

3 September 2021

MILTON SHAREHOLDERS TO RECEIVE 0.1863 WHSP SHARES FOR EVERY MILTON SHARE THEY OWN IF SCHEME IS APPROVED

- The Exchange Ratio for Milton's proposed merger with Washington H. Soul Pattinson (WHSP) has been set at 0.1863
- The Exchange Ratio implies a total value of \$7.18 per Milton share
- The Independent Board Committee reiterates its recommendation that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Milton Shareholders
- The Independent Expert has concluded, and continues to conclude, that the Scheme is fair and reasonable and in the best interest of Milton Shareholders, in the absence of a superior proposal.

Milton Corporation Limited (**Milton**) refers to the proposed scheme of arrangement (**Scheme**) between Milton and its shareholders (other than Washington H. Soul Pattinson and Company Limited (**WHSP**) and its subsidiaries), as detailed in the Scheme Booklet dated 5 August 2021 (**Scheme Booklet**).

Under the Scheme, Milton Shareholders will be issued New WHSP Shares in exchange for their Milton Shares. The number of New WHSP Shares to be issued to each Milton Shareholder will be calculated by reference to the Exchange Ratio.

Milton is pleased to announce that the Exchange Ratio has now been finalised.

The Exchange Ratio reflects Milton's NTA per share adjusted for the Milton Final Dividend and a Special Dividend, plus a 10% premium, and the one-month VWAP of WHSP Shares (capped at \$31.00).

The final Exchange Ratio at the Calculation Date (7.00pm on 2 September 2021) is 0.1863.

Based on the final Exchange Ratio, the proposal implies a total value of:

- \$7.18 per Milton share based on WHSP's share price of \$35.76 as at 2 September 2021, inclusive of the value of the fully franked Special Dividend, the fully franked Milton Final Dividend, and Milton Shareholder's eligible portion of the fully franked WHSP Final Dividend.

This represents a 5.6% premium to Milton's share price, a 25.9% premium to Milton's pre-tax NTA and a 48.0% premium to Milton's post-tax NTA as at 2 September 2021.

Chairman of the Committee of Independent Milton Directors, Graeme Crampton said: "On Monday 13 September, Milton Shareholders have an opportunity to vote on the proposed combination of Milton and Washington H. Soul Pattinson. The exchange ratio confirmed today demonstrates the implied value in the proposed transaction for Milton Shareholders and underscores the Independent Directors' recommendation. We continue to recommend that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Milton Shareholders."

Milton Corporation Limited

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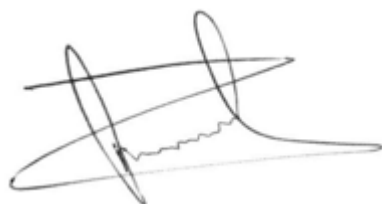
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Key dates to Implementation

Event	Date
Scheme Meeting	10.00am on 13 September 2021
Payment date for Milton Final Dividend	14 September 2021
Second Court Hearing for approval of the Scheme	10.15am on 20 September 2021
Effective Date	21 September 2021
Anticipated Special Dividend Record Date	7.00pm on 22 September 2021
Scheme Record Date	7.00pm on 27 September 2021
Implementation Date	5 October 2021
Commencement of trading of New WHSP Shares on the ASX on a normal settlement basis	6 October 2021

This announcement has been authorised for release by the Independent Milton Directors.

Yours faithfully
MILTON CORPORATION LIMITED



Nishantha Seneviratne
Company Secretary

APPENDIX – EXCHANGE RATIO, FRACTIONAL ENTITLEMENTS AND INELIGIBLE OVERSEAS SHAREHOLDERS

The Exchange Ratio was calculated based on the following formula:

$$\text{Exchange Ratio} = \frac{\text{Milton Adjusted NTA} \times 1.10}{\text{WHSP Reference Price} \times \text{Milton Shares on Issue at Calculation Date}}$$

Where:

- **Milton Adjusted NTA** means the NTA¹ of Milton as at the Calculation Date less the aggregate amount in respect of all Milton Shares of the Milton Final Dividend or the Special Dividend which have been declared or are the subject of a decision to pay (whether or not all or part of the Milton Final Dividend or Special Dividend has been actually paid as at the Calculation Date); and
- **WHSP Reference Price** means the lower of
 - the VWAP of WHSP Shares for the one month ending on, and including, the Calculation Date; and
 - \$31.00.

The key formula inputs, as at the Calculation Date (7.00pm on 2 September 2021) were:

	Key Formula Input	Value (\$AUD)
A	Milton NTA per Milton Share	5.70
B	Less: Milton dividends (Special and Final)	0.45
C	Milton Adjusted NTA (A-B)	5.25
D	Add: 10% premium (C*10%)	0.5250
E	Milton premium adjusted NTA (C+D)	5.7750
F	WHSP Reference Price	31.00
Exchange Ratio (E/F)		0.1863

Fractional entitlements

Any entitlement to a fraction of a New WHSP Share arising under the calculation of the Scheme Consideration will be rounded up or down to the nearest New WHSP Share (and if the fractional entitlement would include one-half of a New WHSP Share, the entitlement will be rounded up)².

Ineligible Overseas Shareholders

Scheme Participants who are Ineligible Overseas Shareholders will not receive the New WHSP Shares to which they would otherwise be entitled under the Scheme. Instead, the New WHSP Shares that

¹ The aggregate net tangible asset backing before providing for tax on unrealised capital gains of Milton calculated in the same manner used for the purpose of Milton's market announcements to ASX at the end of each calendar month of its net tangible asset backing per share.

² Refer to clause 2.5(b) of the Scheme Implementation Agreement dated 22 June 2021, as contained in Annexure C to the Scheme Booklet.

Ineligible Overseas Shareholders would otherwise be entitled to will be issued to a nominee of WHSP who will sell them on the ASX as soon as reasonably practicable and in any event no more than 30 days after the Implementation Date, at such a price as the nominee determines in good faith. Section 6.6 of the Scheme Booklet contains additional information on the treatment of Ineligible Overseas Shareholders under the Scheme.