

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN INDEPENDENT FINANCIAL ADVICE IMMEDIATELY FROM A STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, IF YOU ARE IN THE UNITED KINGDOM, OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER IF YOU ARE IN A TERRITORY OUTSIDE THE UNITED KINGDOM.**

**THE RELEASE, PUBLICATION OR DISTRIBUTION OF THIS DOCUMENT AND/OR THE ACCOMPANYING DOCUMENTS IN JURISDICTIONS OTHER THAN THE UNITED KINGDOM MAY BE RESTRICTED BY THE LAWS OF THOSE JURISDICTIONS AND THEREFORE PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT AND OBSERVE SUCH RESTRICTIONS. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE SECURITIES LAWS OF ANY SUCH JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR ISSUE, NOR THE SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR, SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL.**

*To: Participants holding options granted under the Murgitroyd Group PLC Unapproved Employee Share Option Scheme 2004/2010*

30 October 2019

Dear Participant

**Murgitroyd Group PLC Unapproved Employee Share Option Scheme 2004/2010 (the “Plan”) and the recommended cash acquisition of Murgitroyd Group PLC (“Murgitroyd”) by Project Petra Bidco Limited (“Bidco”) to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

On 18 October 2019, the boards of Murgitroyd and Bidco announced that they had reached agreement on the terms of the recommended cash acquisition of the entire issued, and to be issued, ordinary share capital of Murgitroyd by Bidco (the “**Acquisition**”). It is proposed that the Acquisition will be implemented pursuant to a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the “**Scheme**”). If the Scheme becomes effective, all of the shares in Murgitroyd, being ordinary shares of 10 pence each (the “**Murgitroyd Shares**”) will be transferred to Bidco in exchange for 675 pence in cash per Murgitroyd Share and Bidco will own the entire issued share capital of Murgitroyd.

The purpose of this letter (the “**Letter**”) is to explain how the Acquisition affects your option(s) over Murgitroyd Shares granted under the Plan (your “**Murgitroyd Option(s)**”) and how you can participate in the Scheme.

Enclosed with this Letter are:

- a summary of the tax consequences in relation to the exercise of your Murgitroyd Option(s);
- a scheme document setting out the terms of the Scheme dated 30 October 2019 (the “**Scheme Document**”); and

- a Conditional Exercise Form for you to complete if you want to exercise your Murgitroyd Option(s) and receive 675 pence per Murgitroyd Share under the terms of the Scheme. Please return this Conditional Exercise Form to Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL by no later than 6.00 p.m. on 18 December 2019 or such later date as may be notified by Murgitroyd.

You should read everything in this Letter, the accompanying Appendix and the Conditional Exercise Form carefully, together with the enclosed Scheme Document, a copy of which is also available at [www.murgitroydgroup.com](http://www.murgitroydgroup.com), keeping in mind your financial position and the tax consequences of exercising your Murgitroyd Option(s). If you need an additional copy of the Scheme Document, please contact Murgitroyd's Registrars during business hours on +44(0)371 664 0321 or by submitting a request in writing to Murgitroyd's Registrars at Link Asset Services, The Registry, PSX1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. Unless otherwise defined in this Letter, all words and expressions defined in the Scheme Document have the same respective meanings in this Letter.

If you are in any doubt about what you should do, you should obtain advice from an independent financial adviser.

## 1 **KEY SCHEME EVENTS AND DATES**

The following events, referred to throughout this Letter, are key to the implementation of the Acquisition pursuant to the Scheme. The dates set out below are indicative, reflecting the current expectations of Murgitroyd and Bidco for the implementation of the Acquisition if the Scheme goes ahead, and may in the event of delay be subject to change.

### 1.1 **“General Meeting”**

The Murgitroyd shareholder meeting ordered by the Court at which the Murgitroyd shareholders will vote on whether or not to approve the Acquisition by Bidco, and also on the Amendments to the rules of the Plan (referred to in paragraph 2 of this Letter), on which the terms of this Letter are contingent. This meeting is expected to be held on or around 26 November 2019.

### 1.2 **“Court Sanction”**

The date on which, if Murgitroyd shareholders vote in favour of the Scheme, the court will sanction the Scheme at a court hearing. This hearing is expected to be held on or around 17 December 2019.

