

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

To: Participants in the Miton Group plc Management Incentive Plan ("MIP")

17 September 2019

Dear Participant

Recommended all-share merger of Premier Asset Management Group PLC ("Premier") and Miton Group plc ("Miton")

1 Introduction

On 4 September 2019, the Premier Board and the Miton Board announced that they had reached an agreement on the terms of a recommended all-share merger of Premier and Miton, to be effected by means of a court-sanctioned scheme of arrangement between Miton and the Miton Shareholders under Part 26 of the Companies Act 2006 (the "**Merger**").

The details of the Merger are set out in the scheme document relating to the Merger ("**Scheme Document**"), a copy of which can be found on Miton's website at www.mitongroup.com/announcements and on Premier's website at www.premierfunds.co.uk/corporate. Words and expressions which are defined in the Scheme Document have the same meaning when used in this letter ("**Letter**") and the enclosed form of instruction ("**Form of Instruction**"). You should read this Letter in conjunction with the Scheme Document and the enclosed Form of Instruction.

2 What is the purpose of this Letter?

The purpose of this Letter is to explain the effect of the Merger on the option(s) granted to you under the MIP (the "**Option**"), and how your Option will be treated in relation to the Merger.

If you hold options or share awards under other Miton Share Plans, you will be receiving separate letter(s) and, where relevant, form(s) of instruction.

3 Terms of the Merger

Under the terms of the Merger, Miton Shareholders will receive:

0.30186 of a New Share in exchange for each Miton Share

Based on this exchange ratio (the "**Exchange Ratio**") and the Closing Price of 167.50 pence per Premier Share on the Latest Practicable Date, the terms of the Merger value each Miton Share at 55.46 pence, comprising an equity value of 50.56 pence and a special dividend of 4.9 pence per Miton Share (the "**Special**

Dividend"). Only the registered holders of Miton Shares at the Scheme Record Time will be entitled to receive the Special Dividend.

An expected timetable of key events relating to the Merger is set out below.

Event	Date
Miton Court Hearing to sanction the Scheme	13 November 2019
Scheme Record Time	6.00 p.m. on 13 November 2019
Effective Date	14 November 2019

The above dates are subject to change in accordance with the Scheme Document. Miton will notify you of any date changes which affect you.

4 How will the Merger affect your Option?

Your Option is already exercisable, and will continue to be exercisable until the Scheme Record Time, the indicative time for which is set out in the table above. **Your Option will lapse at the Scheme Record Time to the extent it is not exercised or exchanged for an equivalent option over Premier Shares.**

5 What courses of action are available to you?

The alternative courses of action that you may take in relation to your Option are set out below. In summary, you may:

- (a) exchange your Option for an equivalent option over Premier Shares;
- (b) exercise your Option in advance of, and conditional on, the Court Order;
- (c) exercise your Option before the Scheme Record Time in the normal way and not conditional on the Court Order; or
- (d) do nothing.

6 Exchange Proposal

It is proposed that you release your Option in advance of, and conditional upon, the Court Order, in exchange for the grant of an equivalent option over Premier Shares (the "**Replacement Option**") calculated by reference to the Exchange Ratio and rounded down to the nearest whole number of Premier Shares (the "**Exchange Proposal**") i.e. you take the course of action referred to in paragraph 5(a).

Under the Exchange Proposal, an adjustment will be made to the number of shares under option and the exercise price per share. The aggregate exercise price payable under the Replacement Option will, however, remain the same as that payable under your existing Option. The Replacement Option will continue on terms that are the same as the rules of the MIP modified only as necessary to reflect that the Replacement Option is over Premier Shares.

You may only accept the Exchange Proposal in respect of the whole of your Option.

