

9 August 2023

Re: Recommended final¹ cash offer for Gresham House plc (“Gresham House” or the “Company”) by Seed Bidco Limited (“Bidco”), which is a company controlled by funds advised by Searchlight Capital Partners UK, L.P. and its affiliates (the “Acquisition”)

Dear [Insert Proxy Adviser Name],

On behalf of the Gresham House Board, I am writing to you regarding the recommended final cash offer for Gresham House by Seed Bidco Limited, which is a company controlled by funds advised by Searchlight Capital Partners UK, L.P. and its affiliates. It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement of Gresham House under Part 26 of the Companies Act 2006 (the “**Scheme**”).

The circular relating to the Scheme and the Acquisition (the “**Scheme Document**”) was published on 4 August 2023 and sets out full details of the Acquisition and specifies the actions to be taken by the Scheme Shareholders. The Court Meeting and the General Meeting will be held at 12.00 p.m. and 12.15 p.m., respectively, on 30 August 2023. Further information can be found in the Scheme Document and on our website at www.greshamhouse.com/ghe-plc-offer.

Capitalised terms in this letter, unless otherwise defined herein, have the same meanings as set out in the Scheme Document.

The detailed reasons for the Gresham House Board’s unanimous recommendation are set out in the Scheme Document. **Any vote in respect of the resolutions to be proposed at the Court Meeting or the General Meeting to approve the Acquisition, the Scheme, or related matters, should be made only on the basis of the information contained in the Scheme Document.**

The Gresham House Board considers the terms of the Acquisition to be fair and reasonable and believes that the terms of the Acquisition are in the best interests of Gresham House and Gresham House Shareholders as a whole. Accordingly, the Gresham House Directors are recommending unanimously that Gresham House Shareholders vote in favour of the Scheme as each of the Gresham House Directors who are interested in Gresham House Shares have irrevocably undertaken to do in respect of their entire beneficial holdings of Gresham House Shares.

To assist you in your deliberations, I would like to take this opportunity to highlight in this letter the structure of the Gresham House Board and the thorough process that the Gresham House Board undertook to evaluate and negotiate the terms of the Acquisition. In addition, please refer to Part I of the Scheme Document for further detail on the Acquisition and why the Gresham House Board considers the Acquisition to be in the best interests of Gresham House, Gresham House Shareholders, its employees, clients and local communities and residents. The conclusions of the Gresham House Board are set out in paragraph 4 of Part I of the Scheme Document under the heading “Background to, and reasons for, the Gresham House Board recommendation”.

We would be happy to answer any questions you may have on the Acquisition and to meet you in person if that would be helpful. In order to facilitate this, please contact Nina Atkinson on +442070197018 and/or nina.atkinson@georgeson.com.

Overview of the Gresham House Board

As Chairman of the Gresham House Board, I am responsible for the overall effectiveness of the Gresham House Board in its oversight of the Company and its operations.

¹ The financial terms of the Acquisition are final and will not be increased, except that Bidco reserves the right to increase the Acquisition Price where: (i) there is an announcement of a possible offer or a firm intention to make an offer for Gresham House by any third party; or (ii) the Panel otherwise provides its consent.

The Gresham House Board recognises the importance of sound corporate governance and complies with the Corporate Governance Code for Small and Mid-Size Quoted Companies ("**QCA Code**"), as published by the Quoted Companies Alliance ("**QCA**"). The QCA Code was devised by the QCA in consultation with a number of significant institutional small company investors as an alternative corporate governance code to the UK Corporate Governance Code, applicable to, and more suitable for, many AIM companies. The Board believes that the QCA Code provides the Company with a practical and rigorous corporate governance framework to support the business and its success in the long term.

The Gresham House Board comprises five independent non-executive directors (Simon Stilwell, Rachel Beagles, Gareth Davis, Sarah Ing and myself) and two executive directors (Anthony Dalwood, Chief Executive Officer and Kevin Acton, Chief Financial Officer).

Overview of the Gresham House Board's decision making process

The Acquisition terms were extensively negotiated, with detailed input from, and scrutiny by, Gresham House's independent non-executive Board members, led by myself as the Chairman. I, together with my independent non-executive colleagues, have been closely involved throughout the process, providing extensive independent oversight of the transaction.

The Gresham House Board received three unsolicited proposals from Searchlight to acquire Gresham House, all of which were rejected by the Gresham House Board. Following discussions between the parties, Searchlight made a fourth proposal at a price of 1,105 pence per Gresham House Share, which the Gresham House Board considered to be at a level at which it would be minded to allow Searchlight access to due diligence information in relation to Gresham House.

In relation to the process undertaken in considering and recommending the Acquisition, I am confident that we have sufficient independence on the Gresham House Board to ensure that no individual or group of individuals has dominated the Gresham House Board decision making process. In line with the QCA Code, we have considered any matters which may affect or interfere with the independence and the exercise of objective judgement of the Gresham House Board.

In considering the Acquisition, the Gresham House Board met formally on many occasions over an extended period. The Acquisition terms were extensively debated internally amongst the Gresham House Directors and, as Chairman, I was personally involved at a detailed level throughout the whole process, including overseeing the due diligence exercise, key documentation and the various regulatory considerations in connection with the Acquisition. All the Gresham House Board members were closely involved as the discussions progressed and my fellow independent non-executives, in particular, have all displayed huge commitment to scrutinising, evaluating and, where appropriate, challenging, the Acquisition. We have devoted due time to the process whilst trying to minimise the impact on the day-to-day operations of the Company.

The Gresham House Board comprises independent non-executive directors with extensive experience in asset management, as well as corporate finance advisory, legal advisory, equity research, accounting & audit, and sustainability. All these skills have been relevant and useful in our deliberations on the Acquisition. Our remuneration committee is fully independent and has the requisite experience required to determine the remuneration outcomes to be applied as a result of the Acquisition. Share plans whose options will vest upon the Acquisition were approved in the ordinary course before discussions with Searchlight began. In addition, Gresham House has worked with remuneration consultants and consulted Gresham House Shareholders to put in place these incentive schemes for the management team and relevant employees, to align them with the execution of Gresham House's publicly stated GH25 strategy.

I hope this letter is helpful to your deliberations and look forward to hearing from you.

Yours sincerely,

Anthony Townsend