### 1.3 **“Scheme Record Time”**

This will be 6.00 pm. (London time) on the business day immediately after the Court Sanction.

### 1.4 **“Effective Date”**

The date on which the Scheme becomes effective (if sanctioned by the Court) (i.e. the day on which Bidco will take control of Murgitroyd). This is expected to be on or around 19 December 2019 (2 working days after Court Sanction).

## 2 DEED(S) OF AMENDMENT TO THE OPTION SCHEME(S)

2.1 It is proposed that the rules of the Plan be amended (the “**Amendments**”) as follows:

2.1.1 any Murgitroyd Options not exercised prior to the Scheme Record Time shall lapse immediately (currently, holders of Murgitroyd Options have 6 months to exercise their Murgitroyd Options following a takeover before they lapse); and

2.1.2 to allow for cashless exercise of Murgitroyd Options.

2.2 Before the Amendments can be effected, they require the approval of Murgitroyd shareholders in a general meeting. The General Meeting is expected to be held on or around 26 November 2019 and, if the Amendments are approved by Murgitroyd shareholders at the General Meeting, the Amendments shall be effective immediately. The full terms of the Amendments are referred to in the Scheme Document.

2.3 For the avoidance of doubt, this Letter constitutes notice of the Amendments as required pursuant to the Plan.

## 3 IMPACT ON YOUR OPTION(S)

### 3.1 When can I exercise my Murgitroyd Option(s)?

Normally, your Murgitroyd Option(s) would become exercisable after three years, subject to the satisfaction of the applicable performance conditions (the “**Performance Conditions**”) being met.

If your Murgitroyd Option(s) have already become exercisable, you can exercise them (to the extent not already exercised) when you choose up to the date that they lapse, being at the Scheme Record Time or any earlier date specified in the rules of the Plan and your option certificate or set out in your termination agreement if your employment with Murgitroyd has ended.

For those holders of Murgitroyd Options that decide to participate in the Scheme, the Board has agreed to waive the Performance Conditions that apply to their Murgitroyd Options so that they become exercisable in full upon the Court sanctioning the Scheme. As a result, if your Murgitroyd Option(s) have not yet become exercisable, you can now exercise them in full, conditional on the Court Sanction. Your Murgitroyd Option(s) will lapse at the Scheme Record Time or any earlier date set out in your termination agreement if your employment with Murgitroyd has ended.

If you already own Murgitroyd Shares following the exercise of options and you still hold them when Court Sanction takes place, you will be treated in the same way as any other shareholder in respect of those Murgitroyd Shares.

**NOTE: Persons on a Murgitroyd insider or restricted list may not deal in Murgitroyd securities (including options) during a closed period or without obtaining prior clearance to deal at any other time in accordance with the Murgitroyd Securities Dealing Code. You will be emailed separately with further instructions if this applies to you.**

### 3.2 How many exercisable shares will I have?

You have a total number of [ ● ] Murgitroyd Shares under Murgitroyd Option(s) which are either exercisable or will be exercisable on a date that will be no later than the Scheme Record Time (assuming the Court sanctions the Scheme).

You have a total number of [ ● ] Murgitroyd Shares under Murgitroyd Option(s) which will become exercisable on Court Sanction (assuming the Court sanctions the Scheme).

If you consider this figure to be incorrect, you should contact Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL immediately with evidence of your claim.

### 3.3 What are my choices?

#### 3.3.1 Choice 1 – exercise your Murgitroyd Option(s) conditional on Court Sanction – all options

If you elect to exercise your Murgitroyd Option(s) conditional on Court Sanction, each of the Murgitroyd Shares you receive on exercise of your Murgitroyd Option(s) will be bought automatically by Bidco under the Acquisition for 675 pence in cash for each Murgitroyd Share (the “**Price**”).

If you decide to proceed under Choice 1, then you will be undertaking to pay:

- (a) the aggregate exercise price due in respect of the exercise of your Murgitroyd Option(s) (being the total number of Murgitroyd Shares you are exercising your Murgitroyd Option(s) over multiplied by the relevant exercise price for the Murgitroyd Option(s) as specified in your option certificate(s)) (the “**Aggregate Exercise Price**”); and
- (b) where relevant, any liability to income tax and employee’s national insurance contributions (or overseas equivalents) arising in connection with your Murgitroyd Option(s) for which Murgitroyd, or your employing company, if different, is required to withhold or account to HM Revenue & Customs (or overseas equivalent), together the (“**Tax Liability**”).