7 Exercise Proposal

Alternatively, it is proposed that you exercise your Option in full in advance of, and conditional upon, the Court Order (the "**Exercise Proposal**") i.e. you take the course of action referred to in paragraph 5(b). The Miton Shares that you become entitled to receive on the exercise of your Option ("**Option Shares**") will be automatically transferred to Premier on the Effective Date and you will receive 0.30186 Premier Shares in exchange for each Option Share, in accordance with the Exchange Ratio under the Scheme

You will also be entitled to receive the Special Dividend in respect of any Option Shares which you are registered as the holder of as at the Scheme Record Time. The Special Dividend will be paid not more than 10 Business Days after the Effective Date.

If you accept the Exercise Proposal, you will be required to pay to Miton:

- (a) the aggregate exercise price payable under your Option (the "**Exercise Price**"); and
- (b) an amount equal to any tax and any employee social security contributions arising in any jurisdiction in connection with the exercise of your Option which Miton or your employing company, if different, is obliged to account for to a tax authority (the "**Tax Liability**").

The exercise of your Option will be conditional upon you paying the Exercise Price and an amount equal to your estimated Tax Liability (the "**Estimated Tax Liability**"), each as set out in the enclosed Form of Instruction. If the actual Tax Liability exceeds the Estimated Tax Liability, your employing company will deduct the difference under PAYE from any earnings due to you. If the Estimated Tax Liability exceeds the actual Tax Liability, the difference will be paid to you in cash.

8 Exercise your Option but not under the Exercise Proposal

If you wish to exercise your Option under the terms of the MIP BUT you do not wish to accept the Exercise Proposal i.e. you take the course of action referred to in paragraph 5(c), please contact the Company Secretary, Catriona Fletcher on 020 3714 1482 or by email at catriona.fletcher@mitongroup.com, who will provide you with the necessary paperwork. If you exercise in this way, and are the registered holder of Miton Shares as at the Scheme Record Time, you will also be entitled to receive the Special Dividend.

If you elect to exercise your Option outside of the Exercise Proposal, Miton's cashless exercise facility will be available so that you do not have to fund the Exercise Price or the Tax Liability yourself (the "**Cashless Exercise Facility**"). Under the Cashless Exercise Facility, you may request that Miton: (a) sells such number of the Option Shares as will, once sold, produce an amount at least equal to the Exercise Price and your Estimated Tax Liability; and (b) procures the transfer of the balance of the Option Shares to you. However, you should be aware that Miton's ability to sell Option Shares under the Cashless Exercise Facility is not guaranteed as the liquidity and marketability of Miton Shares may be reduced following the announcement of the Merger. If Miton is unable to sell a sufficient number of the Option Shares to

cover the Exercise Price and your Estimated Tax Liability, you will need to make arrangements with Miton to pay any difference in order to exercise your Option.

If the actual Tax Liability exceeds the Estimated Tax Liability, your employing company will deduct the difference under PAYE from any earnings due to you. If the Estimated Tax Liability exceeds the actual Tax Liability, the difference will be paid to you in cash.

You should note that the last day of dealings in, and registrations of transfers of, Miton Shares is expected to be the day of the Miton Court Hearing, following which dealings in the Miton Shares will be suspended from trading on AIM. No transfers of Miton Shares will be registered after this date.

Prior to the Scheme becoming Effective and subject to any applicable requirements of the AIM Rules, an application will be made to the London Stock Exchange for the cancellation of the admission of Miton Shares to trading on AIM following the Effective Date.

If you exercise your Option prior to the Scheme Record Time, and the Scheme becomes Effective, the Option Shares that you receive (following the sale of such number of those Option Shares as is required under the terms of the Cashless Exercise Facility, if applicable) will be exchanged for Premier Shares as part of the Merger. You should note that your Option will lapse (and therefore be of no value to you) at the Scheme Record Time if you do not take any action prior to that time.

9 Do Nothing

If you do nothing i.e. you take the course of action referred to in paragraph 5(d), your Option will lapse at the Scheme Record Time **to the extent it has not been exercised or exchanged.**

10 Accepting the Exchange Proposal or the Exercise Proposal

If you wish to accept the Exchange Proposal or the Exercise Proposal, you must validly complete the appropriate sections of the enclosed Form of Instruction.

