AssetCo Shares to be issued pursuant to the Acquisition have not been and will not be registered under the US Securities Act nor under any of the relevant securities laws of any Restricted Jurisdiction. Accordingly, the New AssetCo Shares may not be offered, sold or delivered, directly or indirectly, into any Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction.
13. The New AssetCo Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing AssetCo Shares. Applications will be made to the London Stock Exchange for the New AssetCo Shares to be admitted to trading on AIM.
14. RMG Shares which will be acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching or accruing to them on or after the Effective Date, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date, excluding any amount in respect of the Excluded Shares.
15. If, on or after the Rule 2.7 Announcement Date, and prior to the Effective Date, any dividend, distribution or other return of capital (other than a dividend on the B Shares in connection with the Return of Capital) is declared, paid or made or becomes payable by RMG in respect of the RMG Shares, AssetCo reserves the right (without prejudice to any right of AssetCo, with the consent of the Panel, to invoke the Condition set out in paragraph 3(k)(ii) of Section A of this Part Three) to reduce the consideration payable under the terms of the Acquisition for the RMG Shares by way of an adjustment to the Exchange Ratio reflecting an amount up to the aggregate amount of such dividend, distribution or other return of capital or excess, excluding any amount in respect of the Excluded Shares. In such circumstances, RMG Shareholders would be entitled to retain any such dividend, distribution or other return of capital declared, made or paid.

If and to the extent that any such dividend, distribution or other return of capital (other than a dividend on the B Shares in connection with the Return of Capital) is paid or made in respect of the RMG Shares prior to the Effective Date, and AssetCo exercises its rights under this paragraph 15 to reduce the consideration payable under the terms of the Acquisition for the RMG Shares, any reference in this document to the consideration payable under the terms of the Acquisition shall be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of capital has been declared or announced but not paid or made or is not payable in respect of the RMG Shares prior to the Effective Date or by reference to a record date prior to the Effective Date or is: (i) transferred pursuant to the Acquisition on a basis which entitles AssetCo to receive the dividend, distribution or other return of capital and to retain it; or (ii) cancelled before payment, the consideration payable under the terms of the Acquisition for the RMG Shares shall not be subject to change in accordance with this paragraph 15.

Any exercise by AssetCo of its rights referred to in this paragraph 15 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Scheme or the Acquisition.

16. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
17. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Part Three and those terms which are set out in Part 4 (*The Scheme of Arrangement*) of this document and the Co-operation Agreement and such further terms as may be required to comply with the Listing Rules and the provisions of the Code.
18. The availability of the Acquisition to persons not resident in the UK may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about and observe any applicable requirements.

**PART FOUR**  
**THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**COMPANIES COURT (ChD)**

**CR-2022-000435**

**IN THE MATTER OF RIVER AND MERCANTILE GROUP PLC**

- and -

**IN THE MATTER OF THE COMPANIES ACT 2006**

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**SCHEME OF ARRANGEMENT**  
**(under Part 26 of the Companies Act 2006)**

between

**RIVER AND MERCANTILE GROUP PLC**

and

**THE SCHEME SHAREHOLDERS**  
**(as hereinafter defined)**

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**PRELIMINARY**

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

<b>Acquisition</b>	the proposed acquisition by AssetCo of the entire issued and to be issued ordinary share capital of RMG which a member of the AssetCo Group does not already beneficially own, to be effected by means of the Scheme or, should AssetCo so elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, by means of a Takeover Offer, and where context admits, any subsequent revision, variation, extension or renewal thereof;
<b>AIM</b>	the market of that name operated by the London Stock Exchange;
<b>AssetCo</b>	AssetCo plc a company incorporated in England and Wales with registered number 04966347;
<b>AssetCo Concert Party</b>	AssetCo, Harwood Capital LLP, Toscafund Asset Management LLP, Cadoc Limited and Mark Butcher, being AssetCo and those persons deemed by the Panel to be acting in concert with AssetCo who have an interest in RMG Shares;
<b>AssetCo Group</b>	AssetCo and its subsidiaries and its subsidiary undertakings and where the context permits, each of them;
<b>AssetCo RMG Shares</b>	any RMG Shares registered in the name of, or beneficially owned by, any member of the AssetCo Group at the Scheme Record Time;

<b>AssetCo Shares</b>	the issued and fully paid ordinary shares of £0.10 each in the capital of AssetCo and any further shares in the capital of AssetCo which are unconditionally allotted or issued before the Scheme becomes Effective;
<b>B Shares</b>	the irredeemable preference B shares in the capital of RMG issued in connection with the B Share Scheme;
<b>B Share Scheme</b>	the issue of B Shares to RMG Shareholders <i>pro rata</i> to their holdings of RMG Shares, such B Shares being purchased by the Broker (acting as principal not as agent for RMG) for an aggregate amount equal to £190 million, the Broker receiving a dividend on such B Shares equal to £190 million in aggregate plus an amount equal to any stamp duty or stamp duty reserve tax (as applicable) arising on the purchase of the B Shares or, if the Broker has not purchased the B Shares by a prescribed time, RMG Shareholders receiving a dividend for an aggregate amount equal to £190 million with the B Shares then converting into C shares with no dividend rights and being repurchased and cancelled by RMG (if from RMG Shareholders rather than the Broker, then via the Broker) for an amount equal to their nominal value, on terms more particularly described in the Return of Capital Circular;
<b>Broker</b>	Jefferies selected by RMG to participate in implementation of the Return of Capital;
<b>business day</b>	a day (other than a Saturday, Sunday or a public or bank holiday in the UK) on which banks are open for general business in London, United Kingdom;
<b>certificated or in certificated form</b>	in relation to a Scheme Share, one which is not in uncertificated form (that is, not in CREST);
<b>Code</b>	the City Code on Takeovers and Mergers from time to time issued, amended and interpreted by the Panel;
<b>Companies Act</b>	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;
<b>Conditions</b>	the conditions to the implementation of the Scheme, as set out in Part Three ( <i>Conditions to and Certain Further Terms of the Scheme and the Acquisition</i> ) of the Scheme Document;
<b>Consideration</b>	the allotment and issue by AssetCo of 0.07392 New AssetCo Shares in exchange for each Scheme Share;
<b>Co-operation Agreement</b>	the co-operation agreement dated 25 January 2022 between AssetCo and RMG relating, among other things, to the implementation of the Scheme;
<b>Court</b>	the High Court of Justice in England and Wales;
<b>Court Meeting</b>	the meeting or meetings of Scheme Voting Shareholders (or any class or classes thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without modification), including any adjournment, postponement or reconvention thereof;
<b>Court Order</b>	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;



<b>Effective Date</b>	the date on which this Scheme becomes effective in accordance with its terms;
<b>Euroclear</b>	Euroclear UK & International Limited;
<b>Equiniti</b>	RMG's registrars, Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA;
<b>Exchange Ratio</b>	the exchange ratio of 0.07392 New AssetCo Shares in exchange for each RMG Share;
<b>Excluded Shares</b>	the (i) AssetCo RMG Shares, and (ii) any RMG Shares held as treasury shares (as defined in section 724(5) of the Companies Act) (if any) at the Scheme Record Time;
<b>holder</b>	a registered holder and includes any person(s) entitled by transmission;
<b>Latest Practicable Date</b>	4 March 2022 (being the latest practicable date before the publication of the Scheme Document);
<b>London Stock Exchange</b>	London Stock Exchange plc, together with any successor thereto;
<b>New AssetCo Shares</b>	the new AssetCo Shares to be issued pursuant to the Scheme;
<b>Overseas Shareholders</b>	RMG Shareholders who are resident in, ordinarily resident in, or citizens or nationals of, jurisdictions outside of the UK or who are nominees of, or custodians or trustees for, residents, citizens or nationals of countries other than the UK;
<b>Panel</b>	the Panel on Takeovers and Mergers, or any successor to it;
<b>Registrar of Companies</b>	the registrar of companies in England and Wales;
<b>Restricted Overseas Shareholders</b>	Overseas Shareholders who are resident in, ordinarily resident in, or citizens or nationals of, Restricted Jurisdictions or who are nominees of, or custodians or trustees for, residents, citizens or nationals of Restricted Jurisdictions;
<b>Restricted Jurisdiction</b>	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which RMG or AssetCo regards as unduly onerous;
<b>Return of Capital</b>	the proposed return of £190 million in cash by RMG to RMG Shareholders to be effected by way of the B Share Scheme
<b>Return of Capital Circular</b>	the circular from RMG to RMG Shareholders dated on or around the date of this document in relation to the Return of Capital;
<b>RMG or the Company</b>	River and Mercantile Group PLC, a company incorporated in England and Wales with registered number 04035248;
<b>RMG Group</b>	RMG and its subsidiary undertakings and where the context permits, each of them;
<b>RMG Shareholders</b>	the holders of RMG Shares from time to time;
<b>RMG Shares</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of £0.003 each in the capital of RMG and any further shares which are unconditionally allotted or issued before the Scheme becomes Effective;
<b>Rule 2.7 Announcement Date</b>	25 January 2022;
<b>Scheme or Scheme of Arrangement</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between RMG and the Scheme Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition which RMG and AssetCo may agree and, if required, approved or imposed by the Court;

<b>Scheme Document</b>	the circular dated 8 March 2022 sent by RMG to RMG Shareholders and persons with information rights, of which this Scheme forms a part;
<b>Scheme Effective Time</b>	the time on the Effective Date at which this Scheme becomes effective in accordance with clause 8;
<b>Scheme Record Time</b>	6.00 p.m. on the business day immediately prior to the Effective Date;
<b>Scheme Sanction Hearing</b>	the hearing of the Court at which the Court Order will be sought;
<b>Scheme Shareholders</b>	holders of Scheme Shares at any relevant date or time and a “ <b>Scheme Shareholder</b> ” shall mean any of those Scheme Shareholders;
<b>Scheme Shares</b>	all RMG Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of the Scheme Document;</li> <li>(ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders thereof are bound by the Scheme or in respect of which such holders are, or shall have agreed in writing to be, so bound,</li> </ul> in each case remaining in issue at the Scheme Record Time, but excluding the Excluded Shares;
<b>Scheme Voting Shareholders</b>	holders of Scheme Voting Shares;
<b>Scheme Voting Shares</b>	the Scheme Shares other than any Scheme Shares beneficially owned or controlled by any member of the AssetCo Concert Party;
<b>subsidiary undertaking</b>	has the meaning given in section 1162 of the Companies Act;
<b>Transfer Effective Time</b>	immediately following the reclassification provided for in sub-clause 1.1 having taken effect;
<b>uncertificated or in uncertificated form</b>	in relation to a Scheme Share, one which is recorded on the relevant register as being held in uncertificated form in CREST;
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland; and
<b>Voting Record Time</b>	6.30 p.m. on the day which is two days (excluding any part of a day that is not a business day) before the date of the Court Meeting or any adjournment of it (as the case may be).

- (B) References to clauses, sub-clauses and paragraphs are to clauses, sub-clauses and paragraphs of this Scheme.
- (C) The issued share capital of RMG as at the Latest Practicable Date was £256,360.902, divided into 85,453,634 ordinary shares of £0.003 each, all of which were issued and credited as fully paid. As at the Latest Practicable Date, no ordinary shares were held in treasury.
- (D) As at the Latest Practicable Date, 5,000,000 RMG Shares are registered in the name of, or beneficially owned by, members of the AssetCo Group and/or their respective nominees and a further 2,248,342 RMG Shares are registered in the name of, or beneficially owned by, members of the AssetCo Concert Party (other than AssetCo).
- (E) AssetCo has, subject to the terms of the Co-operation Agreement and the satisfaction or, where capable, waiver of the Conditions agreed to appear by counsel at the Scheme Sanction Hearing and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to AssetCo and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
- (F) Each member of the AssetCo Concert Party (excluding AssetCo), has consented to be treated as a separate class of Scheme Shareholders who will not be entitled to attend or vote at the Court Meeting but will undertake to the Court to be bound by the Scheme. Each member of the AssetCo Concert Party (excluding AssetCo) is therefore not a Scheme Voting Shareholder and AssetCo is not a Scheme Shareholder.

- (G) References to times are to London time.
- (H) All references to £ and pence are to the lawful currency of the United Kingdom.
- (I) Where the context so admits or requires, all references to the singular include the plural and vice versa.
- (J) Any reference to “includes” shall mean “including without limitation”, and references to “including” and any other similar term shall be interpreted accordingly.

## **THE SCHEME**

### **1. Reclassification of the AssetCo RMG Shares**

#### 1.1 At the Scheme Effective Time:

- (a) the AssetCo RMG Shares shall be reclassified as “A” ordinary shares having the rights and being subject to the restrictions set out in new article 157.10 set out below; and
- (b) the articles of association of RMG shall be amended as follows:

“157.10 The “A” ordinary shares do not confer on the holders of the “A” ordinary shares any right to participate in, or receive any Consideration pursuant to the terms of, the Scheme. In all other respects the rights attaching to the “A” ordinary shares and ordinary shares shall be identical and rank equally in all respects.”

### **2. Transfer of Scheme Shares**

2.1 At the Transfer Effective Time, AssetCo (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid with full title guarantee, free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third-party rights or interests of any nature, and together with all rights attaching or accruing to such Scheme Shares at the Transfer Effective Time or thereafter, including (without limitation) voting rights and the right to receive and retain, in full, (subject to sub-clause 3.2) all dividends, other distributions or return of capital (if any), announced, declared, made, paid or payable in respect of the Scheme by reference to a record date after the Scheme Record Time.

2.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to AssetCo (and/or its nominee(s)) by means of a form or forms of transfer or other instrument or instruction of transfer, or by means of CREST, and, to give effect to such transfer(s), any person may be appointed by AssetCo as attorney and/or agent and/or otherwise on behalf of the holder or holders concerned, and is authorised as such attorney and/or agent and/or otherwise, on behalf of the holder or holders concerned, to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) or give instruction to transfer by means of CREST in respect of such Scheme Shares and every form, instrument or instruction of transfer so executed or given shall be effective as if it had been executed or given by the holder or holders of the Scheme Shares transferred by it. Such instrument or form of transfer shall be deemed to be the principal instrument of transfer of the relevant Scheme Shares and the equitable or beneficial interest in such Scheme Shares shall only be transferred to AssetCo (and/or its nominee(s)), together with the legal interest in such Scheme Shares, pursuant to such form or instrument of transfer.