Murgitroyd and Bidco have agreed to operate a cashless exercise facility (the “**Cashless Exercise Facility**”). If you agree to the terms of the Cashless Exercise Facility, you will not be required to fund the Aggregate Exercise Price and any Tax Liability payable on the exercise of your Murgitroyd Option(s) from your own resources prior to the exercise of your Murgitroyd Option(s)). Instead, if you choose Choice 1, you will undertake to pay the Aggregate Exercise Price together with any Tax Liability and direct that the relevant amount is withheld from the cash proceeds otherwise payable to you by Bidco in respect of the Acquisition (the “**Cash Proceeds**”).

Bidco will pay the Cash Proceeds to Murgitroyd. Murgitroyd will retain the Aggregate Exercise Price and any Tax Liability from the Cash Proceeds and pay the balance to you by payroll or by cheque.

The Cashless Exercise Facility is only available to you if you elect to exercise your Murgitroyd Option(s) conditional on Court Sanction using the enclosed Conditional Exercise Form (ie. Choice 1).

You should note that although all of your Murgitroyd Option(s) to the extent they have not already become exercisable will become exercisable in accordance with the rules of the Plan, the exercise price per Murgitroyd Share relating to some or all of your Murgitroyd Option(s) may be greater than the Price. To the extent this applies to your Murgitroyd Option(s) (the “**Underwater Murgitroyd Option(s)**”), such Underwater Murgitroyd Option(s) are effectively worthless. Please note that the Cashless Exercise Facility is not available to you in respect of any Underwater Murgitroyd Option(s) you hold. On the basis that such Underwater Murgitroyd Option(s) are effectively worthless, Murgitroyd proposes that these will be surrendered on Court Sanction. Any Underwater Murgitroyd Option(s) that are not surrendered will lapse at the Scheme Record Time.

**To exercise your Murgitroyd Option(s) conditional on Court Sanction, you must return the Conditional Exercise Form to Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL by no later than 6.00 p.m. on 18 December 2019 or such later date as may be notified by Murgitroyd. We have asked you to return the Conditional Exercise Form by this date so that we are able to process in good time all the forms received.**

### **3.3.2 Choice 2 – exercise your Murgitroyd Option(s) before the Scheme Record Time – already exercisable options**

You do not have to exercise your Murgitroyd Option(s) conditional on Court Sanction if you do not wish to do so. You may instead choose to exercise your Murgitroyd Option(s), to the extent they are already exercisable or will be exercisable at a date that will be no later than the Scheme Record Time, between now and the Scheme Record Time. Whilst Court Sanction is expected to be on or around 17 December 2019, this could possibly change due to delays. Should Court Sanction change, we will let you know.

You will have the same usual choices in relation to the Murgitroyd Shares you receive on exercise of your Murgitroyd Option(s) – you may keep them, sell enough to pay any tax and social security liabilities (if applicable) or sell them all. If you sell any of the Murgitroyd Shares prior to Court Sanction, you will receive the prevailing market price for them but, if you retain any post exercise and still hold them when Court Sanction takes place, these will be bought automatically by Bidco under the Acquisition for 675 pence in cash for each Share.

**Please note if you choose to exercise your Murgitroyd Option(s) under Choice 2, the Cashless Exercise Facility will not be available to you and, instead, in order to exercise your Murgitroyd Option(s) you will be required to pay the Aggregate Exercise Price of your Murgitroyd Option(s) and any Tax Liability to Murgitroyd using your funds before the exercise of your Murgitroyd Option(s) will be accepted.**

**To exercise your Murgitroyd Option(s) between now and the Scheme Record Time, you should contact Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL to request the appropriate notice of exercise.**

## **3.4 What happens if I do nothing?**

If you do not exercise your Murgitroyd Option(s) as described above, your Murgitroyd Option(s) will lapse at the Scheme Record Time (or any earlier lapse date which applies to your Murgitroyd Option(s)) – your Murgitroyd Option(s) will cease to be exercisable and you will receive no value for it.

