

19 November 2018

MYER'S 2018 AGM – IMPORTANT INFORMATION

SUPPORT JOHN KING, MYER'S CUSTOMER FIRST PLAN AND YOUR INDEPENDENT BOARD

This is how to follow the Board's voting recommendation:

USING MYER'S OFFICIAL WHITE PROXY FORM

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed in accordance with the signing instructions overleaf and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions	For	Against	Abstain*	For	Against	Abstain*
3a Election of Lyndsey Cattermole AM as a Director of the Company	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
3b Re-election of Dave Whittle as a Director of the Company	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
4 Adoption of the Remuneration Report	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Grant of Performance Options to the Chief Executive Officer and Managing Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
6 Conditional spill resolution					<input checked="" type="checkbox"/>	<input type="checkbox"/>

STEP 2 (vertical label on the left)

OR (text below the table)

VOTING ONLINE at www.linkmarketservices.com.au (text below the table)



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Vote AGAINST a spill of the Board

Resolutions	For	Against	Abstain	Open
3A ELECTION OF LYNDSEY CATTERMOLE AM AS A DIRECTOR OF THE COMPANY	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3B RE-ELECTION OF DAVE WHITTLE AS A DIRECTOR OF THE COMPANY	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 ADOPTION OF THE REMUNERATION REPORT	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5 GRANT OF PERFORMANCE OPTIONS TO THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6 CONDITIONAL SPILL RESOLUTION	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

DON'T RISK MYER'S FUTURE

- | | | | |
|---|--|---|--|
| ✓ | SUPPORT YOUR INDEPENDENT BOARD, CEO JOHN KING, AND OUR EXPERIENCED EXECUTIVE TEAM | ✗ | DON'T LET PREMIER AND THEIR HOSTILE AND MISLEADING CAMPAIGN DISRUPT AND DESTABILISE MYER DURING THIS CRITICAL TRADING PERIOD |
| ✓ | SUPPORT MYER'S CUSTOMER FIRST PLAN TO TURN AROUND THE BUSINESS AND CREATE SHAREHOLDER VALUE | ✗ | PREMIER HAS OFFERED ZERO SOLUTIONS AND REFUSES TO LET MYER GET ON WITH THE JOB OF REBUILDING SHAREHOLDER VALUE |
| ✓ | ONLY VOTE WITH MYER'S OFFICIAL WHITE PROXY FORM OR ONLINE – www.linkmarketservices.com.au | ✗ | DON'T LET A CONFLICTED SHAREHOLDER AND COMPETITOR TAKE CONTROL OF MYER |
| ✓ | TO PROTECT MYER – IGNORE PREMIER'S GREEN FORM AND MISLEADING LETTERS | ✗ | PREMIER HAS ALREADY FAILED IN ITS THREAT TO CALL AN EGM TO REPLACE YOUR MYER BOARD |

Dear fellow shareholder,

I am writing to provide you with an important update ahead of the 2018 Annual General Meeting.

Since my appointment as Chairman in November 2017, and the appointment of our CEO and Managing Director John King in June 2018, we have been engaging extensively with customers, team members, shareholders and suppliers. Indeed, since commencing as CEO, John has visited 55 Myer stores, and the message received has been consistent and very clear: *we need to do more for our customers by further improving service and delivering high quality and exclusive brands.*

We have taken proactive measures to stabilise the business and enhance our customers' experience, and in doing so have created a strong foundation from which we can rebuild the business.

Specifically, we have:

- ✓ **Appointed five new Directors** during the past three years, who are independent, conflict-free and who bring the right skills and experience to the table.
- ✓ **Cut the Chairman's fees by 25%**, since FY17.
- ✓ **Cut the Directors' base board fees by 20%**, during the past year.
- ✓ Introduced a **minimum shareholding policy** for Directors.
- ✓ Since September 2017, **Myer Directors have purchased more than 1.95 million shares.**
- ✓ Put in place a **strengthened leadership team** with the appointment of John King as CEO and Managing Director, Allan Winstanley as Chief Merchandise Officer, Nigel Chadwick as Chief Financial Officer, Paul Goodall as Store Design and Development Director, and Geoff Ikin as Chief Customer Officer, significantly bolstering our global retail and financial expertise.
- ✓ Launched our **Customer First Plan**, putting customers first in every action we take and every decision we make. We want to ensure Myer is Australia's favourite department store by providing friendly, helpful service, and high quality and exclusive brands as well as continuing to enhance our website and offering compelling value.
- ✓ Launched our **new website** with improved search and functionality to grow our multichannel business to be our largest store in two years, complimented by our leading MYER one loyalty program.
- ✓ **Cut costs** across the business including exiting the Birdcage enclosure at the Melbourne Cup Carnival, removing a significant number of executive and management positions at the Support Office, and are in active discussions to hand back further floors at the Support Office, or change location, to reduce costs.

- ✓ Announced that **all clearance floors will close in 2019** with a focus on enhancing product quality across the Company.
- ✓ Launched the new **'My Store' campaign** showcasing how Myer has evolved over the years and will continue to be an integral part of the Australian way of life. Customer satisfaction is paramount and, as such, we want to spread the message that customers are being placed first and that we are 'Their Store' no matter where they shop with us in Australia.
- ✓ Ensured a **stable platform for the future** through the signing of a binding term sheet with our existing lenders to refinance our banking facility, extending the facility until February 2021.
- ✓ Ensured **appropriate CEO pay** and aligned his remuneration with shareholder interests.