Forms of Instruction must be sent, duly completed, signed and witnessed to Catriona Fletcher at Miton, so as to be received by no later than 5 p.m. on Tuesday 8 October 2019. You are, however, recommended to return your completed Form of Instruction as soon as possible. Please note that the witness to your signature must be independent (not a relative) and aged 18 or over.

If you take no action, your Option will lapse at the Scheme Record Time and become worthless.

11 What if you cease to hold an office or employment within the Miton Group?

The leaver arrangements under the MIP will apply in the normal way. This means that if you cease to hold any office or employment within the Miton Group or any associated company of any member of the Miton Group and:

- (a) you do not qualify as a "good leaver" under the rules of the MIP, your Option shall lapse to the extent unexercised on the date of such cessation; or
- (b) you do qualify as a "good leaver" under the rules of the MIP (for example, on death or because you leave as a result of ill health, injury, disability, redundancy or retirement on or after the age at which you are contractually bound to retire), your Option will remain exercisable until the earlier of the Scheme Record Time and six months after the date of such cessation.

12 What if the Scheme is not sanctioned by the Court?

If the Merger is not approved by the Miton Shareholders or the Scheme does not become effective, for whatever reason, your Option will remain in place on its existing terms in accordance with the rules of the MIP. As your Option is already exercisable, it will continue to be exercisable on its terms.

13 Tax Consequences

A summary of the UK income tax, National Insurance contributions and capital gains tax consequences of accepting the Exchange Proposal or the Exercise Proposal are set out in the Appendix to this Letter. If you are in any doubt as to your tax position, you should consult an appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 without delay.

14 Recommendation

The Miton Directors, who have been so advised by Spencer House as to the financial terms of the Exchange Proposal and the Exercise Proposal, consider the terms of the Exchange Proposal and the Exercise Proposal set out in this Letter to be fair and reasonable. In providing advice to the Miton Directors, Spencer House has taken into account the commercial assessments of the Miton Directors.

Accordingly, the Miton Directors recommend that you either accept the Exchange Proposal or exercise your Option before it lapses by accepting the Exercise Proposal.

15 Further Assistance

If you have any questions about this Letter or how to complete the Form of Instruction (not involving the giving of financial, investment or tax advice), please contact Catriona Fletcher, the Company Secretary, on 020 3714 1482 or by email at catriona.fletcher@mitongroup.com.

Yours faithfully



For and on behalf of Miton Group plc



For and on behalf of Premier Asset Management Group PLC

Appendix

UK Tax Treatment

Summarised below are the generally applicable UK taxation implications of the Exchange Proposal and the Exercise Proposal for those individuals who work, and are resident and domiciled for tax purposes, only in the UK. This is for guidance only and is not tax advice. The precise consequences will depend on your particular circumstances and, if you are in any doubt, you should consult an appropriate independent financial adviser. If you are resident, domiciled or work in a jurisdiction other than the UK, you should consult a suitably qualified professional adviser to determine your tax position. The paragraphs below represent the current position in the 2019/20 tax year.

Exchange Proposal:

No income tax liability will arise on the release of your Option in exchange for a Replacement Option over Premier Shares.

Neither will the release of your Option over Miton Shares in exchange for a Replacement Option over Premier Shares result in a capital gains tax ("CGT") liability. This is because your new right to acquire Premier Shares under the Replacement Option will not be regarded, for the purposes of CGT, as consideration for the release of your right to acquire Miton Shares under your existing Option.

The subsequent exercise of the Replacement Option will be subject to income tax and employee National Insurance contributions as described in the first paragraph of "Exercise Proposal" below.

Exercise Proposal:

Under the Exercise Proposal, there will be a charge to income tax and employee National Insurance contributions on the amount by which the market value of your Option Shares at the date of exercise exceeds the Exercise Price. This tax charge will be collected under PAYE.