**3.5 If my Murgitroyd Shares are bought by Bidco, when will I receive my cash after I exercise my Murgitroyd Option(s)?**

**3.5.1 For Choice 1 (all options)**

If the Acquisition goes ahead, you will receive the cash consideration into your bank account (less deductions for Aggregate Exercise Price of your Murgitroyd Option(s) and any Tax Liability required to be deducted by Murgitroyd) through the next practicable payroll after the cash has been paid by Bidco (and, in any event within 14 days of the Effective Date).

**3.5.2 For Choice 2 (already exercisable options only):**

If the Acquisition goes ahead, and you have not disposed of the Murgitroyd Shares that were issued to you on the exercise of your Murgitroyd Option(s) under Choice 2, the cash consideration will be paid to you by Bidco within 14 days of the Effective Date.

**3.6 Can I make different choices for different options?**

Yes, if you hold Murgitroyd Option(s) granted in different years (e.g. an option granted in 2010 and an option granted in 2015), you can choose to exercise each of those options at different times. You do not have to exercise all your Murgitroyd Option(s) at the same time. Any choice you make for an option will apply to all of that option.

**3.7 What happens if I leave Murgitroyd?**

If your employment is terminated with Murgitroyd for any reason other than by reason of death, your Murgitroyd Option(s) will lapse on the date that you leave Murgitroyd. Your Murgitroyd Option(s) will cease to be exercisable and you will receive no value for it – any choice (as described in paragraph 3.3) you have made will be disregarded.

If you cease to be an employee or director of Murgitroyd by reason of death, to the extent not exercised your Murgitroyd Option(s) will lapse and cease to be exercisable by your personal representatives at the Scheme Record Time (or any earlier lapse date which applies to your Murgitroyd Option(s)).

**3.8 Will I incur any liability to tax or social security?**

The Appendix to this Letter contains information on the tax implications of exercising your Murgitroyd Option(s) for participants who are UK tax resident and separately for participants who are US tax resident at all times.

If you have any doubt as to your own personal tax treatment, you are encouraged to seek independent professional tax advice.

**3.9 What if the Acquisition does not go ahead?**

If the Scheme is not sanctioned by the Court, the exercise of options under Choice 1 will not occur and Murgitroyd Option(s) shall be otherwise unaffected and will continue to be held in accordance with the terms of the Plan.

### 3.10 **Recommendation by the Murgitroyd Directors**

The Murgitroyd Directors, who have been so advised by Nplus1 Singer Advisory LLP and Deloitte LLP as to the financial terms of the exercise proposal described above, consider the terms of the exercise proposal described above to be fair and reasonable. In providing advice to the Murgitroyd Directors, Nplus 1 Singer Advisory LLP and Deloitte LLP have taken into account the commercial assessments of the Murgitroyd Directors.

The Murgitroyd Directors recommend that you should give careful consideration to the exercise proposals in this Letter.

### 3.11 **Making your decision**

If you wish to exercise your Murgitroyd Option(s) on Court Sanction and participate in the Scheme (Choice 1), you (or an attorney appointed on your behalf) must complete the enclosed Conditional Exercise Form. You must complete and deliver your Conditional Exercise Form to Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL as soon as possible and, in any event, **no later than 6.00 p.m. on 18 December 2019 or such later date as may be notified by Murgitroyd**. If the Conditional Exercise Form is completed incorrectly, it may not be accepted. Please note that the Conditional Exercise Form will only have effect in relation to your Murgitroyd Option(s) if it has not otherwise lapsed or been exercised prior to Court Sanction.

If you wish to exercise your Murgitroyd Option(s) prior to Court Sanction (Choice 2) you should exercise your Murgitroyd Option(s) between now and the Scheme Record Time. To do so, you should contact Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL to request the appropriate notice of exercise.

### 3.12 **What if you have questions?**

If you have any questions about the effect of the Scheme on your Murgitroyd Option(s), please contact Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL prior to 6.00 p.m. on 18 December 2019. Murgitroyd and its officers and employees may not provide you with any legal, tax or financial advice.

Nothing in this Letter and accompanying documents constitutes financial advice to any Participant.

If there is a conflict between the information in this Letter and the appendices and the rules of the Plan or any relevant legislation, the rules of the Plan and the legislation will prevail. References in this Letter to any time and date are to UK time.

If you are in any doubt as to the action you should take, you are advised to seek your own independent financial and/or tax advice regarding your personal circumstances in relation to your Murgitroyd Option(s).