2.3 With effect from the Transfer Effective Time and until the register of members of RMG is updated to reflect the transfer of the Scheme Shares pursuant to sub-clauses 2.1 and 2.2, each Scheme Shareholder irrevocably:

- (a) appoints AssetCo (and/or its nominee(s)) with effect from the Transfer Effective Time to act, as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to the Scheme Shares and any or all rights and privileges (including the right to receive notice of or requisition the convening of a general meeting of the Company or meeting of any class of its shareholders) attaching to its Scheme Shares and to receive any distribution or other benefit accruing or payable in respect thereof;
- (b) appoints AssetCo (and/or its nominee(s)) and any one or more of its directors or agents as its attorney and/or agent and/or otherwise to act on its behalf to sign on behalf of such Scheme Shareholder any such documents, and do all such things, as may in the opinion of AssetCo and/or any one or more of its directors or agents be necessary or desirable in connection with the

exercise of any votes or other rights or privileges attaching to the relevant Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meetings of RMG as attorney and/or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or execute a form of proxy in respect of its Scheme Shares appointing any person nominated by AssetCo and/or any one or more of its directors or agents to attend any general and separate class meetings of RMG (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and

- (c) authorises RMG and/or its agents to send to AssetCo (and/or its nominee(s)) at its registered office any notice, circular, warrant or other document or communication which may be required to be sent to a Scheme Shareholder as a member of RMG in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Transfer Effective Time, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or (subject to sub-clause 3.2) any other rights or privileges attaching to the Scheme Shares.

- 2.4 The authorities granted pursuant to sub-clauses 2.2 and 2.3 shall be treated for all purposes as having been granted by deed.
- 2.5 RMG shall register, or procure the registration of, any transfer(s) of Scheme Shares effected in accordance with sub-clauses 2.1 and 2.2.

### **3. Consideration for the transfer of Scheme Shares**

- 3.1 In consideration for the transfer of the Scheme Shares to AssetCo (and/or its nominee(s)) referred to in sub-clause 2.2, AssetCo shall, subject to the provisions of this clause 3, allot and issue to each Scheme Shareholder 0.07392 New AssetCo Shares for each Scheme Share held by such Scheme Shareholder at the Scheme Record Time.

- 3.2 If on or after the Rule 2.7 Announcement Date any dividend, and/or other distribution and/or return of capital (other than a dividend on the B Shares in connection with the Return of Capital) is announced, declared, made or paid, or becomes payable in respect of the RMG Shares with a record date falling on or before the Scheme Record Time, AssetCo reserves the right to reduce the consideration payable under the terms of the Acquisition for the RMG Shares by way of an adjustment to the Exchange Ratio reflecting an amount up to the aggregate amount of such dividend and/or other distribution and/or return of capital per RMG Share, in which case any reference to the Consideration payable under the terms of the Scheme will be deemed to be a reference to the Consideration as so reduced.

- 3.3 If AssetCo exercises the right referred to in sub-clause 3.2 to reduce the Consideration payable under the terms of the Acquisition for the RMG Shares by way of an adjustment to the Exchange Ratio reflecting an amount up to the aggregate amount of such dividend and/or other distribution and/or return of capital per RMG Share, then: (a) Scheme Shareholders shall be entitled to receive and retain that dividend and/or other distribution and/or return of capital in respect of the Scheme Shares they hold; (b) any reference in this Scheme to the Consideration payable under the Scheme shall be deemed to be a reference to the Consideration as so reduced; and (c) the exercise of such rights shall not be regarded as constituting any revision or variation of the terms of this Scheme.

- 3.4 AssetCo's obligations to allot and issue New AssetCo Shares pursuant to sub-clause 3.1 is subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if AssetCo reasonably believes or is advised that a Scheme Shareholder is a Restricted Overseas Shareholder, AssetCo may at its discretion determine that either:

- (a) such Scheme Shareholder shall not have allotted, issued and delivered to them New AssetCo Shares and that the New AssetCo Shares which would otherwise have been attributable to such Scheme Shareholder under the terms of the Acquisition shall instead be allotted, issued and delivered to a person appointed AssetCo for such Scheme Shareholder on terms that such person shall, as soon as practicable after the allotment and issue of such New AssetCo Shares, sell the New AssetCo Shares so allotted and issued and the cash proceeds of such sale (after deduction of all expenses and commission, together with any value added tax thereon, incurred in connection with such sale, including any tax or foreign exchange conversion fees payable on the proceeds of sale) shall be forwarded to such Scheme Shareholder; or

- (b) the New AssetCo Shares shall not be allotted, issued and delivered to such Scheme Shareholder but instead a cash amount equal to the value of the New AssetCo Shares which would otherwise have been attributable to such Scheme Shareholder under the terms of the Acquisition shall be paid to the Scheme Shareholder as soon as practicable (and no later than 14 days after the Effective Date).

3.5 Any such sale under sub-clause 3.4(a) shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commission, together with any value added tax thereon, incurred in connection with such sale, including any tax or foreign exchange conversion fees payable on the proceeds of sale) shall be paid to such Scheme Shareholder by sending a cheque or creating an assured payment obligation in accordance with the provisions of clause 4.

#### **4. Share certificates and cancellation of CREST entitlements**

4.1 To give effect to any sale under sub-clause 3.4(a), the person appointed by AssetCo in accordance with clause 3.4(a) shall be authorised as attorney or agent on behalf of the Scheme Shareholder concerned to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of AssetCo, RMG or the persons so appointed shall have any liability for any determination made pursuant to sub-clause 3.4 or for any loss or damage arising as a result of the timing or terms of any sale pursuant to sub-clause 3.4.

4.2 With effect from, and including, the Transfer Effective Time, all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised in the certificates and every Scheme Shareholder shall destroy the same, or be bound at the request of RMG to deliver up the same to RMG (or any person appointed by RMG to receive them).

4.3 RMG shall procure that entitlements to Scheme Shares held within CREST are disabled as from the Scheme Record Time and Euroclear is instructed to cancel or transfer the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form and (if necessary) that entitlements to such Scheme Shares are rematerialised as soon as practicable after the Transfer Effective Time.

4.4 Subject to completion and delivery of any form of transfer or other instrument or instruction of transfer as may be required in accordance with sub-clause 2.2 and, if applicable, the payment of any stamp duty on them, RMG shall make, or procure to be made, as soon as practicable, appropriate entries in the register of members of RMG to reflect the transfer of the Scheme Shares to AssetCo (and/or its nominee(s)) and RMG shall comply with its obligations set out in sub-clause 2.5 in this respect.

#### **5. Settlement**

5.1 No later than 14 days after the Effective Date (or such other period as may be agreed between RMG and AssetCo and approved by the Panel), AssetCo shall, allot and issue the New AssetCo Shares which it is required to allot and issue to Scheme Shareholders pursuant to clause 3 and:

- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of share certificates of such New AssetCo Shares to the persons entitled thereto in accordance with the provisions of sub-clause 5.2;
- (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to such New AssetCo Shares in accordance with clause 3 and in accordance with the CREST assured payment arrangements, provided that AssetCo shall be entitled to settle all or part of the Consideration as aforesaid in sub-clause 5.1(a) if, for any reason outside of its control, it is not able to effect settlement in accordance with this sub-clause 5.1(b);
- (c) in the case of New AssetCo Shares sold pursuant to clause 6 and issued in respect of Scheme Shares which, at the Scheme Record Time, are in certificated form, procure the despatch to the persons entitled thereto of cheques for the sums payable to them, respectively; and



- (d) in the case of New AssetCo Shares sold pursuant to clause 5 and issued in respect of Scheme Shares which, at the Scheme Record Time, are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that AssetCo reserves the right to make payment of such sums by cheque as set out in sub-clause 5.1(c) if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system in accordance with this sub-clause 5.1(d).
- 5.2 All deliveries of share certificates and/or cheques required to be made pursuant to this Scheme shall be effected by sending the same by first class post or (if overseas) by international standard post (or by such other method as may be approved by the Panel) in pre-paid envelopes addressed to the persons entitled to them at their respective registered addresses as appearing in the register of members of RMG at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of RMG in respect of such joint holding at the Scheme Record Time) and none of RMG or AssetCo any member of the RMG Group, AssetCo Group or their respective agents or nominees or Equiniti shall be responsible for any loss or delay in the transmission of any share certificates and/or cheques sent in accordance with this sub-clause 5.2 which shall be sent at the risk of the person or persons entitled to them.
- 5.3 All cheques shall be in Sterling drawn on a branch of a UK clearing bank and shall be made payable to the Scheme Shareholder concerned, or, in the case of joint holders, the joint holder whose name stands first in the register of members of RMG in respect of such joint holding at the Scheme Record Time (save that, in the case of joint holders, AssetCo reserves the right to make the cheque payable to all joint holders), and the encashment of any such cheque as is referred to in sub-clause 5.1(c) or the creation of the assured payment obligation as is referred to in sub-clause 5.1(d) shall be a complete discharge of AssetCo's obligation under this Scheme to pay the monies represented thereby.
- 5.4 The preceding paragraphs of this clause 5 shall take effect subject to any prohibition or condition imposed by law.

## **6. Fractional entitlements**

Fractions of New AssetCo Shares will not be issued to Scheme Shareholders. Instead, Scheme Shareholders who otherwise would have received a fraction of a New AssetCo Share will receive an additional amount in cash, rounded to the nearest penny, based on the amount obtained by multiplying such fraction by the average of the high and low sales prices of AssetCo Shares on AIM on each of the five consecutive trading days ending on the trading day that is two trading days prior to the Effective Date, save that individual entitlements to amounts of less than £5.00 will not be paid to Scheme Shareholders but will be retained for the benefit of the Combined Group.

## **7. Mandates**

Each mandate and other instructions given to RMG by Scheme Shareholders in force at the Scheme Record Time shall, unless and until amended or revoked, under the terms of the Scheme be deemed as from the Effective Date to be an effective mandate or instruction in respect of the corresponding New AssetCo Shares.

## **8. Effective time**

- 8.1 This Scheme shall become effective upon a copy of the Court Order being delivered to the Registrar of Companies.
- 8.2 Unless this Scheme has become effective on or before 31 January 2023, or such later date (if any) as AssetCo and RMG may agree and (if required) the Panel and the Court may allow, this Scheme shall never become effective.

## **9. Modification**

RMG and AssetCo may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Code.

**10. Governing law**

- 10.1 This Scheme and all rights and obligations arising from it are governed by the laws of England and Wales.
- 10.2 Any dispute of any kind whatsoever arising directly or indirectly as a result of or in connection with this Scheme initiated by RMG, AssetCo, any present or future shareholder of AssetCo, or any director of RMG or AssetCo, irrespective of the causes of action, including whether based on contract or tort, shall be exclusively subject to the jurisdiction of the courts of England. The rules of the Code will apply to this Scheme on the basis provided in the Code.

Dated: 8 March 2022

## PART FIVE

### FINANCIAL INFORMATION

#### 1. RMG financial information

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

Information incorporated by reference	Hyperlinks	Pages
Trading update in respect of the six months ended 31 December 2021	<a href="https://riverandmercantile.com/wp-content/uploads/2022/02/Trading-statement-Jan-2022_25-01-22-Final.pdf">https://riverandmercantile.com/wp-content/uploads/2022/02/Trading-statement-Jan-2022_25-01-22-Final.pdf</a>	N/A
Annual report and accounts for RMG and its subsidiaries for the year ended 30 June 2021	<a href="https://riverandmercantile.com/wp-content/uploads/2021/11/RandM_Annual_Report_2021_web.pdf">https://riverandmercantile.com/wp-content/uploads/2021/11/RandM_Annual_Report_2021_web.pdf</a>	78 to 127 (both inclusive)
Annual report and accounts for RMG and its subsidiaries for the year ended 30 June 2020	<a href="https://riverandmercantile.com/wp-content/uploads/2020/11/34720_RiverMercantile_AR20_WEB.pdf">https://riverandmercantile.com/wp-content/uploads/2020/11/34720_RiverMercantile_AR20_WEB.pdf</a>	98 to 143 (both inclusive)

There are no current ratings or outlooks publicly accorded to RMG by any rating agencies.

#### 2. AssetCo financial information

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

Information incorporated by reference	Hyperlinks	Pages
Preliminary results for the year ended 30 September 2021	<a href="https://www.assetco.com/investor-relations/annual-reports/">https://www.assetco.com/investor-relations/annual-reports/</a>	N/A
Half-year report for the six months ended 31 March 2021	<a href="https://www.assetco.com/investorrelations/annual-reports/">https://www.assetco.com/investorrelations/annual-reports/</a>	N/A
The audited accounts of AssetCo for the financial year ended 30 September 2020 are set out in AssetCo's annual report for the financial year ended 30 September 2020	<a href="https://www.assetco.com/investor-relations/annual-reports/">https://www.assetco.com/investor-relations/annual-reports/</a>	11 to 41 (both inclusive)
The audited accounts of AssetCo for the financial year ended 30 September 2019 are set out in AssetCo's annual report for the financial year ended 30 September 2019	<a href="https://www.assetco.com/investor-relations/annual-reports/">https://www.assetco.com/investor-relations/annual-reports/</a>	10 to 38 (both inclusive)

There are no current ratings or outlooks publicly accorded to AssetCo by any rating agencies.

#### 3. Effect of the Scheme becoming Effective on AssetCo

Following the Scheme becoming Effective, the earnings, assets and liabilities of AssetCo will include the consolidated earnings, assets and liabilities of RMG on the Effective Date.

#### **4. Hard copies**

Recipients of this document may request hard copies of the information incorporated into this document by reference by contacting Equiniti. Any request should be sent to Equiniti at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA or by calling the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographical rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Acquisition.

Hard copies of the information incorporated into this document by reference will not be sent to recipients of this document unless specifically requested.