For the purposes of capital gains tax, you will be treated as having acquired the Option Shares at their market value at the time of acquisition. The exchange of your Option Shares for Premier Shares should be treated as a reorganisation for CGT purposes. This means that you should not be treated as disposing of your Option Shares exchanged for Premier Shares for CGT purposes and the Premier Shares issued to you should be treated as the same asset and as having been acquired at the same time and for the same consideration as your relevant Option Shares.

You 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 will not seek to assert that the reorganisation treatment described in the preceding paragraph does not apply.

If you accept the Exercise Proposal and you qualify for the Special Dividend as the registered holder of the Miton Shares you have acquired, the cash dividend you receive will form part of your taxable income.

A dividend allowance applies to the first £2,000 of taxable dividend income that you receive in the tax year 2019/20. Dividend income within the dividend allowance is taxed at the dividend nil rate of 0%. Any remaining dividend income in excess of the dividend allowance falling within the basic rate band for income tax is charged at the dividend ordinary rate of 7.5%. Any dividend income in excess of the basic rate band but within the higher rate band for

income tax is charged at the dividend upper rate of 32.5%. Any dividend income in excess of the higher rate band is charged at the dividend additional rate of 38.1%.

If you only receive dividend income of up to £2,000 in the tax year, you do not need to notify HMRC. However, if you receive dividend income in excess of £2,000, you will need to include that income in your Self-Assessment personal income tax return for the tax year in which the dividend is received.

IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.

Notes

- 1 Unless the context otherwise requires, words and expressions defined in the Scheme Document have the same meaning in this Letter and the enclosed Form of Instruction.
- 2 The Premier Directors, whose names are set out in paragraph 2.4 of Part VII of the Scheme Document, accept responsibility for the information contained in this Letter relating to Premier, the wider Premier Group, the Premier Directors and their close relatives, related trusts and connected persons and the persons acting, or deemed to be acting, in concert with Premier. To the best of the knowledge and belief of the Premier Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 3 The Miton Directors, whose names are set out in paragraph 2.1 of Part VII of the Scheme Document, accept responsibility for the information (including expressions of opinion) set out in this Letter and the proposals contained in this Letter, other than information relating to Premier, the wider Premier Group, the Premier Directors or any of their close relatives, related trusts and connected persons or the persons acting, or deemed to be acting, in concert with Premier. To the best of the knowledge and belief of the Miton Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 4 Spencer House Partners LLP, which is authorised and regulated by the Financial Conduct Authority in the UK, is acting as lead financial adviser exclusively for Miton and no one else in connection with the Merger, the matters set out in this Letter and the Scheme Document and will not regard any other person as its client in relation to the matters set out in this Letter and will not be responsible to anyone other than Miton for providing the protections afforded to clients of Spencer House or its affiliates, or for providing advice in relation to any matter referred to herein.
- 5 Spencer House has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which they appear.
- 6 Fenchurch Advisory Partners LLP ("**Fenchurch**"), which is authorised and regulated by the Financial Conduct Authority in the UK, is acting as lead financial adviser exclusively for Premier and no one else in connection with the Merger, the matters set out in this Letter and the Scheme Document and will not regard any other person as its client in relation to the matters set out in this Letter and will not be responsible to anyone other than Premier for providing the protections afforded to clients of Fenchurch or its affiliates, or for providing advice in relation to any matter referred to herein.

- 7 Fenchurch has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which they appear.
- 8 In the event of any differences between this Letter or the Form of Instruction and the rules of the MIP or any relevant legislation, the rules of the MIP and the relevant legislation will prevail.
- 9 Accidental omission to despatch this Letter or the Form of Instruction to, or any failure to receive the same by, any person to whom the proposals are made or should be made will not invalidate the proposals in this Letter in any way.
- 10 The distribution of this Letter in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. Neither this Letter nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Offer or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.
- 11 This Letter has been prepared for the purposes of complying with English law, the City Code on Takeovers and Mergers 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.
- 12 Nothing in this Letter shall be construed as investment advice or any investment recommendation given by or on behalf of any other person.