Yours faithfully,

**Murgitroyd Group PLC**

**Project Petra Bidco Limited**

## APPENDIX

### UK Tax Consequences

**The information contained below is a summary of the current UK tax implications if you elect to exercise your Murgitroyd Option(s) as outlined in this Letter and applies only to option holders resident at all relevant times for tax purposes in the UK. It is for guidance only and does not constitute tax, legal or investment advice. It is not a full description of all of the circumstances in which a tax liability may occur and only considers the implications of exercising your Murgitroyd Option(s). The precise implications for you will depend on your particular circumstances.**

**If you are in any doubt as to your tax position you should consult an appropriate independent professional tax or legal adviser immediately.**

#### 1 TAX TO PAY ON THE EXERCISE OF YOUR OPTION AND SALE OF SHARES

As your Murgitroyd Option(s) is a non-tax-advantaged option, you will be subject to income tax on exercise on the difference between the market value of the Murgitroyd Shares on the date of exercise and the exercise price. You will also be subject to employees' national insurance contributions on the same amount as is assessed to income tax.

Both the income tax and employees' national insurance contributions will be payable to HM Revenue & Customs through the PAYE system.

When you sell your Murgitroyd Shares to Bidco, you may be subject to capital gains tax ("CGT"). The "base cost" of the Murgitroyd Shares will be the amount you paid for them (i.e. the exercise price) plus the amount assessed to income tax on the exercise of your Murgitroyd Option(s). You deduct the base cost from the sale proceeds to establish the gain.

For your information, any gains on the sale of your Murgitroyd Shares will be added to your other gains during the same tax year. Only gains in excess of the annual exemption (£12,000 for 2019/20) will be subject to CGT. Gains are added to your income and charged at either 10 per cent. (for basic rate taxpayers) or 20 per cent. (for higher and additional rate taxpayers) so the rate depends on your taxable income for the tax year of disposal and the size of the gain.

The position is more complicated if you have other Murgitroyd Shares which are also being sold or current year or brought-forward capital losses and you should seek your own personal tax advice.

#### 2 HOW TO PAY ANY INCOME TAX, NATIONAL INSURANCE CONTRIBUTIONS AND CGT

Income tax and employees' national insurance contributions which are due will be accounted for by Murgitroyd under the PAYE system. Where you exercise your Murgitroyd Option(s) under Choice 1, any income tax and national insurance contributions you have to pay on the exercise of your Murgitroyd Option(s) will be deducted on your behalf from the cash proceeds you receive under the Scheme. Where you exercise your Murgitroyd Option(s) under Choice 2, you will be required to pay any income tax and national insurance contributions to Murgitroyd using your funds before the exercise of your Murgitroyd Option(s) will be accepted.

If you have to pay any CGT, you will have to pay it through self-assessment. This means that you will have to complete a self-assessment tax return. If you do not usually account for tax through self-assessment, you must tell your Tax Office

that you need a tax return within six months of the end of the tax year in which the tax liability arises (the tax year is the 12 months to 5 April each year).

Tax paid through self-assessment has to be paid by 31 January of the tax year following the tax year in which you receive the income or gain.

## U.S. Federal Tax Consequences

**NOTE: This section only applies to persons who are U.S. taxpayers that are individuals or corporations. This section does not take account of your individual circumstances; it is for guidance only and does not constitute tax, legal or investment advice. If you are in any doubt as to your tax position, you should seek advice from an independent professional tax or legal adviser.**

### 1 BACKGROUND – ORDINARY INCOME VS. CAPITAL GAINS/LOSSES

For individuals in 2019, the maximum marginal U.S. federal income tax rate applicable to ordinary income and short-term capital gain is 37 per cent., and the maximum marginal U.S. federal income tax rate for long-term capital gain is 20 per cent. Long-term capital gain tax treatment applies upon the disposition of a capital asset held for more than a year. Corporations are subject to a flat tax of 21 per cent on their net income.

Additionally, capital gains and losses are subject to certain other provisions of the U.S. Internal Revenue Code of 1986, as amended (the “**U.S. Tax Code**”).

For example, capital gains and losses are netted against other capital gains and losses, but only \$3,000 of net capital losses may be deducted against ordinary income in any calendar year by any individual taxpayer.

