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**MYER NEEDS A NEW BOARD
THE CURRENT BOARD HAS COST SHAREHOLDERS BILLIONS OF DOLLARS AND HAS HANDED OVER
CONTROL OF THE COMPANY TO THE BANKS**

Dear fellow Myer shareholder,

I am writing to you again to seek your support in bringing the failed Myer Board to account for the destruction they have caused to this once great Australian retail icon.

As you know, thousands of you voted at the 2017 Myer AGM to give the Myer Board a “first strike” due to the dismal performance of the company and Board. If shareholders join forces again and do the same at the 2018 AGM on 30 November, the entire Board will face a motion to be spilled. This will potentially provide the opportunity to vote in a new highly-credentialed set of experienced directors.

Myer is our company - it belongs to us, the shareholders. Yet the current Board has treated it as a personal piggy bank, taking excessive fees while they destroy our investment in Myer. For example, the Chairman, Mr Garry Hounsell, having sacked the CEO, Richard Umbers, accepted the role of Myer Executive Chairman earning the equivalent rate of \$1 million per annum. Yet Mr Hounsell had no retail experience and no relevant credentials to take the position, let alone the exorbitant remuneration.

The Board’s lack of retail experience has put Myer in its current predicament. And now the failed Myer Board has committed to a new deal with its banking syndicate which is all about protecting the interests of the banks.

The failed Myer Board recently decided that, to protect their own personal positions, they would grant the banks a charge on all Myer’s assets. The banks have never had this right in the past, but now they do - thanks to the weak and failed Myer Board.

To add insult to injury, the banks have very significantly increased their fees for the Myer facility and substantially restricted Myer’s usage of cash. Banks normally only require these major changes in facilities where they are worried about the future viability of the borrower. Equally, Boards of companies only accept these types of banking facility changes where they do not know what else to do.

So, what does this mean?

We, the shareholders will not receive dividends for the foreseeable future (if ever). The new banking facility requires a complete turnaround in Myer’s performance before any dividends can again be paid to shareholders. Under the current Board, such a turnaround seems highly unlikely. The previous banking facilities had no restrictions on dividends. Remember that these failed Directors will continue to receive their Directors fees whilst shareholders receive nothing.

Myer will now be required to make six monthly reductions in bank facilities - money that should be used for investing for the future. Instead, the Board will constantly be reducing the exposure of the banks. Under the old facility, no such reductions were required, allowing the cash to be invested in the business or pay shareholders dividends.

If Myer continues to fail and goes into some form of insolvency process, the new banking facilities mean that the banks will control the process. The new facility requires the banks to be preferred over all other creditors. This means that it will be the banks who will unilaterally decide on the timing, course and outcome of any insolvency process. This will therefore be run in the best interests of banks and almost certainly not in the best interest of employees, suppliers, other creditors and shareholders. Under the old facility, the banks ranked equally with other creditors.

If Myer goes down, the banks will be paid before the thousands of small-business suppliers are paid what they are owed for goods and services rendered over many years.

The current failed Board has handed control of Myer to the banks. Myer is now effectively operated by and for the benefit of, its banks.

Is there any doubt that the current Myer Board needs to be thrown out?

In October 2017, the newly appointed Chairman elect, Mr Hounsell, applauded the “new Myer Strategy” and backed CEO Richard Umers with the now infamous statement that he saw “green shoots” in this strategy. On 1 November 2017, the CEO announced a different strategy the “new, new Myer” which Mr Hounsell again backed. By February 2018, Mr Hounsell and his Board had removed the CEO, the CFO and several other executives crowning Mr Hounsell as Executive Chairman.

In March 2018, Mr Hounsell said “I may not be one of the world's great retailers, but I know how to make money”. At the time Mr Hounsell joined the Board, Myer's share price was approximately **75 cents**. Earlier this year, the shares were down more than half of that to **35 cents**. Recently, they have been trading around **50 cents** per share. We all know that Mr Hounsell has earned substantial money for himself at the expense of Myer shareholders. **The real question for Mr Hounsell is can Myer shareholders make money from this once great retailer whilst he and his failed Board remain in place?**

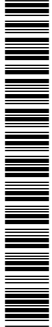
It is Premier Investments' view that the new CEO, Mr John King, and his management team need a new Board of directors to help them steer Myer out of danger. Myer's Board is constantly reacting after the event. Premier Investments has, over the past 14 months, consistently called out issues in advance. The current Myer Board has refused to listen until it is has simply been too late.

Mr King has a daunting challenge ahead of him, and it will be impossible for him to achieve success for Myer shareholders if he is under the direction of a Board that does not understand and foreshadow the future challenges.

The failed Myer Board have sunk the share price, removed our dividends, sent the company into massive losses, constantly changed management, constantly changed strategies, made disastrous acquisitions, opened op-shop discount clearance floors, refused to even acknowledge issues until it is too late and have no idea how to get Myer out of its costly and unnecessary property leases.

As you may be aware, Myer is also currently before the Federal Court defending a class action against thousands of Myer shareholders for the Board's alleged failure to properly keep the share market fully informed of their financial performance.

Premier Investments recognises that Mr King is starting to make some sensible changes such as proposing to close the clearance floors and removing control of the disastrous sass + bide business from Myer Board member Ms Julianne Morrison. But it is clear that these actions should have been taken when Premier called for them to be done approximately one year ago rather than waiting until the situation became dire.



We have to remove the failed Myer Board and give John King a set of experienced, proven retail and commercial experts to work with.

We hope we can once again have your support at the AGM. We will write to you closer the time on how to support us at the AGM but in the interim, if you have not received a copy of this letter via email, please can you email us on savemyer@premierinvestments.com.au so we can add you to our growing database of concerned Myer shareholders.

DO NOT REWARD MYER DIRECTORS FOR FAILURE - VOTE AGAINST THE REMUNERATION REPORT.

Supporting Premier Investments at the upcoming Myer AGM is one way we can regain control of our company from the banks and Myer's failed Board of Directors.

Yours faithfully,



Solomon Lew
Chairman