#### **5. No other incorporation of website information**

Save as expressly stated in this document, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

## PART SIX

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 Subject to paragraph 1.2 below, the RMG Directors, whose names are set out in paragraph 2.1 below, each accept responsibility for the information contained in this document (including any expressions of opinion), other than the information for which responsibility is taken by the AssetCo Directors pursuant to paragraph 1.3 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 document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 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 by the Independent RMG Directors or the decision of the Independent RMG Directors to recommend the Acquisition. 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.
- 1.3 The AssetCo Directors, whose names are set out in paragraph 2.2 below, each accept responsibility for the information contained in this document (including any expressions of opinion) relating to AssetCo, the AssetCo Group, themselves and their respective close relatives, related trusts and connected companies, and any other person acting or deemed to be acting in concert (as such term is defined in the Code) with AssetCo. 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 document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors and other responsible persons

- 2.1 The RMG Directors and their respective positions are:

<b>Name</b>	<b>Position</b>
Jonathan Dawson	Chairman
Martin Gilbert	Deputy Chairman
Alex Hoctor-Duncan	Chief Executive Officer
Simon Wilson	Chief Financial Officer
Angela Crawford-Ingle	Senior Independent Non-executive Director
John Misselbrook	Independent Non-executive Director
Miriam Greenwood	Independent Non-executive Director

RMG's registered office and the business address of each of the RMG Directors is 30 Coleman Street, London, United Kingdom, EC2R 5AL.

RMG's Company Secretary is Sally Buckmaster.

- 2.2 The AssetCo Directors and their respective positions are:

<b>Name</b>	<b>Position</b>
Martin Gilbert	Chairman
Campbell Fleming	Chief Executive Officer
Peter McKellar	Deputy Chairman and Executive Director
Tudor Davies	Non-executive director
Mark Butcher	Non-executive director
Christopher Mills	Non-executive director

AssetCo's registered office and the business address of each of the AssetCo Directors is Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire, NP25 5JA.

AssetCo's Company Secretary is Stephen Murphy.



### 3. Persons acting in concert

- 3.1 In addition to the RMG Directors (together with their close relatives and related trusts) and members of the Wider RMG Group, the persons who, for the purposes of the Code, are acting in concert with RMG in respect of the Acquisition and who are required to be disclosed are:

<b>Name</b>	<b>Registered office</b>	<b>Relationship with RMG</b>
Lazard & Co., Limited	50 Stratton St, London W1J 8LL	connected adviser
Fenchurch Advisory Partners LLP	10 Bishopsgate, London EC2N 4AY	connected adviser
Jefferies International Limited	100 Bishopsgate, London, England EC2N 4JL	corporate broker

- 3.2 In addition to the AssetCo Directors (together with their close relatives and related trusts) and members of the Wider AssetCo Group, the persons who, for the purposes of the Code, are acting in concert with AssetCo in respect of the Acquisition and who are required to be disclosed are:

<b>Name</b>	<b>Registered office</b>	<b>Relationship with AssetCo</b>
Numis Securities Limited	45 Gresham Street, London EC2V 7BF	Connected adviser
Arden Partners plc	5 George Road, Edgbaston, Birmingham, B15 1NP	Connected adviser
Harwood Capital LLP	6 Stratton Street, Mayfair, London, W1J 8LD	Associated company and affiliated person of a director of AssetCo <sup>(1)</sup>
Toscafund	5 <sup>th</sup> Floor, Ferguson House 15 Marylebone Road, London, NW1 5JD	Member of original concert party <sup>(2)</sup>
Cadoc Limited	261 High Street, Henley-In-Arden, B95 5BG	Affiliated person of close relative of director of AssetCo <sup>(3)</sup>
Gordon Neilly	N/A	Member of original concert party <sup>(2)</sup>

(1) Christopher Mills is a director and majority shareholder of Harwood Capital (the other shareholders being members of Christopher Mills' family).

(2) On 11 January 2021 AssetCo announced that Martin Gilbert, Peter McKellar, funds managed by Toscafund together with various associates (including Gordon Neilly) had, in aggregate, acquired a minority stake of 29.8% of the issued share capital of AssetCo. In addition, Martin Gilbert is also a director of Toscafund.

(3) Cadoc Limited is a company of which Tudor Davies (a non-executive director of AssetCo) is a director and which is controlled and owned by members of Tudor Davies' family.

#### 4. Market quotations

##### 4.1 RMG

The following table shows the closing middle market prices for RMG Shares as derived from the Official List for the first dealing day in each of the six months prior to the date of this document, for 24 January 2022 (being the last business day before the Rule 2.7 Announcement) and for 4 March 2022 (being the Latest Practicable Date).

<u>Date</u>	<u>RMG Share price (pence)</u>
1 September 2021	225
1 October 2021	242
1 November 2021	280
1 December 2021	320
4 January 2022	3083
1 February 2022	285
24 January 2022	296
Latest Practicable Date	268

##### 4.2 AsssetCo

The following table shows the closing middle market prices for AsssetCo Shares as derived from the Official List for the first dealing day in each of the six months prior to the date of this document, for 24 January 2022 (being the last business day before the Rule 2.7 Announcement) and for 4 March 2022 (being the Latest Practicable Date).

<u>Date</u>	<u>AsssetCo Share price (pence)</u>
1 September 2021	1,690
1 October 2021	1,700
1 November 2021	1,700
1 December 2021	1,700
4 January 2022	1,550
1 February 2022	1,525
24 January 2022	1,550
Latest Practicable Date	1,495

#### 5. Disclosures of interests and dealings

##### 5.1 For the purposes of paragraphs 3 to 5 of this Part Six (*Additional Information*):

- (a) **acting in concert** has the meaning given to it in the Code;
- (b) **affiliated person** has the meaning given to it in the Code;
- (c) **arrangement** includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (d) **connected adviser** has the meaning given to it in the Code;
- (e) **dealing** has the meaning given to it in the Code;
- (f) **derivative** has the meaning given to it in the Code;
- (g) **disclosure period** means the period beginning on 23 November 2020 (being the date that is 12 months before the commencement of the Offer Period) and ending on the Latest Practicable Date;
- (h) **financial collateral arrangements** are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code;
- (i) **interest** or **interests** in relevant securities shall have the meaning given to it in the Code and references to interests of AsssetCo Directors or interests of RMG Directors in relevant securities shall include all interests of any other person whose interests in shares the AsssetCo Directors or, as the case may be, the RMG Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;

- (j) **Note 11 arrangement** includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and letters of intent to vote in favour of the Scheme and/or related resolutions, details of which are set out in paragraph 7 of this Part Six (*Additional Information*));
- (k) **relevant AssetCo securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of AssetCo including equity share capital in AssetCo (or derivatives referenced to them) and securities convertible into, rights to subscribe for and options (including traded options) in respect of them;
- (l) **relevant RMG securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of RMG including equity share capital of RMG (or derivatives referenced to them) and securities convertible into, rights to subscribe for and options (including traded options) in respect of them; and
- (m) **short position** means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

***Interests and dealings in relevant RMG securities***

- 5.2 As at the Latest Practicable Date, the following RMG Directors had the following interests in, or rights to subscribe in respect of, relevant RMG securities:

***RMG Shares***

<b>Name</b>	<b>Number of RMG Shares</b>	<b>Percentage of total issued share capital</b>
Jonathan Dawson	100,800	0.12
Angela Crawford-Ingle	24,924	0.03
Miriam Greenwood	7,144	0.01
John Misselbrook	3,000	0.00
Simon Wilson	44,114	0.05

***RMG Share awards***

<b>Name</b>	<b>Description of award / option</b>	<b>Number of RMG Shares</b>	<b>Date of award</b>	<b>Exercise price</b>	<b>Vesting date</b>	<b>Expiry Date</b>
Simon Wilson	Buy-out Award (contingent share award under DEP Rules)	177,061	19 May 2020	N/A	30 June 2023	30 June 2023
	Value Transformation Plan	416,203	15 January 2021	Nil	2023-2025	14 December 2030
Alex Hooctor-Duncan	Buy-out Award (contingent share award under DEP Rules)	491,380	To be granted formally as soon as reasonably practicable	N/A	29 November 2024	29 November 2024

- 5.3 As at the Latest Practicable Date, AssetCo had the following interests in, or rights to subscribe in respect of, relevant RMG securities:

<b>Name</b>	<b>Number of RMG Shares</b>	<b>Percentage of total issued share capital</b>
AssetCo	5,000,000	5.85

- 5.4 As at the Latest Practicable Date, the following AssetCo Directors had the following interests in, or rights to subscribe in respect of, relevant RMG securities:

<b>Name</b>	<b>Number of RMG Shares</b>	<b>Percentage of total issued share capital</b>
Mark Butcher	26,500	0.03

- 5.5 As at the Latest Practicable Date, the following persons acting in concert with AssetCo held the following interests in, or rights to subscribe in respect of, relevant RMG securities:

<b>Name</b>	<b>Number of RMG Shares</b>	<b>Percentage of total issued share capital</b>
Harwood Capital LLP	1,721,842	2.01
Toscafund	400,000	0.47
Cadoc Limited <sup>(1)</sup>	100,000	0.12

(1) Cadoc Ltd is a company of which Tudor Davies (a non-executive director of AssetCo) is a director and which is controlled and owned by members of Tudor Davies' family.

- 5.6 During the disclosure period, the following AssetCo Directors dealt in the following relevant RMG securities:

<b>Name</b>	<b>Transaction type</b>	<b>Number of shares</b>	<b>Date</b>	<b>Price</b>
Mark Butcher	Purchase	5,000	9 September 2021	£2.24
Mark Butcher	Purchase	5,000	9 September 2021	£2.24
Mark Butcher	Purchase	5,000	9 September 2021	£2.24
Mark Butcher	Purchase	5,000	9 September 2021	£2.24
Mark Butcher	Purchase	5,000	10 September 2021	£2.29
Mark Butcher	Purchase	1,000	14 September 2021	£2.35
Mark Butcher	Purchase	1,000	14 September 2021	£2.35
Mark Butcher	Sale	500	14 September 2021	£2.34

- 5.7 During the disclosure period, the following persons acting in concert with AssetCo dealt in the following relevant RMG securities:

<b>Name</b>	<b>Transaction type</b>	<b>Number of shares</b>	<b>Date</b>	<b>Price</b>
Harwood Capital LLP	Purchase	100,000	9 September 2021	£2.14
Harwood Capital LLP	Purchase	1,200,000	9 September 2021	£2.14
Harwood Capital LLP	Purchase	315,000	10 September 2021	£2.14
Harwood Capital LLP	Purchase	106,842	24 September 2021	£2.24
Toscafund Asset Management LLP	Purchase	10,000	8 January 2021	£1.86
Toscafund Asset Management LLP	Purchase	34,024	11 January 2021	£2.28
Toscafund Asset Management LLP	Purchase	105,976	13 January 2021	£2.33
Toscafund Asset Management LLP	Purchase	150,000	27 August 2021	£2.24
Toscafund Asset Management LLP	Purchase	50,000	20 September 2021	£2.24
Toscafund Asset Management LLP	Purchase	75,000	15 October 2021	£2.37
Toscafund Asset Management LLP	Sell	25,000	23 November 2021	£3.16

Under Rule 6 of the Code, dealings in shares in the three months prior to the commencement of and during the offer period by a concert party require the offer being made to holders of the same class of shares to not be on less favourable terms. In light of the Return of Capital Condition and having

consulted with the Panel and RMG, the Panel confirmed that the price of the above dealings should be reduced by an amount equal to the amount per RMG Share to be received by RMG Shareholders in connection with the Return of Capital. Accordingly, this reduces the price relevant for Rule 6.1 by £2.20.

***Interests and dealings in relevant AssetCo securities***

- 5.8 As at the Latest Practicable Date, the following RMG Directors held the following interests in, or rights to subscribe in respect of, relevant AssetCo securities:

<b>Name</b>	<b>Number of AssetCo Shares</b>	<b>Percentage of total issued share capital</b>
Martin Gilbert	720,000	8.55

- 5.9 As at the Latest Practicable Date, the following AssetCo Directors held the following interests in, or rights to subscribe in respect of, relevant AssetCo securities:

***AssetCo Shares***

<b>Name</b>	<b>Number of AssetCo Shares</b>	<b>Percentage of total issued share capital</b>
Martin Gilbert	720,000	8.55
Peter McKellar	259,482	3.08
Campbell Fleming	150,000	1.78
Mark Butcher	6,896	0.08

- 5.10 As at the Latest Practicable Date, the following persons acting in concert with AssetCo held the following interests in, or rights to subscribe in respect of, relevant AssetCo securities:

<b>Name</b>	<b>Number of AssetCo Shares</b>	<b>Percentage of total issued share capital</b>
Cadoc Limited	200,000	2.37
Harwood Capital LLP	1,871,500	22.21
Toscafund Asset Management LLP	1,048,368	12.44
Gordon Neilly	125,000	1.48

- 5.11 During the disclosure period, the following AssetCo Directors dealt in the following relevant AssetCo securities:

<b>Name</b>	<b>Transaction type</b>	<b>Number of shares</b>	<b>Date</b>	<b>Price</b>
Peter McKellar	Purchase	225,000	8 January 2021	£4.75
Peter McKellar	Purchase	34,482	22 July 2021	£14.50
Martin Gilbert	Purchase	650,000	8 January 2021	£4.75
Martin Gilbert	Purchase	70,000	22 July 2021	£14.50
Mark Butcher	Purchase	6,896	22 July 2021	£14.50
Tudor Davies	Sale	32,813	8 January 2021	£4.75



5.12 During the disclosure period, the following persons acting in concert with AssetCo dealt in the following relevant AssetCo securities:

<b>Name</b>	<b>Transaction type</b>	<b>Number of shares</b>	<b>Date</b>	<b>Price</b>
Harwood Capital LLP	Sale	679,599	23 December 2020	£4.11
Harwood Capital LLP	Sale	1,748,287	23 December 2020	£4.11
Harwood Capital LLP	Sale	525,000	23 December 2020	£4.11
Harwood Capital LLP	Sale	529,607	8 January 2021	£4.75
Harwood Capital LLP	Sale	498,286	8 January 2021	£4.75
Harwood Capital LLP	Sale	225,000	8 January 2021	£4.75
Harwood Capital LLP	Sale	2,500	15 January 2021	£8.14
Harwood Capital LLP	Purchase	200,000	22 July 2021	£14.50
Toscafund Asset Management LLP	Purchase	45,000	8 January 2021	£4.75
Toscafund Asset Management LLP	Purchase	157,000	8 January 2021	£4.75
Toscafund Asset Management LLP	Purchase	598,000	8 January 2021	£4.75
Toscafund Asset Management LLP	Purchase	17,000	22 July 2021	£14.50
Toscafund Asset Management LLP	Purchase	48,000	22 July 2021	£14.50
Toscafund Asset Management LLP	Purchase	183,368	22 July 2021	£14.50
Cadoc Ltd	Purchase	854,722	18 December 2020	£4.13
Cadoc Ltd	Sale	427,361	23 December 2020	£4.11
Cadoc Ltd	Sale	227,361	8 January 2021	£4.75
Gordon Neilly	Purchase	125,000	8 January 2021	£4.75

5.13 Save as disclosed in this paragraph 5 and paragraph 7 (*Irrevocable undertakings*), as at the Latest Practicable Date:

- (a) none of: (i) AssetCo; (ii) any AssetCo Director or any close relative, related trust or connected person of any such director; or (iv) any other person acting in concert with AssetCo, had any interest in, right to subscribe in respect of, or short position in respect of, relevant RMG securities, and no such person has dealt in any relevant RMG securities during the disclosure period;
- (b) none of AssetCo nor any person acting in concert with AssetCo had borrowed or lent any relevant RMG securities or any relevant AssetCo securities (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (c) none of: (i) RMG; (ii) any RMG Director, or any close relative, related trust or connected person of any RMG Director; or (iii) any other person acting in concert with RMG, had any interest in, right to subscribe in respect of, or short position in relation to, relevant RMG securities; and no such person has dealt in any relevant RMG securities during the Offer Period;
- (d) neither: (i) RMG; nor (ii) any RMG Director had any interest in, right to subscribe in respect of, or short position in relation to, relevant AssetCo securities, and no such person has dealt in any relevant AssetCo securities during the Offer Period;
- (e) neither RMG nor any person acting in concert with it had borrowed or lent any relevant RMG securities or any relevant AssetCo securities (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (f) none of AssetCo nor any person acting in concert with AssetCo had any Note 11 arrangement with any other person; and
- (g) neither RMG nor any person acting in concert with RMG had any Note 11 arrangement with any other person.

## 6. Significant AssetCo shareholders

As at the Latest Practicable Date, the persons who have publicly disclosed a direct interest of 5% or more in the issued share capital of AssetCo are as follows:

<b>Name</b>	<b>Number of AssetCo Shares</b>	<b>Percentage of the issued share capital of AssetCo</b>
Harwood Capital LLP	1,871,500	22.2
Toscafund Asset Management LLP	1,048,368	12.4
Martin Gilbert	720,000	8.6
ICM Limited	708,965	8.4
Lombard Odier Asset Management (Europe) Ltd.	651,500	7.7

## 7. Irrevocable undertakings

### 7.1 *Independent RMG Directors and James Barham*

The following Independent RMG Directors have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in relation to the following RMG Shares currently held by them as well as any further RMG Shares they may acquire:

<b>Name</b>	<b>Number of RMG Shares for which undertaking is given</b>	<b>Percentage of total issued share capital</b>
Jonathan Dawson	100,800	0.12
Angela Crawford-Ingle	24,924	0.03
Miriam Greenwood	7,144	0.01
John Misselbrook	3,000	0.00
Simon Wilson	44,114	0.05
<b>Total</b>	<b>179,982</b>	<b>0.21</b>

Alex Hctor-Duncan has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in relation to any RMG Shares he may acquire.

James Barham, former Group CEO of RMG, has given an irrevocable undertaking to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in relation to the 1,677,226 shares in RMG that he owns (representing approximately 1.96% of the issued share capital of RMG at the Latest Practicable Date) and any further shares in RMG that he may acquire.

The obligations of the Independent RMG Directors and James Barham under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if, among other things:

- (i) the Acquisition has not become Effective by 6.00 p.m. (London time) on the Long Stop Date (or such later time and/or date as agreed between AssetCo and RMG, with the approval of the Court and/or the Panel if required);
- (ii) AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Code at the same time; or
- (iii) the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement acquisition (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Code at the same time.

## 7.2 RMG Shareholders

The following RMG Shareholders have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in relation to the following RMG Shares currently held by them as well as, in some cases, any further RMG Shares they may acquire:

Name	Number of RMG Shares for which undertaking is given	Percentage of total issued share capital
Sir John Beckwith	6,305,456	7.38
Mark Johnson	656,317	0.77
Chris Munro	274,789	0.32
Henry Beckwith	44,299	0.05
Punter Southall Group Limited <sup>(1)</sup>	17,242,703	20.18
Mike Faulkner	4,063,071	4.75
<b>Total</b>	<b>28,586,635</b>	<b>33.45</b>

(1) The obligations of Punter Southall Group Limited under the irrevocable undertaking it has given are subject to any releases(s) or consent(s) required from or by the holder(s) of any security over the relevant RMG Shares and no security enforcement event(s) having occurred over such relevant RMG Shares.

The obligations of the above named RMG Shareholders under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if, among other things:

- (i) the Acquisition has not become Effective by 6.00 p.m. (London time) on the Long Stop Date (or such later time and/or date as agreed between AssetCo and RMG, with the approval of the Court and/or the Panel if required);
- (ii) AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Code at the same time;
- (iii) the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement acquisition (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Code at the same time; or
- (iv) save in respect of the irrevocable undertakings given by Punter Southall and Mike Faulkner, where a competing offeror has released a firm offer announcement under Rule 2.7 of Code announcing a firm offer for the entire issued, and to be issued, ordinary share capital of RMG at a price which values each RMG Share at 126.06 pence or more as at the latest practicable date prior to such announcement.

In addition to the irrevocable undertakings referred to above, each member of the AssetCo Concert Party (other than AssetCo) has given an irrevocable undertaking to vote in favour of the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) but, in accordance with their having consented not to vote at the Court Meeting in respect of any Scheme Shares they hold, not to vote either in favour or against the Scheme at the Court Meeting, in relation to the following RMG Shares currently held by them, as well as any further RMG Shares they may acquire:

Name	Number of RMG Shares for which undertaking is given	Percentage of total issued share capital
Harwood Capital LLP	1,721,842	2.01
Cadoc Limited	100,000	0.12
Toscafund Asset Management LLP	400,000	0.47
Mark Butcher	26,500	0.03
<b>Total</b>	<b>2,248,342</b>	<b>2.63</b>

The obligations of the above named RMG Shareholders under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if, among other things:

- (i) the Acquisition has not become Effective by 6.00 p.m. (London time) on the Long Stop Date (or such later time and/or date as agreed between AssetCo and RMG, with the approval of the Court and/or the Panel if required);
- (ii) AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which this undertaking applies) is announced in accordance with Rule 2.7 of the Code at the same time; or
- (iii) the Takeover Offer or Scheme lapses or is withdrawn and no new, revised or replacement acquisition (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Code at the same time.

### 7.3 *AssetCo Directors*

The following AssetCo Directors have given irrevocable undertakings to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in relation to the following AssetCo Shares currently held by them (or their close relatives, related trusts and connected persons) as well as any further AssetCo Shares they may acquire:

<b>Name of AssetCo Director</b>	<b>Number of AssetCo Shares for which undertaking is given</b>	<b>Percentage of total issued share capital</b>
Martin Gilbert	720,000	8.55
Peter McKellar	259,482	3.08
Campbell Fleming	150,000	1.78
Mark Butcher	6,896	0.08
Tudor Davies	200,000 <sup>(1)</sup>	2.37
<b>Total</b>	<b>1,336,378</b>	<b>15.86</b>

(1) Beneficially owned by Cadoc Limited, a company of which Tudor Davies (a non-executive director of AssetCo) is a director and which is controlled and owned by members of Tudor Davies' family.

Christopher Mills has given an irrevocable undertaking to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in relation to any AssetCo Shares he may acquire.

The obligations of the AssetCo Directors under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if:

- (i) the AssetCo Circular has not been despatched to AssetCo Shareholders on or before 29 April 2022; or
- (ii) prior to the AssetCo General Meeting, AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Code at the same time.

#### 7.4 *AssetCo Shareholders*

The following AssetCo Shareholders have given irrevocable undertakings to vote in favour of the AssetCo Resolutions to be proposed at the AssetCo General Meeting which will be convened in connection with the Acquisition in relation to the following AssetCo Shares currently held by them as well as any further AssetCo Shares they may acquire:

<b>Name of AssetCo Shareholder</b>	<b>Number of AssetCo Shares for which undertaking is given</b>	<b>Percentage of total issued share capital</b>
Harwood Capital LLP	1,871,500	22.21
Toscafund	1,048,368	12.44
Gordon Neilly	125,000	1.48
<b>Total</b>	<b>3,044,868</b>	<b>36.14</b>

The obligations of the AssetCo Shareholders under the irrevocable undertakings shall lapse and cease to have effect to the extent not already undertaken and without prejudice to any liability for antecedent breach if:

- (i) the AssetCo Circular has not been despatched to AssetCo Shareholders on or before 29 April 2022; or
- (ii) prior to the AssetCo General Meeting, AssetCo announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement offer or scheme (to which the undertakings apply) is announced in accordance with Rule 2.7 of the Code at the same time.

## 8. **Directors' service contracts and emoluments**

### 8.1 *RMG executive directors*

The particulars of the service contracts between RMG and each executive director are set out below.

<b>Name of executive director</b>	<b>Position</b>	<b>Date of service contract</b>
Alex Hoctor-Duncan	Chief Executive Officer	29 November 2021
Simon Wilson	Chief Financial Officer	27 November 2019

Alex Hoctor-Duncan and Simon Wilson are paid annual base salaries of £360,000, and £250,000 respectively. The executive directors are eligible to receive a discretionary bonus of up to 250% of base salary. Both executive directors are also entitled to a pension contribution of 5% of salary per annum and will receive life assurance, income protection and private medical insurance. They are also eligible for cover under any director or officer insurance that RMG maintains from time to time.

Under their service agreements, each of the executive director's employment may be terminated by either party providing written notice to the other of not less than twelve months. RMG has the ability to make a payment in lieu of notice equal to the base salary and benefits element of each of the executive director's remuneration for any unexpired portion of the notice period. RMG also reserves the right to place each executive director on garden leave during their notice period (for all or an element of the notice period). RMG is also entitled to dismiss them without notice in certain circumstances such as serious misconduct or following a serious breach of his duties. The service agreements also contain six-month non-competition for the CFO and nine month non-competition for the CEO and six-month non-solicitation post-termination for the CFO and nine-month non-solicitation for the CEO restrictive covenants.



## 8.2 *RMG non-executive directors*

The particulars of the letters of appointment between RMG and each non-executive director are set out below. No such letter of appointment has been entered into or amended during the six months preceding publication of this document.

<b>Name of Director</b>	<b>First appointment date</b>	<b>Date of expiry of current appointment period</b>
Jonathan Dawson	1 October 2017	1 October 2023
Martin Gilbert	6 January 2021	6 January 2024
John Misselbrook	16 February 2018	16 February 2024
Miriam Greenwood	28 May 2019	28 May 2022
Angela Crawford-Ingle	29 May 2014	5 June 2023

Jonathan Dawson, as Chairman of the RMG Board, is entitled to receive an annual gross fee of £150,000. Martin Gilbert, as Deputy Chairman of the RMG Board, is entitled to receive an annual gross fee of £100,000. Angela Crawford-Ingle, as senior independent non-executive director, is entitled to receive an annual gross fee of £65,500. Miriam Greenwood and John Misselbrook, as independent non-executive directors, are entitled to receive an annual gross fee of £47,500. Any non-executive director that serves as a chair of a committee of the RMG Board is entitled to an additional annual fee of £8,000.

The fees payable to all of the non-executive directors are subject to annual review.

In addition, each non-executive director is entitled to be reimbursed for all reasonable and properly documented expenses incurred, and any taxation payable, in the performance of their duties.

All non-executive directors have a service contract with a three month notice period and an initial three-year term from appointment, subject to annual re-election at RMG's Annual General Meeting.

## 8.3 Save as disclosed in this paragraph 8:

- (i) no RMG Director is entitled to commission or profit-sharing arrangements;
- (ii) other than statutory compensation and payment in lieu of notice, no compensation is payable to any RMG Director upon early termination of their contract or appointment; and
- (iii) there are no service contracts or letters of appointment between any RMG Director or proposed director of RMG and any member of the RMG Group and no such contract has been entered into or amended within the six months preceding the date of this document.

## 8.4 Save as otherwise disclosed in this document, the effect of the Scheme on the interests of the RMG Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

## 8.5 **AssetCo Directors' emoluments**

The emoluments of the AssetCo Directors will not be affected by the Acquisition or any other associated transaction.

## 9. **Material contracts**

### 9.1 *RMG material contracts*

Save as disclosed below, and the offer related arrangements referred to in paragraph 10 of this Part Six and in paragraph 9 of Part Two (*Explanatory Statement*), RMG has not, during the period beginning on 23 November 2019 (being two years before the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by RMG in the period beginning on 23 November 2019 (being two years before the commencement of the Offer Period) and ending on the Latest Practicable Date.

### **Solutions SPA**

The Solutions SPA was entered into on 26 October 2021 between the Solutions Seller, RMG, and Schroders. Pursuant to the terms of the Solutions SPA, the Solutions Seller agreed to sell the entire issued share capital of RAMIL to Schroders.

The consideration payable by Schroders to the Solutions Seller at completion of the Solutions Sale was £230 million, adjusted in accordance with a customary completion accounts mechanism on a debt free cash free basis, and with the consideration being increased or decreased to reflect any surplus or deficit of working capital transferring with Solutions at completion compared to an agreed normalised level.

In the Solutions SPA, the Solutions Seller gave warranties and a tax covenant to Schroders that are customary for a transaction of this nature. With limited exceptions, the liability of the Solutions Seller to Schroders in respect of these warranties and tax covenant is limited to £1 in aggregate. Schroders has taken out an insurance policy in respect of these warranties and tax covenant on terms that are customary for a transaction of this nature.