In addition, depending on an individual taxpayer’s tax filing status and whether the taxpayer’s “modified adjusted gross income” exceeds a threshold amount under the U.S. Tax Code, the taxpayer may also be subject to the “net investment income tax” equal to 3.8 per cent. of the net gains realized upon the disposition of the taxpayer’s Murgitroyd Shares.

**Consult your tax or legal advisor for more information regarding the rates and provisions that apply to you, especially if you are or hold Murgitroyd Shares through an entity other than a corporation.**

### 2 NON-STATUTORY STOCK OPTIONS

If you are an employee of Murgitroyd who holds Murgitroyd Option(s) to purchase Murgitroyd Shares, you generally incurred no tax consequences by reason of the grant of non-statutory stock options with an exercise price at least equal to the fair market value of an underlying Murgitroyd Share on the date of grant. However, upon the exercise of your Murgitroyd Option(s) in connection with the Acquisition, you will recognize taxable ordinary income equal to the excess, if any, of the fair market value of the Murgitroyd Shares on the date exercised over the exercise price you paid. The Company is generally required to treat any such income as regular wages or supplemental wage payments and withhold income and payroll taxes on the income recognized, including the additional 9 per cent. Medicare tax on taxpayers with compensation in excess of statutory thresholds.

Upon disposition of the Murgitroyd Shares you acquired by the exercise of your Murgitroyd Option(s), you will recognize a capital gain or loss equal to the difference between the selling price and the sum of the amount paid for such Murgitroyd Shares plus any amount recognized as ordinary income upon exercise of your Murgitroyd Option(s). You may also be subject to the net investment income tax on any capital gain.

## LEGAL NOTES

- i. The Murgitroyd Directors, whose names are set out in paragraph 2.1 of Part 8 of the Scheme Document, each accept responsibility for the information (including any expressions of opinion) contained in this Letter (other than that relating to the Bidco Group, Sovereign, SCIV LP, the Sovereign Investors (as they are defined in the Scheme Document), the Bidco Directors (and members of their immediate families, persons connected with the Bidco Directors and their related trusts and controlled companies) and the SCP Responsible Persons (as defined in the Scheme Document) (and members of their immediate families, persons connected with the SCP Responsible Persons and their related trusts and controlled companies)). To the best of the knowledge and belief of the Murgitroyd Directors (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) 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.
- ii. The Bidco Directors, whose names are set out in paragraph 2.2 of Part 8 of the Scheme Document, and the SCP Responsible Persons, whose names are set out in paragraph 2.3 of Part 8 of the Scheme Document, each accept responsibility for the information (including any expressions of opinion) contained in this Letter (other than that relating to the Murgitroyd Group and the Murgitroyd Directors (and members of their immediate families, persons connected with the Murgitroyd Directors and their related trusts and controlled companies)). To the best of the knowledge and belief of the Bidco Directors and the SCP Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information (including any expressions of opinion) 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.
- iii. Nplus1 Singer Advisory LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for Murgitroyd and no one else in connection with the Scheme and the proposal contained in this Letter and, accordingly will not be responsible to anyone other than Murgitroyd for providing the protections afforded to its clients or for providing advice in relation to the Scheme or the proposal.
- iv. Deloitte is acting as financial adviser exclusively for Murgitroyd and no-one else in connection with the Acquisition and will not be responsible to anyone other than Murgitroyd for providing the protections offered to clients of Deloitte LLP or for providing advice in relation to the Acquisition, the contents of this document or any matters referred to in this document. Deloitte is authorised and regulated in the United Kingdom by the FCA in respect of regulated activities. Deloitte can be contacted at its principal office: 1 New Street Square, London, EC4A 3HQ.
- v. Nplus1 Singer Advisory LLP has given and not withdrawn its consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which it appears.
- vi. Deloitte LLP has given and not withdrawn its consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which it appears.
- vii. Settlement of the consideration in respect of your Murgitroyd Shares will be paid to Murgitroyd as an agent. Murgitroyd will forward the payment to you after deductions. For current employees, payments will be made via payroll. In the case of former employees, payments will be despatched by first-class post (or international standard post, if overseas), in the form of a cheque drawn on a branch of a UK clearing bank or by such other method as may be approved. All such cash payments shall be made in pounds sterling. Payments made by

cheque shall be payable to you. Cheques shall be despatched as soon as practicable and within 14 days after the Effective Date to your last known address unless you inform us otherwise. None of Murgitroyd, Bidco or any of their respective nominees or agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.