We have achieved a lot, but we know there is more to be done. That's why I am seeking your support at this year's AGM for our strengthened executive team supported by a strong and stable Board, as well as for John King's Customer First Plan.

As highlighted in the Annual Report, I am committed to ensuring we have the right mix of skills and experience on the Board. We recently appointed **Lyndsey Cattermole AM**, who is one of the most successful businesswomen and entrepreneurs in Australia. I recommend shareholders support her election to the Board.

In addition, **Dave Whittle** is also seeking re-election this year. Dave brings to the Board considerable brand, marketing, data, technology, online retail and digital transformation experience. I ask that shareholders also support Dave's re-election.

I strongly believe that your interests as shareholders are very well served with John King at the helm, together with our experienced executive team, who are supported by a conflict-free Board.

That is why, as your Chairman, I must now address the **grossly misleading and inflammatory letters that Premier Investments** continues to send Myer's shareholders. One can only assume they are trying to take control of Myer under the guise of seeking an 'independent board'.

As we approach our important Christmas trading period, it is critical that we apply 100% of our focus and energy on our customers. It is for this reason that we are extremely disappointed by the actions of **Premier Investments and their ongoing hostile campaign directed to shareholders via the media**, which is designed to benefit them and them only.

Sadly, at this critical trading period, this hostile campaign impacts negatively on customers, team members and, ultimately, on you our shareholders; and Premier Investments should be ashamed of this.

As you would be aware, Premier Investments is a major supplier and a competitor to Myer, which makes them highly conflicted.

Let me run you through the facts on why Premier Investments, and their hostile campaign, is such a risk to you as shareholders:

- ✗ The risks of allowing a **competitor into the Myer boardroom** would be enormously damaging and against the best interests of Myer shareholders. In fact, it would be against our fiduciary duty to shareholders.
- ✗ Premier are good at generating media headlines but **have not written to shareholders about their intentions** for Myer since October 2017.
- ✗ **Premier offers no solutions or strategy** and are seeking effective control of Myer without paying shareholders a premium for the change in control.
- ✗ **Premier's web of vast and competing retail interests creates a web of unavoidable conflicts** with Myer. Sales of product in Myer from entities associated with Solomon Lew represented over 5% of FY18 total sales value.
- ✗ **Premier say they 'support' John King** but won't let him get on with turning around the business.
- ✗ **Premier did not put up one director** to stand for election at this year's or last year's AGM.

Why don't Premier make shareholders an offer rather than playing damaging media tricks and games to get Myer on the cheap for their own benefit?

Therefore, at this year's AGM, I urge shareholders not to risk our Customer First Plan, and the vital work that is already underway.

You will have the opportunity to hear from our new CEO, John King, and I am confident that when you hear his Plan you will agree that he deserves the opportunity to execute his strategy.

You may have received a letter and green proxy form from Premier Investments.

PLEASE IGNORE THE PREMIER GREEN PROXY FORM.

Please complete and return MYER'S OFFICIAL WHITE PROXY FORM that was sent to you by Link Market Services with your Notice of Meeting on 25 October 2018 or lodge it online at www.linkmarketservices.com.au.

The Board encourages you to vote "FOR" items 3a, 3b, 4 and 5 and "AGAINST" item 6.

If you have already submitted the Premier green proxy form and wish to change your mind, you must REVOKE that proxy by completing and returning a REVOCATION FORM FOR THE GREEN (PREMIER INVESTMENTS LTD) PROXY, which you can download from www.myer.com.au/Investor. You may then complete and return Myer's official white proxy form or lodge your proxy online at www.linkmarketservices.com.au. You may also revoke the proxy by voting in person at the AGM.

If you need any assistance to revoke your green proxy or have any questions on this year's AGM, please call: 1300 971 610 or +61 2 8022 7955, or email: myer.investorrelations@myer.com.au.

As a reminder, the AGM will be held on Friday, 30 November 2018 commencing at 11:00 am (Melbourne time) at Mural Hall, Level 6, Myer Melbourne Store, Bourke Street Mall, Melbourne. Registration desks will be open from 10:00 am.

In closing, I want to provide some context surrounding Myer's announcements on 16 November 2018. A media article was printed on 16 November 2018 containing unlawfully leaked, draft and incomplete financial information relating to Q1 FY19 that was taken from an unapproved internal document relating to part of the Myer business. The ASX requested that Myer respond to this media article with the actual results.

Since John King started at Myer, we have had a heightened focus on profitability and we will not chase unprofitable sales in order to hit our top line sales number. During the last five years, Myer has incurred an NPAT loss (pre-implementation costs and individually significant items) in the first quarter. Due to the heightened focus on profitability, total sales value in Q1 FY19* was below Q1 FY18, however, importantly the NPAT loss (pre-implementation costs and individually significant items) for Q1 FY19 showed an improvement on Q1 FY18.

John King and I know that Myer holds a special place in Australian retailing and with your support of the Customer First Plan, I am confident that we will improve the financial performance of the business, deliver shareholder value, and rebuild pride, confidence and relevance in Myer.

Yours sincerely,



Garry Hounsell
Chairman

Myer Holdings Limited

* For the 13 weeks to 27 October 2018. All quarterly financial information is unaudited.