The Solutions SPA is governed by English Law.

The Solutions Sale completed on 31 January 2022.

### **Solutions TSA**

On 31 January 2022, the Solutions Seller and RAMIL entered into the Solutions TSA to govern the transitional support to be provided by the Solutions Seller to RAMIL following completion of the Solutions Sale. The transitional services to be provided by the Solutions Seller consist of certain fund operations and technology services.

### **US Solutions SPA**

On 25 January 2022, the US Solutions Seller signed an agreement for the sale of US Solutions to the US Solutions Purchaser conditional on, *inter alia*, RMG Shareholder approval. The consideration in respect of the sale of US Solutions will be \$8.6 million (subject to adjustment based on net tangible assets at completion) comprising \$2.6 million in cash, and the issuance of a secured loan note of \$6 million. Repayment of this note can be accelerated by RMG in certain circumstances including acceleration in full following completion of the Acquisition.

The US Solutions SPA also provides that the US Solutions Seller and US Solutions Purchaser may enter into a transitional services agreement pursuant to which the US Solutions Seller will provide certain services to, and receive certain services from, River and Mercantile LLC, for a certain period of time following completion of the US Solutions Sale.

The US Solutions SPA is governed by the laws of the Commonwealth of Massachusetts.

On or around the date of this document RMG will send to RMG Shareholders a circular setting out details of the US Solutions Sale and notice of the general meeting at which RMG Shareholders will be asked to approve the US Solutions Sale. However, approval of the US Solutions Sale is not a condition of either the Acquisition or the Return of Capital.

The RMG Directors expect that the sale of US Solutions will complete in the second quarter of 2022. If the sale of US Solutions completes before completion of the Acquisition, the proceeds will not be distributed to RMG Shareholders, but will be available to the RMG Group and (if the Acquisition becomes Effective) the Combined Group. If the sale of US Solutions completes after the Acquisition becomes Effective, the proceeds will be available to the Combined Group.

Following the completion of the sale of US solutions, RMG will comprise solely its asset management division, which is focused on delivering a range of active investment strategies to institutional and wholesale investors in the UK, Europe, Australia, New Zealand and the US.

### **Return of Capital**

As set out in the Return of Capital Circular, RMG and the Broker have entered into certain agreements in relation to the Return of Capital, including a deed pursuant to which, subject to certain conditions including, *inter alia*, the approval of the Scheme by Scheme Voting Shareholders at the

Court Meeting, the passing of the Resolution by RMG Shareholders at the General Meeting and the passing of the Return of Capital Resolutions by RMG Shareholders at the Return of Capital General Meeting, the Broker will offer to purchase the B Shares as part of the Return of Capital.

## 9.2 *AssetCo material contracts*

Save as disclosed below, and the offer related arrangements referred to in paragraph 10 of this Part Six (*Additional Information*) and in paragraph 12 of Part Two (*Explanatory Statement*), no member of the AssetCo Group has entered into, during the period beginning on 23 November 2019 (being two years before the commencement of the Offer Period) and ending on the Latest Practicable Date, any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by AssetCo in the period beginning on 23 November 2019 (being two years before the commencement of the Offer Period) and ending on the Latest Practicable Date.

### **Readmission Agreement**

AssetCo, the then directors of AssetCo and Arden entered into a readmission agreement dated 25 March 2021 pursuant to which Arden agreed to advise AssetCo in connection with the readmission of its share capital to trading on AIM as more particularly detailed in the Readmission Document.

AssetCo agreed to pay Arden a corporate finance fee together with all of the costs and expenses of and incidental to the readmission and any applicable VAT.

AssetCo and the then directors of AssetCo gave certain warranties to Arden as to the accuracy of the information in the Readmission Document and as to other matters relating to AssetCo. The liability of the then directors of AssetCo under these warranties is limited in time and amount, save in certain circumstances. AssetCo also gave an indemnity to Arden against any losses or liabilities arising out of the proper performance by Arden of its duties under the Readmission Agreement.

### **Appointed Representative Agreement**

AssetCo and Toscafund entered into an appointed representative agreement dated 25 March 2021, whereby AssetCo was appointed as an appointed representative of Toscafund for the purposes of section 39 of FSMA and the Appointed Representative Regulations. The agreement enables AssetCo to carry out regulated activities, to arrange transactions in investments and to advise on investments. Under the terms of the Appointed Representative Agreement, AssetCo's activities as an appointed representative are treated for regulatory purposes as being carried out by Toscafund. AssetCo agreed to use all reasonable endeavours to obtain permission under Part 4A of FSMA, or acquire an entity that has such permission, as soon as reasonably practicable.

AssetCo agreed to pay Toscafund a monthly fee of £5,000 plus VAT (payable in advance). AssetCo also agreed to pay the reasonable costs and expenses of Toscafund in connection with the Appointed Representative Agreement. The Appointed Representative Agreement will continue unless terminated by either party on one month's written notice, or immediately upon AssetCo obtaining Part 4A permission under FSMA, or in certain other prescribed circumstances.

AssetCo has given certain representations, warranties and undertakings to Toscafund as to certain matters relating to AssetCo. AssetCo has given an indemnity to Toscafund against *inter alia* actions, proceedings, liabilities and losses suffered due to certain acts, omissions, misrepresentations or breaches by AssetCo. Toscafund has accepted regulatory responsibility for the activities of AssetCo under the terms of the Appointed Representative Agreement to the extent it is required to do so by FSMA, the Appointed Representative Regulations and the rules of the FCA.

### **Saracen Acquisition Agreement**

AssetCo and the individual sellers owning the entire issued share capital of Saracen (the "**Saracen Sellers**") entered into a share purchase agreement dated 13 May 2021 pursuant to which AssetCo agreed, subject to a number of conditions (including the FCA approving the change of control), to acquire the entire issued share capital of Saracen for a total consideration of £2,002,006 satisfied as to £666,774 in cash and as to £1,335,232 by the issue, credited as fully paid, of 166,904 AssetCo Shares.

Under the terms of the Saracen Acquisition Agreement certain Saracen Sellers gave customary warranties and indemnities to AssetCo subject to customary limitations. The conditions to which the Saracen Acquisition Agreement was subject were satisfied, and the acquisition of Saracen completed, on 30 July 2021.

#### **Parmenion Share and Loan Note Purchase Agreement**

AssetCo, Shillay DebtCo Limited (“**Shillay DebtCo**”) and Shillay HoldCo Limited (“**Shillay HoldCo**”) entered into a share and loan note purchase agreement dated 30 June 2021 pursuant to which AssetCo purchased 169,850 A Ordinary Shares in Shillay Topco Limited (“**Topco**”) from Shillay Holdco for a consideration of £169,850 and £20,382,026 nominal of 10% fixed loan notes due 2050 issued by Shillay MidCo Limited from Shillay DebtCo for consideration of £21,535,150. The Parmenion Share and Loan Note Purchase Agreement was subject to FCA consent being given to AssetCo acquiring control (for the purposes of section 422 of FSMA) of Parmenion and Self Direction Investment Limited, two entities in the group of which Topco is the holding company. Such consent was obtained and the Parmenion Share and Loan Note Purchase Agreement completed on 1 October 2021.

#### **Parmenion deed of adherence and Investment Agreement**

AssetCo entered into a deed of adherence dated 1 October 2021 to an investment agreement dated 30 June 2021 and made between *inter alia* Topco and certain individuals comprising the management team of Parmenion (the “**Investment Agreement**”). The Investment Agreement (in conjunction with the articles of association of Topco) regulates the manner in which Topco and its subsidiary undertakings, including Parmenion, operate. In this regard the Investment Agreement contains customary provisions for an agreement of this nature relating to representations on the board of Topco (AssetCo being entitled to nominate one director), reserved matters, information rights, issues of further securities and exit and restrictive covenants.

#### **Placing Agreement**

AssetCo and Numis entered into a placing agreement dated 21 July 2021 under the terms of which Numis agreed to use reasonable endeavours to place new AssetCo Shares (the “**Placing Shares**”) at a placing price of 1,450 pence per Placing Share. In return AssetCo agreed to pay Numis agreed fees and commissions. AssetCo gave customary warranties and indemnities to Numis and agreed to certain undertakings in respect of the period following the admission of the Placing Shares to trading on AIM. The Placing Agreement completed and 1,725,000 Placing Shares were admitted to trading on AIM on 26 July 2021.

#### **Rize ETF Acquisition Agreement**

AssetCo and J&E Davy Holdings (“**Davy**”) entered into a share purchase agreement dated 21 July 2021 pursuant to which AssetCo acquired 257,890 B Ordinary Shares of £0.001 each in the share capital of Rize ETF (the “**Rize B Shares**”) for a consideration of £16,500,000. Under the terms of the Rize ETF Acquisition Agreement, Davy gave certain limited warranties to AssetCo concerning its title to the Rize B Shares and its ability to enter into the Rize ETF Acquisition Agreement. Davy also agreed that the shareholders’ agreement that it had previously entered into with the management team of Rize ETF ceased and determined.

#### **Rize ETF Subscription Agreement**

AssetCo, the individual founders of Rize ETF (the “**Founders**”) and Rize ETF entered into a subscription agreement dated 21 July 2021 under the terms of which AssetCo paid £5,250,000 to subscribe for 5,250,000 preference shares of £1 each in Rize ETF (the “**Preference Shares**”) having the rights set out in the articles of association of Rize ETF adopted on the date of the subscription agreement (the “**Rize ETF Articles**”).

#### **Rize ETF Shareholders’ Agreement**

AssetCo, the Founders, certain employees of Rize ETF and Rize ETF entered into a shareholders’ agreement dated 21 July 2021 to regulate the manner in which the governance and business of Rize ETF is to be conducted. Under the terms of the agreement, although the Founders are to carry on the day to day business of Rize ETF, certain decisions or activities cannot occur without the consent of

AssetCo or its appointed directors on the board of Rize ETF. The Rize ETF Shareholders' Agreement also contains a liquidation preference whereby, *inter alia*, the Preference Shares rank ahead of any other shareholders in a distribution on a liquidation or winding up of Rize ETF.

The Rize ETF Shareholders' Agreement also provides that in the event that the run rate revenues of Rize ETF reach \$5,500,000 (and maintain that level for a continuous period of 90 days) the holders of C ordinary shares in Rize ETF will, in preference to other shareholders, receive 5% of the profits available for distribution. The Rize ETF Shareholders' Agreement also contains provisions whereby D ordinary shares in Rize ETF can over a period (to 1 January 2025) "vest" and thereby become voting equity shares. The Rize ETF Shareholders' Agreement (in conjunction with the Rize ETF Articles) contains customary provisions for a shareholders' agreement including good leaver, bad leaver, drag-along, tag-long, and pre-emption rights.

#### **Revera Acquisition Agreement**

AssetCo and the individual sellers owning the entire issued share capital of Revera (the "**Revera Sellers**") entered into a share purchase agreement dated 27 February 2022 pursuant to which AssetCo has agreed, subject to a number of conditions (including FCA approval to the change in control) to acquire the entire issued share capital of Revera for an effective total consideration of £2.8 million to be satisfied as to £1.9 million in cash and the remainder by the issue, credited as fully paid, of 54,639 new AssetCo Shares. Under the terms of the agreement certain Revera Sellers give customary warranties and indemnities to AssetCo subject to customary limitations.

### **10. Offer-related arrangements**

#### *(a) Confidentiality Agreements*

See paragraph 12.1 of Part Two (*Explanatory Statement*) of this document for details of the Confidentiality Agreements.

#### *(b) Co-operation Agreement*

See paragraph 12.2 of Part Two (*Explanatory Statement*) of this document for details of the Co-operation Agreement.

### **11. No significant change**

11.1 Save as set out in paragraph 8 of Part One (*Letter from the Chairman of RMG*), there has been no *significant* change in the financial or trading position of the RMG Group since 30 June 2021, being the date to which the latest published financial statements of the RMG Group were prepared.

11.2 There has been no significant change in the financial or trading position of the AssetCo Group since 30 September 2021, being the date to which the latest published preliminary statement of annual results of the AssetCo Group was prepared.



## 12. Offer-related fees and expenses

### 12.1 *AssetCo fees and expenses*

The aggregate fees and expenses which are expected to be incurred by AssetCo in connection with the Acquisition are estimated to amount to approximately £2,600,000 - £2,840,000, plus applicable VAT and other taxes. The aggregate fees and expenses consist of the following categories:

Category	Amount (excluding applicable VAT)
Financial and corporate broking advice <sup>1</sup>	£1,240,000 - £1,480,000
Legal advice <sup>2</sup>	£360,000
Accounting advice <sup>2</sup>	£450,000
Other costs and expenses <sup>3</sup>	£550,000
<b>Total</b>	<b>£2,600,000 - £2,840,000</b>

#### Notes

- 1 The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective and also includes a discretionary element.
- 2 These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Effective Date.
- 3 These costs and expenses include amounts in respect of stamp duty.

### 12.2 *RMG fees and expenses*

The aggregate fees and expenses which are expected to be incurred by RMG in connection with the Acquisition are estimated to amount to approximately £4,490,000, plus applicable VAT and other taxes and disbursements. The aggregate fees and expenses consist of the following categories:

Category	Amount (excluding applicable VAT)
Financial and corporate broking advice	£3,350,000
Legal advice	£980,000
Accounting advice	£60,000
Public relations advice	£70,000
Other costs and expenses	£30,000
<b>Total</b>	<b>£4,490,000</b>

## 13. RMG Profit Forecast

The announcement by RMG on 26 October 2021 of the signing of the Solutions SPA included the following statement regarding the financial effects of the Solutions Sale on RMG (the “**RMG Profit Forecast**”):

“Given the expected timing of the disposal, RMG will own Solutions for the majority of the current financial year ending 30 June 2022 and is therefore expected to be profitable for this financial year as a whole.”

The RMG Profit Forecast was repeated in the Solutions Sale Circular and RMG’s preliminary results for the year ended 30 June 2021.