- viii. The enclosed Conditional Exercise Form, including the notes and instructions on it, shall be deemed an integral part of the proposal.
- ix. The proposal and acceptances and elections in respect of the Conditional Exercise Form shall be governed by and construed in accordance with Scots law.
- x. All acceptances and elections in respect of the proposal will be irrevocable.
- xi. You should note that in order to permit the exercise of your Murgitroyd Option(s) using the Cashless Exercise Facility, rule 8 of the Murgitroyd Group PLC Unapproved Employee Share Option Scheme 2004/2010 requires to be amended on the basis summarised in this letter.
- xii. You should also note that as a result of the change to the date when your Murgitroyd Option(s) may lapse following the Court Sanction (ie. at the Scheme Record Time) rule 6.2 of the Murgitroyd Unapproved Share Option Scheme 2004/2010 is to be amended on the basis summarised in this Letter.
- xiii. Your Murgitroyd Options are governed by the rules of the Plan and your option certificate. If there is any inconsistency between those rules and the option certificate and this Letter and the Conditional Exercise Form, those rules and your option certificate will prevail. The information relating to taxation given in this Letter is given by way of guidance only.
- xiv. Accidental omission to despatch this Letter or the Conditional Exercise Form to, or failure to receive the same by any person to whom the proposal contained in this Letter is made or should have been made, shall not invalidate the proposal contained in this Letter in any way.

## CONDITIONAL EXERCISE FORM

**For use by Participants in the Murgitroyd Group PLC Unapproved Employee Share Option Scheme 2004/2010  
(the “Plan”)**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** It should be read with the Scheme Document and the letter from Murgitroyd and Bidco dated 30 October 2019 (the “**Letter**”). Words and expressions in the Scheme Document and the Letter have the same meanings when used in this Conditional Exercise Form.

(If your name and/or address are wrong, please correct them.)

Tel.

  

E-mail

Please write your daytime telephone number and e-mail address clearly in the box above in case we need to contact you.

### ACTION TO BE TAKEN

- Before deciding what action you wish to take, please read the Scheme Document and the Letter and then complete this Conditional Exercise Form by following the instructions in each section and sign it on page 2 in the presence of a witness (not your spouse or civil partner or a member of your immediate family), aged 18 or over, who must also sign. Please make sure that you read the terms and conditions of the Conditional Exercise Form on the preceding page.
- If you want to exercise your Murgitroyd Option(s) and participate in the Scheme, please return this Conditional Exercise Form by post in the enclosed envelope to Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL so as to arrive no later than 6.00 p.m. on 18 December 2019 or such later date as may be notified by Murgitroyd.
- You do not need to send your option agreement or certificate with this Conditional Exercise Form.
- If you take no action your Murgitroyd Option(s) will lapse and cease to be of any value from the Scheme Record Time after the Court Sanction.

To: Assistant Company Secretary  
Murgitroyd Group PLC  
Scotland House  
165 – 169 Scotland Street  
Glasgow  
G5 8PL

Dear Sirs

### Exercise of Murgitroyd Option(s) and Participation in the Scheme

#### 1 CASHLESS EXERCISE OF OPTION(S)

I hereby exercise the Murgitroyd Option(s) granted to me under the Murgitroyd Group PLC Unapproved Employee Share Option Scheme 2004/2010 (the “**Plan**”) over the following shares at the aggregate option exercise price shown in column 5 conditionally on the Court sanctioning the Scheme:

1. Scheme No.	2. Grant Date	3. Exercise Price	4. No. of shares	5. Aggregate Exercise Price

I note that the Plan is to be amended so that, instead of requiring payment of the Aggregate Exercise Price upfront with delivery of this Conditional Exercise Form, the Plan will permit exercise of the Option allowing Murgitroyd and Bidco to operate a cashless exercise facility and if the Option is not exercised on or before the Scheme Record Time following the Court sanctioning the Scheme it shall lapse.