The RMG Profit Forecast constitutes a profit forecast for the purposes of Rule 28 of the Code. The RMG Profit Forecast was first published before RMG received an approach with regard to a possible offer and therefore falls within Rule 28.1(c) of the Code. For the purposes of Rule 28.1(c), the the RMG Directors repeat the RMG Profit Forecast and confirm that the RMG Profit Forecast remains valid and was properly compiled on the basis of the following principal assumptions, which are outside the influence or control of the RMG Directors, and which were set out in the Solutions Sale Circular:

- RMG’s businesses (including Solutions and its asset management business) continue to perform in line with current trading and management’s expectations and overall market conditions remain stable. RMG’s recent trading performance is described in section 8 of Part One Letter from the Chairman of RMG).

- Completion of the Solutions Sale occurs during Q1 2022, accordingly, RAMIL's results for the majority of the current financial year ending 30 June 2022 are consolidated into RMG's financial result for the financial year ending 30 June 2022. The Solutions Sale completed on 31 January 2022.
- Completion of the Solutions Sale occurs during Q1 of 2022 and so the material profit for RMG generated from the Solutions Sale will arise within the financial year ending 30 June 2022. The Solutions Sale completed on 31 January 2022.

The RMG Directors confirm that the basis of accounting used in respect of the RMG Profit Forecast was consistent with RMG's accounting policies. Other than the RMG Profit Forecast, no statement in this document is intended to be, or should be construed as, a profit forecast.

#### **14. Other information**

- 14.1 Lazard, Fenchurch, and Numis have each given and not withdrawn their consent to the publication of this document with the inclusion herein of the references to their respective names, in each case, in the form and context in which they appear.
- 14.2 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) between AssetCo or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of AssetCo, or any person interested or recently interested in RMG Shares, having any connection with or dependence on or which is conditional upon the outcome of the Acquisition.
- 14.3 There is no agreement, arrangement or understanding pursuant to which the beneficial ownership of any of the RMG Shares to be acquired by AssetCo will be transferred to any other person.
- 14.4 Save with the consent of the Panel, settlement of the Consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which AssetCo may otherwise be, or claim to be, entitled against any such Scheme Shareholder.
- 14.5 Save as disclosed in this document, there is no agreement or arrangement to which AssetCo is a party which relates to the circumstances in which it may or may not invoke a Condition to the Scheme.

#### **15. Documents available on website**

Copies of the following documents are available on RMG's website (<https://riverandmercantile.com/investor-relations/>) and on AssetCo's website (<https://www.assetco.com/investor-relations/>) (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions) up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (a) this document;
- (b) the Forms of Proxy;
- (c) the irrevocable undertakings referred to in paragraph 7 of this Part Six (*Additional Information*);
- (d) the Confidentiality Agreements and the Co-operation Agreement;
- (e) the written consents referred to in paragraph 14.1 of this Part Six (*Additional Information*);
- (f) the Rule 2.7 Announcement;
- (g) RMG's trading update in respect of the six months ended 31 December 2021;
- (h) the audited accounts for RMG for the financial year ended 30 June 2021;
- (i) the audited accounts for RMG for the financial year ended 30 June 2020;
- (j) the preliminary results for AssetCo for the financial year ended 30 September 2021;
- (k) the half-year report for AssetCo for the six months ended 31 March 2021;
- (l) the audited accounts for AssetCo for the financial year ended 30 September 2020;
- (m) the audited accounts for AssetCo for the financial year ended 30 September 2019;
- (n) the Memorandum of Association and Articles of Association of AssetCo;

- (o) the RMG Articles; and
- (p) the RMG Articles, as proposed to be amended by the Resolution.

Save as expressly stated in this document, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

## **16. Sources of information and bases of calculation**

- 16.1 As at 4 March 2022 (being the latest practicable date before the date of this document), RMG had in issue 85,453,634 RMG Shares and AssetCo had in issue 8,424,847 AssetCo Shares. The ISIN for RMG Shares is GB00BLZH7X42 and for AssetCo Shares is GB00B42VYZ16.
- 16.2 In this document, the value attributed to RMG's entire issued and to be issued share capital has been calculated on the basis of a fully diluted issued share capital of 86,239,552 RMG Shares, which is based on the following assumptions:
- (a) 85,453,634 unconditionally allotted or issued and fully paid RMG Shares in issue (as referred to above); and
  - (b) any further RMG Shares which may be issued on or after the date of this announcement on the exercise or options or vesting of awards under the RMG Share Plans. The number of such RMG Shares will depend on the date of completion of the Acquisition, the level of vesting and the level of exercise, which are not known as at the date of this document. Therefore, this number of RMG Shares has been assumed to be in aggregate 785,918 RMG Shares. This is based on an assumed completion date of 31 May 2022 and assumptions on the level of vesting and exercise based on previous experience, discussions between AssetCo and RMG and discussions with the RMG Remuneration Committee. It also takes into account the 1,272,960 RMG Shares currently held in the RMG employee benefit trust.
- 16.3 As at 4 March 2022 (being the latest practicable date before the date of this document), there were 80,453,634 Scheme Shares in issue, being equal to the 85,453,634 RMG Shares in issue referred to in paragraph 16.1 above less the 5,000,000 RMG Shares beneficially owned by AssetCo.
- 16.4 As at 4 March 2022 (being the latest practicable date before the date of this document), there were 78,205,292 Scheme Voting Shares in issue, being the 80,453,634 Scheme Shares in issue referred to in paragraph 16.3 above less the 2,248,342 Scheme Shares beneficially owned or controlled by the AssetCo Concert Party.
- 16.5 The value of the Acquisition is based on a price of 110.5 pence for each RMG Share multiplied by the entire issued and to be issued share capital of RMG set out in paragraph 16.2 above.
- 16.6 Unless otherwise stated, all prices quoted for RMG Shares and AssetCo Shares are derived from data provided by FactSet for the relevant time periods and have been rounded to the nearest whole number.
- 16.7 Unless otherwise stated, financial information relating to RMG has been extracted from the RMG's annual report and accounts for the financial year ending 30 June 2021.
- 16.8 Unless otherwise stated, financial information relating to AssetCo has been extracted from AssetCo's preliminary results announcement for the financial year ending 30 September 2021,

## PART SEVEN

### DEFINITIONS

The following definitions apply throughout this document, other than in the Scheme set out in Part 4 (*The Scheme of Arrangement*) of this document and in the notices of the Meetings, unless the context requires otherwise:

<b>Acquisition</b>	the proposed acquisition by AssetCo of the entire issued and to be issued ordinary share capital of RMG which a member of the AssetCo Group does not already beneficially own, to be effected by means of the Scheme or, should AssetCo so elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, by means of a Takeover Offer, and where the context admits, any subsequent revision, variation, extension or renewal thereof;
<b>AIM</b>	the market of that name operated by the London Stock Exchange;
<b>AIM Admission Condition</b>	the Condition set out at paragraph 3(d) of Part Three ( <i>Conditions to and Certain Further Terms of the Scheme and the Acquisition</i> ) of this document;
<b>AIM Rules</b>	the AIM Rules for Companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange;
<b>Appointed Representative Agreement</b>	the agreement dated 25 March 2021 between AssetCo and Toscafund relating to the appointment of AssetCo by Toscafund as its appointed representative for the purposes of section 39 of FSMA and the Appointed Representative Regulations and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Appointed Representative Regulations</b>	the Financial Services and Markets Act 2000 (Appointed Representatives) Regulations 2001 (SI 2001/1217);
<b>Arden</b>	Arden Partners plc;
<b>Articles</b>	the articles of association of RMG from time to time;
<b>AssetCo</b>	AssetCo plc;
<b>AssetCo Shares</b>	the issued and fully paid ordinary shares of £0.10 each in the capital of AssetCo and any further shares in the capital of AssetCo which are unconditionally allotted or issued before the Scheme becomes Effective;
<b>AssetCo Board or AssetCo Directors</b>	the directors of AssetCo;
<b>AssetCo Circular</b>	the circular (which also constitutes an Admission Document for the purposes of the AIM Rules) expected to be sent by AssetCo to AssetCo Shareholders in or around the week commencing 21 March 2022 summarising the background to the reasons for the Acquisition, which will include a notice convening the AssetCo General Meeting;
<b>AssetCo Concert Party</b>	AssetCo, Harwood Capital LLP, Toscafund Asset Management LLP, Cadoc Limited and Mark Butcher, being AssetCo and those persons deemed by the Panel to be acting in concert with AssetCo who have an interest in RMG Shares;
<b>AssetCo General Meeting</b>	the general meeting of AssetCo Shareholders expected to be convened for 11.15 a.m. on 13 April 2022 to consider and, if thought fit, pass, <i>inter alia</i> , the AssetCo Resolutions, including any adjournments thereof;
<b>AssetCo Group</b>	AssetCo and its subsidiaries and its subsidiary undertakings and where the context permits, each of them;

<b>AssetCo Resolutions</b>	the shareholder resolutions of AssetCo to approve, effect and implement the Acquisition and to grant authority to the AssetCo Directors to allot the New AssetCo Shares;
<b>AssetCo RMG Shares</b>	any RMG Shares registered in the name of, or beneficially owned by, any member of the AssetCo Group at the Scheme Record Time;
<b>AssetCo Shares</b>	the issued and fully paid ordinary shares of £0.10 each in the capital of AssetCo and any further shares in the capital of AssetCo which are unconditionally allotted or issued before the Effective Date;
<b>AssetCo Shareholder(s)</b>	holders of AssetCo Shares;
<b>AssetCo Shareholder Approval Condition</b>	the Condition set out at paragraph 3(c) of Part Three ( <i>Conditions to and Certain Further Terms of the Scheme and the Acquisition</i> ) of this document;
<b>associated undertaking</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations;
<b>AuM</b>	assets under management;
<b>Authorisation(s)</b>	regulatory authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party;
<b>business day</b>	a day (other than a Saturday, Sunday or public or bank holiday, on which banks are open for general banking business in London, United Kingdom);
<b>B Shares</b>	the irredeemable preference B shares in the capital of RMG issued in connection with the B Share Scheme;
<b>B Share Scheme</b>	the issue of B Shares to RMG Shareholders <i>pro rata</i> to their holdings of RMG Shares, such B Shares being purchased by the Broker (acting as principal not as agent for RMG) for an aggregate amount equal to £190 million, the Broker receiving a dividend on such B Shares equal to £190 million in aggregate plus an amount equal to any stamp duty or stamp duty reserve tax (as applicable) arising on the purchase of the B Shares or, if the Broker has not purchased the B Shares by a prescribed time, RMG Shareholders receiving a dividend for an aggregate amount equal to £190 million with the B Shares then converting into C shares with no dividend rights and being repurchased and cancelled by RMG (if from RMG Shareholders rather than the Broker, then via the Broker) for an amount equal to their nominal value, on terms more particularly described in the Return of Capital Circular;
<b>Broker</b>	Jefferies selected by RMG to participate in implementation of the Return of Capital;
<b>certificated or in certificated form</b>	in relation to a RMG Share, one which is not in uncertificated form (that is, not in CREST);
<b>Closing Price</b>	the closing price of a RMG Share or an AssetCo Share (as the case may be) as derived from data provided by FactSet on any particular date;
<b>Code</b>	the City Code on Takeovers and Mergers from time to time issued, amended and interpreted by the Panel;
<b>Combined Group</b>	the combined group following completion of the Acquisition, comprising the AssetCo Group and the RMG Group;
<b>Companies Act</b>	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;



<b>Conditions</b>	the conditions to the implementation of the Acquisition, as set out in Part Three ( <i>Conditions to and Certain Further Terms of the Scheme and the Acquisition</i> ) of this document;
<b>Confidentiality Agreements</b>	the First Confidentiality Agreement and the Second Confidentiality Agreement;
<b>Consideration</b>	the allotment and issue to the Scheme Shareholders on the register of members of RMG at the Scheme Record Time of 0.07392 New AssetCo Shares by AssetCo in exchange for each RMG Share held pursuant to the Scheme;
<b>Co-operation Agreement</b>	the co-operation agreement dated 25 January 2022 between RMG and AssetCo and relating, among other things, to the implementation of the Acquisition;
<b>Court</b>	the High Court of Justice in England and Wales;
<b>Court Meeting</b>	the meeting or meetings of Scheme Shareholders (or any class or classes thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without modification), including any adjournment, postponement or reconvention thereof;
<b>Court Order</b>	the order of the Court Sanctioning the Scheme under section 899 of the Companies Act;
<b>Court Sanction</b>	the sanction of the Scheme by the Court under section 899 of the Companies Act;
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities;
<b>CREST Manual</b>	the CREST Manual published by Euroclear, as amended from time to time;
<b>CREST Proxy Instruction</b>	the proxy appointment or instruction made using the CREST service, properly authenticated in accordance with the specifications of Euroclear and containing the information required by the CREST Manual;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>Dealing Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Disclosed</b>	the information fairly disclosed by or on behalf of RMG: (i) in the annual report and accounts for the RMG Group for the financial year ended 30 June 2021; (ii) in the Rule 2.7 Announcement; (iii) in any other announcement via a Regulatory Information Service prior to the Rule 2.7 Announcement Date; or (iv) to AssetCo or AssetCo's advisers (in their capacity as such) (a) in writing (including via the virtual data room operated by or on behalf of RMG in respect of the Acquisition); or (b) orally in due diligence meetings or calls prior to the Rule 2.7 Announcement Date;
<b>Disclosure Guidance and Transparency Rules</b>	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA;
<b>Effective</b>	<ul style="list-style-type: none"> <li>(i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms; or</li> <li>(ii) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in accordance with the requirements of the Code;</li> </ul>

<b>Effective Date</b>	the date on which the Acquisition becomes Effective;
<b>Equiniti</b>	Equiniti Limited, the Company's registrars;
<b>ESG</b>	environmental, social, governance;
<b>ETF</b>	exchange traded fund;
<b>Euroclear</b>	Euroclear UK & International Limited;
<b>Exchange Ratio</b>	the exchange ratio of 0.07392 New AssetCo Shares in exchange for each RMG Share;
<b>Excluded Shares</b>	any: (i) RMG Shares registered in the name of, or beneficially owned by, any member of the AssetCo Group or their respective nominees; and (ii) Treasury Shares (if any), in each case at the Scheme Record Time;
<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority;
<b>FCA Condition</b>	the Condition set out at paragraph 3(e) of Part Three ( <i>Conditions to and Certain Further Terms of the Scheme and the Acquisition</i> ) of this document;
<b>Fenchurch</b>	Fenchurch Advisory Partners LLP;
<b>Forms of Proxy</b>	the blue Form of Proxy for use at the Court Meeting and the yellow Form of Proxy for use at the General Meeting (or either of them as the context may require), which accompany this document;
<b>Founders</b>	has the meaning given in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>First Confidentiality Agreement</b>	the confidentiality agreement between AssetCo and RMG dated 1 September 2021;
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended);
<b>General Meeting</b>	the general meeting of RMG (or any adjournment of such meeting) to be convened in connection with the Scheme;
<b>HMRC</b>	HM Revenue & Customs;
<b>holder</b>	a registered holder and includes any person(s) entitled by transmission;
<b>Independent RMG Directors</b>	the RMG Directors, other than Martin Gilbert;
<b>Jefferies</b>	Jefferies International Limited;
<b>Latest Practicable Date</b>	4 March 2022 (being the latest practicable date before the publication of this document);
<b>Lazard</b>	Lazard & Co., Limited;
<b>London Stock Exchange</b>	London Stock Exchange plc, together with any successor thereto;
<b>Long Stop Date</b>	11.59 p.m. on 31 January 2023, or such later date as may be agreed in writing by RMG and AssetCo (with the Panel's consent and as the Court may approve (if such approval is required));
<b>Listing Rules</b>	the listing rules made under FSMA by the FCA and contained in the FCA's publication of the same name, as amended from time to time
<b>Main Market</b>	the premium segment of the main market for listed securities of the London Stock Exchange;
<b>Meetings</b>	the Court Meeting and/or the General Meeting, as the case may be;
<b>New AssetCo Shares</b>	the new AssetCo Shares to be issued pursuant to the Scheme;
<b>Numis</b>	Numis Securities Limited;

<b>Offer Period</b>	the offer period (as defined by the Code) relating to RMG which commenced on 23 November 2021 and will end on: (i) the earlier of the Effective Date and the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (ii) the earlier of the date on which the Takeover Offer has become or has been declared unconditional and the date on which the Takeover Offer lapses or is withdrawn (or such other date as the Panel may decide), other than (in the case of (i)) where such lapsing or withdrawal is a result of AssetCo exercising its right to implement the Acquisition by way of a Takeover Offer;
<b>Official List</b>	the Daily Official List published by the London Stock Exchange;
<b>Opening Position Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Overseas Shareholders</b>	RMG Shareholders who are resident in, ordinarily resident in, or citizens or nationals of, jurisdictions outside of the UK or who are nominees of, or custodians or trustees for, residents, citizens or nationals of countries other than the UK;
<b>Panel</b>	the Panel on Takeovers and Mergers, or any successor to it;
<b>Parmenion</b>	the business undertaken by Parmenion Capital Partners LLP;
<b>Parmenion Share and Loan Note Purchase Agreement</b>	the share and loan note purchase agreement dated 30 June 2021 between AssetCo, Shillay DebtCo Limited and Shillay HoldCo Limited relating to the investment by AssetCo in Parmenion and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Placing Agreement</b>	the placing agreement dated 21 July 2021 between AssetCo and Numis and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Preference Shares</b>	has the meaning given in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>PVT</b>	has the meaning given in paragraph 3 of Part Two ( <i>Explanatory Statement</i> ) of this document;
<b>RAMAM</b>	River and Mercantile Asset Management LLP;
<b>RAMIL</b>	River and Mercantile International Limited;
<b>Readmission Agreement</b>	the readmission agreement dated 25 March 2021 between AssetCo, the then directors of AssetCo and Arden in relation to the readmission of AssetCo's share capital to trading on AIM pursuant to the Readmission Document and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Readmission Document</b>	the admission document (within the meaning of the AIM Rules) published by AssetCo on 26 March 2021;
<b>Registrar of Companies</b>	the registrar of companies in England and Wales;
<b>Regulatory Information Service</b>	a Regulatory Information Service that is approved by the FCA and is on the list maintained by the FCA;
<b>Resolution</b>	the special resolution relating to the Scheme to be proposed at the General Meeting;
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to RMG Shareholders in that jurisdiction;
<b>Restricted Overseas Shareholders</b>	Overseas Shareholders who are resident in, ordinarily resident in, or citizens or nationals of, Restricted Jurisdictions or who are nominees

	of, or custodians or trustees for, residents, citizens or nationals of Restricted Jurisdictions;
<b>Restricted Jurisdiction</b>	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which RMG or AssetCo regards as unduly onerous;
<b>Return of Capital</b>	the proposed return of £190 million in cash by RMG to RMG Shareholders to be effected by way of the B Share Scheme;
<b>Return of Capital Circular</b>	the circular from RMG to RMG Shareholders on or around the date of this document in relation to the Return of Capital;
<b>Return of Capital Condition</b>	the Condition set out at paragraph 3(a) of Part Three ( <i>Conditions to and Certain Further Terms of the Scheme and the Acquisition</i> ) of this document;
<b>Return of Capital General Meeting</b>	the general meeting of RMG Shareholders convened for 11.30 a.m. on 1 April 2022 to consider and, if thought fit, pass, <i>inter alia</i> , the Return of Capital Resolutions, including any adjournments thereof;
<b>Return of Capital Resolutions</b>	the resolutions of RMG Shareholders that need to be passed in order to implement the Return of Capital;
<b>Reverse Takeover</b>	a reverse takeover within the meaning of AIM Rule 14;
<b>Revera</b>	Revera Asset Management Limited;
<b>Revera Sellers</b>	has the meaning given in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Rize ETF</b>	Rize ETF Limited, a subsidiary of AssetCo;
<b>Rize ETF Acquisition Agreement</b>	the share purchase agreement dated 21 July 2021 between AssetCo and J&E Davy Holdings relating to AssetCo's investment in Rize ETF and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Rize ETF Articles</b>	has the meaning given in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Rize ETF Shareholders' Agreement</b>	the shareholders' agreement dated 21 July 2021 between AssetCo, the individual founders of Rize ETF, certain employees of Rize ETF and Rize ETF relating to AssetCo's investment in Rize ETF and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Rize ETF Subscription Agreement</b>	the subscription agreement dated 21 July 2021 between AssetCo, the individual founders of Rize ETF and Rize ETF relating to AssetCo's investment in Rize ETF and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>RMG or the Company</b>	River and Mercantile Group PLC;
<b>RMG Board or RMG Directors</b>	the directors of RMG;
<b>RMG Group</b>	RMG and its subsidiary undertakings and where the context permits, each of them;
<b>RMG Share Plans</b>	the River and Mercantile Group PLC Deferred Equity Plan, the River and Mercantile Value Transformation Plan and the River and Mercantile Group PLC SAYE Scheme;
<b>RMG Shares</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of £0.003 each in the capital of RMG and any further shares which are unconditionally allotted or issued before the Scheme becomes Effective;

<b>RMG Shareholder(s)</b>	holders of RMG Shares;
<b>RMG Profit Forecast</b>	has the meaning given in paragraph 13 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Rule 2.7 Announcement</b>	the joint announcement made by RMG and AssetCo on 25 January 2022 in relation to the Acquisition;
<b>Rule 2.7 Announcement Date</b>	25 January 2022;
<b>Saracen</b>	Saracen Funds Managers Limited, a subsidiary of AssetCo
<b>Saracen Acquisition Agreement</b>	the share purchase agreement dated 13 May 2021 between AssetCo and the individual sellers owning the entire issued share capital of Saracen pursuant to which AssetCo acquired the entire issued share capital of Saracen and which is summarised in paragraph 9.2 of Part Six ( <i>Additional Information</i> ) of this document;
<b>Scheme or Scheme of Arrangement</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between RMG and the Scheme Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition which RMG and AssetCo may agree and, if required, approved or imposed by the Court;
<b>Scheme Record Time</b>	6.00 p.m. on the business day immediately prior to the Effective Date;
<b>Scheme Sanction Hearing</b>	the hearing of the Court at which the Court Order will be sought;
<b>Scheme Shareholders</b>	holders of Scheme Shares at any relevant date or time and a “ <b>Scheme Shareholder</b> ” shall mean any one of those Scheme Shareholders;
<b>Scheme Shares</b>	all RMG Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this document;</li> <li>(ii) (if any) issued after the date of this document but before the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the original or any subsequent holders thereof are bound by the Scheme or in respect of which such holders are, or shall have agreed in writing to be, so bound,</li> </ul> in each case remaining in issue at the Scheme Record Time, but excluding the Excluded Shares at any relevant date or time;
<b>Scheme Voting Shareholders</b>	holders of Scheme Voting Shares;
<b>Scheme Voting Shares</b>	the Scheme Shares other than any Scheme Shares beneficially owned or controlled by any member of the AssetCo Concert Party;
<b>Schroders</b>	Schroder International Holdings Limited;
<b>Second Confidentiality Agreement</b>	the confidentiality agreement between AssetCo and RMG dated 13 December 2021;
<b>Smaller Companies Fund</b>	has the meaning given in paragraph 8 of Part One <i>Letter from the Chairman of RMG</i> of this document;
<b>Solutions</b>	has the meaning given in paragraph 3 of Part Two ( <i>Explanatory Statement</i> ) of this document;
<b>Solutions Sale</b>	the sale by RMHL to Schroders of the entire issued share capital of RAMIL on the terms of the Solutions SPA;
<b>Solutions Sale Circular</b>	the circular from RMG to RMG Shareholders dated 23 November 2021 in relation to the Solutions Sale;
<b>Solutions Seller</b>	River and Mercantile Holdings Limited;



<b>Solutions SPA</b>	the acquisition agreement dated 26 October 2021 between Schroders, RMHL and RMG in relation to the Solutions Sale (as amended from time to time);
<b>Solutions TSA</b>	the transitional services agreements entered into on 31 January 2022 between the Solutions Seller and RAMIL in respect of certain transitional services to be provided by the Solutions Seller following completion of the Solutions Sale;
<b>Takeover Offer</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of AssetCo to acquire the entire issued and to be issued share capital of RMG that is not already owned by any member of the AssetCo Group on the terms and subject to the conditions to be set out in the related offer document and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer;
<b>Third Party</b>	has the meaning given in paragraph 3(g) of Part Three ( <i>Conditions to and Certain Further Terms of the Scheme and the Acquisition</i> ) of this document;
<b>Toscafund</b>	means Toscafund Asset Management LLP;
<b>Transfer Effective Time</b>	immediately following the reclassification provided for in sub-clause 1.1 of the Scheme having taken effect;
<b>Treasury Shares</b>	shares held as treasury shares as defined in section 724(5) of the Companies Act;
<b>uncertificated or in uncertificated form</b>	in relation to a RMG Share, one which is recorded on the relevant register as being held in uncertificated form in CREST;
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>UK CGT</b>	has the meaning given in paragraph 16 of Part Two ( <i>Explanatory Statement</i> ) of this document;
<b>UK Holders</b>	has the meaning given in paragraph 16 of Part Two ( <i>Explanatory Statement</i> ) of this document;
<b>UK Market Abuse Regulation</b>	the UK version of the Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018;
<b>US or United States</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>US Solutions</b>	has the meaning given in paragraph 3 of Part Two ( <i>Explanatory Statement</i> ) of this document;
<b>US Solutions Purchaser</b>	Agilis Holding Company LLC;
<b>US Solutions Sale</b>	the sale by the US Solutions Seller to the US Solutions Purchaser of US Solutions on the terms of the US Solutions SPA;
<b>US Solutions Seller</b>	River and Mercantile US Holdings Limited, a wholly owned subsidiary of RMG;
<b>US Solutions SPA</b>	the acquisition agreement dated 25 January 2022 between the US Solutions Seller and US Solutions Purchaser in relation to the US Solutions Sale (as amended from time to time);
<b>VAT</b>	value added tax or any similar sales or turnover tax;
<b>Voting Record Time</b>	6.30 p.m. on the day which is two days (excluding any part of a day that is not a business day) before the date of the Court Meeting or any adjournment of it (as the case may be);

**Wider AssetCo Group**

AssetCo Group and its associated undertakings and any other body corporate, partnership, joint venture or person in which AssetCo and such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent; and

**Wider RMG Group**

RMG Group and its associated undertakings and any other body corporate, partnership, joint venture or person in which RMG and such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, AssetCo and all of its associated undertakings which are not members of the Wider RMG Group).

In this document, **subsidiary**, **subsidiary undertaking**, **undertaking** and **associated undertaking** have the respective meanings given to them in the Companies Act.

In this document, all references:

- (a) to times are to London time, unless otherwise stated;
- (b) to the singular include the plural and vice versa;
- (c) to **Sterling, £, pence** and **p** are to the lawful currency of the United Kingdom;
- (d) to **\$** are to the lawful currency of the United States;
- (e) to legislation are to the legislation of England and Wales unless the contrary is indicated;
- (f) to any provision of any legislation (including, for these purposes, the Code) shall include any amendment, modification, re-enactment or extension thereof;
- (g) to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be interpreted accordingly.

## PART EIGHT

### NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS  
OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR-2022-000435

INSOLVENCY AND COMPANIES COURT JUDGE JONES

### IN THE MATTER OF RIVER AND MERCANTILE GROUP PLC

and

### IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 7 March 2022 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Voting Shares at the Voting Record Time (each as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Act**”) between River and Mercantile Group PLC (the “**Company**”) and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) and that the Court Meeting will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 11.00 a.m. on 1 April 2022 at which place and time all holders of Scheme Voting Shares are able to attend in person or by proxy.

A copy of the Scheme of Arrangement and of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the document of which this Notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chair of the Court Meeting may determine.

#### **Right to Appoint a Proxy; Procedure for Appointment**

Holders of Scheme Voting Shares entitled to attend and vote at the Court Meeting may attend such meeting in person or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies, to exercise all or any of their rights to attend, submit written questions and vote at the Court Meeting, provided that, where more than one proxy is appointed, each proxy is appointed to exercise the rights attached to a different share or shares.