#### 2 TERMS AND CONDITIONS

- 2.1 I confirm that I am the holder of a Murgitroyd Option and that I am entitled to exercise such Murgitroyd Option.
- 2.2 I understand that this Conditional Exercise Form will only have effect in relation to my Murgitroyd Option where it has not otherwise lapsed prior to Court Sanction. I understand that, if the Scheme is not sanctioned by the Court, the exercise of my Option will not occur and my Murgitroyd Option shall be otherwise unaffected by this conditional exercise and will continue to be held in accordance with the terms of the Plan.

- 2.3 I acknowledge that I will be entitled to sell these Murgitroyd Shares to Bidco for 675 pence per share when the Scheme becomes effective. I agree to sell such Murgitroyd Shares to Bidco for 675 pence per Murgitroyd Share.
- 2.4 I agree that the Aggregate Exercise Price that I am required to pay to the Company in order to exercise my Option will be deducted from the cash consideration due to me under the Scheme for the sale of my Murgitroyd Shares.
- 2.5 I understand that the choices I have made on this Conditional Exercise Form are irrevocable (save as permitted) unless the Scheme does not proceed.
- 2.6 I confirm that I have received the Letter and Appendix thereto together with this Conditional Exercise Form as well as the Scheme Document and have read, understood and agree to their terms and conditions.
- 2.7 I acknowledge that neither Murgitroyd nor Bidco will be responsible for any consequential loss in the event that the Conditional Exercise Form is incorrectly completed or where it has not been possible to obtain clarification on my instructions or where the Conditional Exercise Form is delayed or fails to arrive.
- 2.8 I agree not to bring any claims in relation to my Murgitroyd Option if the number of exercisable Murgitroyd Shares exceeds that stated in 1 above.
- 2.9 In the event of any difference between the Letter, the Appendix or this Conditional Exercise Form and the rules of the Plan or applicable legislation, the rules of the Plan or applicable legislation (as appropriate) will prevail.
- 2.10 This Conditional Exercise Form shall be governed by the laws of Scotland.

### 3 **TAX LIABILITY**

- 3.1 I understand that income tax and employees' national insurance contributions (or equivalent in other jurisdictions) payable through withholding ("**Tax Liability**") may be due on the exercise of my Option and that such Tax Liability must be accounted for by Murgitroyd or my employing company to HM Revenue & Customs or the IRS or relevant tax authority as appropriate.
- 3.2 In order to meet any such obligations, I hereby authorise Murgitroyd, Bidco and/or my employing company to deduct an amount equal to any Tax Liability arising on the exercise of my Murgitroyd Option and acquisition of my Murgitroyd Shares from the aggregate price per Murgitroyd Share payable to me under the terms of the Scheme and authorise Murgitroyd or my employing company to forward such amount to HM Revenue & Customs, the IRS or the relevant tax authority as appropriate either directly by Murgitroyd or by Murgitroyd paying such amount to my employing company to then forward to HM Revenue & Customs, the IRS or the relevant tax authority.

**NOTE: By signing this Conditional Exercise Form and returning it to Fiona Mason at Murgitroyd Group PLC, Scotland House, 165-169 Scotland Street, Glasgow, G5 8PL by no later than 6.00 p.m. on 18 December 2019 or such later date as may be notified by Murgitroyd, conditionally on the Court sanctioning the Scheme, you will:**

- **exercise your Option to the fullest extent possible;**
- **receive 675 pence for each Murgitroyd Share you acquire on the exercise of your Murgitroyd Option, after the deduction of the aggregate exercise price you have to pay to exercise your Murgitroyd Option; and**
- **be responsible for any Tax Liabilities and an amount to cover such Tax Liabilities will be withheld from the cash consideration due to you under the terms of the Scheme.**

**If you do not complete and sign this Conditional Exercise Form, your Option will cease to be exercisable and will lapse at the Scheme Record Time after the Court Sanction.**

**You must return this form as instructed on the front page. Please also remember to enclose your option certificate(s) if you have them. If this form is incorrectly completed or received after 6.00 p.m. on 18 December 2019 it may not be accepted.**

IN WITNESS WHEREOF these presents consisting of this and the preceding 2 pages are executed as follows:

SUBSCRIBED by (insert name):

(insert place of signing, eg. Glasgow):

(insert date of signing):

\_\_\_\_\_  
Signatory

\_\_\_\_\_  
before this witness:

\_\_\_\_\_  
Print Full Name

Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Witness