A blue Form of Proxy, for use at the Court Meeting, is enclosed with this notice. Instructions for its use are set out on the form. It is requested that the blue Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy of such power or authority) be returned to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA, either: (i) by post; or (ii) (during normal business hours only) by hand, to be received no later than 11.00 a.m. on 30 March 2022 or, in the case of an adjournment of the Court Meeting, not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the adjourned Court Meeting. However, if not so lodged, the blue Form of Proxy (together with any such authority, if applicable) may be completed and handed to the Chair at any time before the start of the Court Meeting. If you require additional proxy forms, please contact the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographical rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Members who hold their shares in uncertificated form through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). In order for a proxy appointment or instruction made using CREST to be valid, the appropriate CREST message (a “**CREST Proxy**”

**Instruction**”) must be properly authenticated in accordance with CREST’s specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 Equiniti (participant ID RA19) by 11.00 a.m. on 30 March 2022 (or if the Court Meeting is adjourned, not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the adjourned Court Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti 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.

Completion and return of a blue Form of Proxy, or the appointment of a proxy or proxies electronically using CREST (or any other procedure described on pages 9 to 10 of the document of which this Notice forms part), shall not prevent a holder of Scheme Voting Shares from attending, submitting written questions, submitting written objections and voting at the Court Meeting, or any adjournment of it, if such Scheme Voting Shareholder wishes and is entitled to do so.

#### *Voting Record Time*

Entitlement to attend, submit written questions, submit written objections and vote at the Court Meeting or any adjournment of it and the number of votes which may be cast at the Court Meeting, will be determined by reference to the register of members of the Company at 6.30 p.m. on 30 March 2022 or, if the Court Meeting is adjourned, 6.30 p.m. on the date which is two days (excluding any part of a day that is not a business day) before the date fixed for the adjourned Court Meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, submit written questions, submit written objections and vote at the Court Meeting.

#### *Joint Holders*

In the case of joint holders of Scheme Voting Shares, the vote of the first named holder shown on the register of members of the Company shall be accepted to the exclusion of the votes of the other joint holders.

#### *Corporate Representatives*

As an alternative to appointing a proxy, any Scheme Voting Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

#### *Nominated Persons*

Any person to whom this Notice is sent and who is a person nominated under section 146 of the Act to enjoy information rights (a “**Nominated Person**”) may, under an agreement between them and the member by whom they are nominated have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Nominated Persons are reminded that they should contact the registered holder of their RMG Shares (and not the Company) in matters relating to the investment of their RMG Shares.

By the said order, the Court has appointed Jonathan Dawson or, failing him, any other Independent RMG Director to act as Chair of the Court Meeting and has directed the Chair of the Court Meeting to report the result of the Court Meeting to the Court.

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

Dated 8 March 2022

**ALLEN & OVERY LLP**  
One Bishops Square London E1 6AD  
*Solicitors for the Company*

## PART NINE

### NOTICE OF GENERAL MEETING

## RIVER AND MERCANTILE GROUP PLC

(registered in England and Wales with registered number 11071913)

**NOTICE IS HEREBY GIVEN** that a general meeting of River and Mercantile Group PLC (the “**Company**”) will be held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD at 11.15 a.m. on 1 April 2022 (or as soon thereafter as the meeting of the holders of Scheme Voting Shares (as defined in the Scheme as referred to in the resolution set out below) convened for 11.00 a.m. on the same day and at the same place, by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

### SPECIAL RESOLUTION

#### THAT:

1. for the purpose of giving effect to the scheme of arrangement dated 8 March 2022 (as amended or supplemented) between the Company and the holders of Scheme Shares (as defined in the scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chair of this meeting, in its original form or subject to such modification, addition or condition as may be agreed between the Company and AssetCo plc (“**AssetCo**”) and approved or imposed by the Court (the “**Scheme**”) the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
2. with effect from the passing of this resolution, the articles of association of the Company be and are amended by the adoption and inclusion of the following new article 157:

#### “157 Scheme of Arrangement

157.1 In this article, references to the “**Scheme**” are to the scheme of arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the scheme document dated 8 March 2022 (as amended or supplemented, the “**Scheme Document**”)) and as approved by the requisite majority of the holders of the Scheme Voting Shares at the Court Meeting (each term as defined in the Scheme Document) and as may be modified or amended in accordance with its terms, and expressions defined in the Scheme Document (save as defined in this article) shall have the same meanings in this Article.

157.2 Notwithstanding either any other provision of these Articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if the Company issues or transfers out of treasury any ordinary shares to any person (other than to AssetCo, to any subsidiary or subsidiary undertaking or associated undertaking of AssetCo (each a member of the “**AssetCo Group**”) or any nominee(s) of any of them) after the adoption of this Article on or before the Scheme Record Time, such shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes of the Scheme) and the original or any subsequent holder or holders of such ordinary shares (other than AssetCo, a member of the AssetCo Group, or any nominee of any of them) shall be bound by the Scheme accordingly.

157.3 Notwithstanding any other provision of these Articles, subject to the Scheme becoming effective, if any ordinary shares are issued (or transferred from treasury) to any person (other than to AssetCo, any member of the AssetCo Group, or any nominee(s) of any of them) (a “**New Member**”) after the Scheme Record Time (such shares, “**Post-Scheme Shares**”), the Post-Scheme Shares shall, subject to the Scheme becoming effective, be immediately transferred to AssetCo (or to such other person as AssetCo may direct) in consideration for, and conditional on, the allotment and issue or transfer to the New Member of such number of New AssetCo Shares (and the payment in cash in respect of fractional entitlements, as described in Article 157.7) that the New Member would have been entitled to under the Scheme for those



- Post-Scheme Shares had they been Scheme Shares (the “**Consideration Shares**”), provided that if, in respect of any New Member who is resident, located or has a registered address in a jurisdiction outside the United Kingdom or whom the Company reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom, AssetCo is advised that the law of that country: (i) precludes the allotment, issue and/or delivery to that New Member of Consideration Shares; or (ii) precludes the matters referred to in (i) except after compliance by the Company or AssetCo (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company and/or AssetCo is unable to comply or compliance with which the Company and/or AssetCo (as the case may be) regards as unduly onerous, then AssetCo may, in its sole discretion, determine that either (A) such Consideration Shares shall not be allotted, issued and delivered to such New Member, but shall instead be allotted, issued and delivered to a person appointed by AssetCo for such New Member on terms that such person shall, as soon as practicable following the allotment and issue of such Consideration Shares, sell the Consideration Shares so issued; or (B) determine that such Consideration Shares shall not be allotted, issued and delivered to such New Member, but instead a cash amount equal to the value of the Consideration Shares shall be paid to the New Member as soon as practicable. In the event that the Consideration Shares are to be sold pursuant to (A), the Company shall appoint a person to act, and who shall be authorised, as attorney or agent for the New Member pursuant to this article and such person shall be authorised on behalf of such New Member to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member and to give such instructions and to do all other things which they may consider necessary or expedient in connection with such sale. The net proceeds of such sale (after deduction of all expenses and commissions, together with any value added tax thereon, incurred in connection with the sale, including any tax or foreign exchange conversion fees payable on the proceeds of sale) shall be paid to the persons entitled thereto in due proportion as soon as practicable following such sale, save that any fractional cash entitlements shall be rounded down to the nearest penny.
- 157.4 The Consideration Shares allotted and issued or transferred to a New Member pursuant to this Article 157 shall be credited as fully paid and shall rank *pari passu* in all respects with the AssetCo shares in issue at that time (other than as regards any dividends or other distributions payable by reference to a record date preceding the date of allotment or transfer).
- 157.5 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the Transfer Effective Time, the number of Consideration Shares to be allotted and issued or transferred to a New Member per Post-Scheme Share to be paid under Article 157.4 above shall be adjusted by the Board in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to reflect such reorganisation or alteration. References in this Article to ordinary shares shall, following such adjustment, be construed accordingly.
- 157.6 No fraction of a Consideration Share shall be allotted, issued or transferred to any New Member pursuant to this Article. Instead, any New Member who otherwise would have received a fraction of a Consideration Share will receive an additional amount in cash, rounded to the nearest penny, based on the amount obtained by multiplying such fraction by the average of the high and low sales prices of AssetCo shares on the AIM market of the London Stock Exchange plc on each of the five consecutive trading days ending on the trading day that is two trading days prior to the Scheme becoming effective, save that individual entitlements to amounts of less than £5.00 will not be paid to New Members but will be retained for the benefit of the Combined Group.
- 157.7 To give effect to any transfer of Post-Scheme Shares required by this Article, the Company may appoint any person as attorney and/or agent for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to transfer the Post-Scheme Shares to AssetCo (or such other person as AssetCo directs), to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of AssetCo (or such other person as AssetCo otherwise directs) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney and/or agent be necessary or desirable to vest the Post-

Scheme Shares in AssetCo (or such other person as AssetCo otherwise directs) and, pending such vesting, to exercise all such rights attaching to the Post-Scheme Shares as AssetCo may direct. If an attorney and/or agent is so appointed, the New Member or any subsequent holder or any nominee of such New Member or any such subsequent holder shall not thereafter (except to the extent that the attorney and/or agent fails to act in accordance with the directions of AssetCo) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by AssetCo. The attorney or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of AssetCo, any member of the AssetCo Group, or any nominee of any of them. The Company may give a good receipt for the consideration for the Post-Scheme Shares and may register AssetCo (or such other person as AssetCo otherwise directs) as holder of the Post-Scheme Shares and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member or any subsequent holder or any nominee of such New Member or any such subsequent holder for any Post-Scheme Shares.

157.8 If the Scheme shall not have become effective by the date referred to in sub-clause 8.2 of the Scheme (or such later date, if any, as AssetCo and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, if such consent is required), this Article shall cease to be of any effect.

157.9 Notwithstanding any other provision of these Articles, but subject to the terms set out in this Article 157, neither the Company nor the directors of the Company shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Transfer Effective Time other than to AssetCo or its nominee(s) pursuant to the Scheme.”

*By order of the board of directors of the Company*

Sally Buckmaster  
*Deputy General Counsel and Company Secretary*  
8 March 2022

*Registered office:*  
30 Coleman Street  
London  
England  
EC2R 5AL

### **Notes to the notice of General Meeting**

The following notes explain your general rights as a shareholder and your rights to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.

1. A copy of this Notice of General Meeting, and other information required by section 311A of the Companies Act 2006, can be found on the Company’s website <https://riverandmercantile.com/investor-relations/>.
2. Only those persons entered on the register of members of the Company (the **Register**) as at 6.30 p.m. on 30 March 2022 or, if the General Meeting is adjourned, 6.30 p.m. on the date which is two days (excluding any part of a day that is not a business day) before the date fixed for the adjourned General Meeting (the **Specified Time**) shall be entitled to attend or vote at the General Meeting (either in person or by proxy under the arrangements described in these notes) in respect of the number of shares in the capital of the Company registered in their names at that time. Changes to entries on the Register for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
3. Any member of the Company is entitled to appoint one or more proxies to exercise all or any of their rights to attend the General Meeting and to submit written questions and vote on their behalf at the General Meeting. A proxy need not be a member of the Company but must attend the General Meeting for the member’s vote to be counted. Appointing a proxy does not prevent a member from attending and voting in person under the arrangements set out in these notes if they are entitled to do so and so wish.
4. A yellow Form of Proxy for use by members in connection with the General Meeting is enclosed with this notice. Proxies may be appointed by completing a yellow Form of Proxy and returning it in accordance with note 6 below. Details of how to appoint a proxy are set out in the notes to the yellow Form of Proxy. CREST members may appoint proxies using the CREST electronic proxy appointment service (see note 7 below).

5. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by the member. To do this a member must complete a separate yellow Form of Proxy for each proxy. Additional yellow Forms of Proxy can be obtained by calling the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2050 (calls to this number are charged at the standard geographical rate and will vary by provider) or on +44 (0) 371 384 2050 from outside the UK (charged at the applicable international rate). A member appointing more than one proxy should indicate on the relevant yellow Forms of Proxy the number of shares for which each proxy is authorised to act on their behalf.
6. To be valid any yellow Forms of Proxy must be completed and received by hand or by post at the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom, BN99 6DA, not less than 48 hours (excluding any part of a day that is not a business day) before the time of the General Meeting or any adjournment of it. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any power of attorney or any other authority under which the yellow Form of Proxy is signed (or a certified copy of such authority) must be included with the yellow Form of Proxy. A member must inform the Company's registrars, Equiniti, in writing of any termination of the authority of a proxy.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment of it by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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.

For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CREST 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 Equiniti (participant ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of General Meeting, being no later than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the General Meeting (or any adjournment of it). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti 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 Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed voting service provider(s), to procure that their 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

8. 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.
9. In the case of a joint shareholding, the vote of the first named holder shown on the register of members shall be accepted to the exclusion of the votes of the other joint holders.
10. If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at their discretion.
12. A member of the Company which is a corporation 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 provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.
13. Any person to whom this Notice of General Meeting is sent and who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 3 to 7 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) in matters relating to the investment of their shares.
14. Shareholders will be permitted to submit written questions but, in order to facilitate the smooth running of the General Meeting, are asked to submit any written questions in advance to [sally.buckmaster@riverandmercantile.com](mailto:sally.buckmaster@riverandmercantile.com). Any questions submitted before the General Meeting must be received by 4.00 p.m. on 30 March 2022.

The Chair of the General Meeting will ensure that any question relating to the formal business being dealt with at the General Meeting will be addressed during the General Meeting unless no response is required to be provided under the Companies Act 2006 or the provision of a response would, at the Chair of the General Meeting’s discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

15. Unless the context requires otherwise, terms defined in Part Seven (*Definitions*) of the scheme document dated 8 March 2022, of which this Notice of General Meeting forms part, shall apply to these guidance notes.
16. As at 4 March 2022 (being the latest practicable date before the publication of this Notice of General Meeting), the Company’s issued share capital consists of 85,453,634 ordinary shares of £0.003 nominal value. Each ordinary share carries the right to one vote at a General Meeting of the Company. There were no shares held in treasury. Therefore, the total number of voting rights in the Company as at 4 March 2022 (being the latest practicable date before the publication of this Notice of General Meeting) is 85,453,634.
17. You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the yellow Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.







