

Notice of Annual General Meeting

Please note this is an important document and requires your immediate attention.

If you are in any doubt as to the action you should take, you should contact an appropriate independent adviser immediately.



To the Company's ordinary shareholders.
31 March 2011

Dear Shareholder,

Annual General Meeting and proposed new Long Term Incentive Plan

I am pleased to inform you that the Rathbone Brothers Plc (Company) 2010 Report and Accounts has now been published.

If you have requested a printed copy of the annual Report and Accounts, it is enclosed.

If you requested to receive the annual Report and Accounts electronically or did not return the election card previously sent to you, please accept this letter as notification that the Company's 2010 annual Report and Accounts have now been published on our website (www.rathbones.com) and can be accessed via the Investor Relations section of the website.

Our 2011 Annual General Meeting (AGM) will be held at 159 New Bond Street, London W1S 2UD on Wednesday 11 May 2011 at 12 noon. The formal notice of the AGM and particulars of the resolutions on which you can vote are enclosed.

I would draw your attention in particular to the following resolutions that are to be proposed at the AGM.

Election of new Director (Resolution 4)

We announced on 23 November 2010 that I am to retire following the AGM. Mark Nicholls was appointed to the Board on 1 December 2010 as my nominated successor as Chairman. He brings a great deal of City and financial services experience to the Board.

2011 Long Term Incentive Plan (Resolution 11)

The Company's existing Long Term Incentive Plan (LTIP) was approved by shareholders on 15 November 2000. This LTIP had a ten year life with no awards to be made after the tenth anniversary of its approval. The Company is therefore seeking shareholder approval of a replacement LTIP to complement the existing executive compensation tools (principally annual salary and profit share paid in cash and deferred shares). Shareholder approval is required as executive directors are eligible to participate in the LTIP which may involve the issue of new shares.

Whilst the rules of the LTIP have been modernised and brought into line with current best practice, most features of the LTIP remain unchanged. The maximum award will be 75% of salary (save in exceptional circumstances) with an absolute limit of 100% of salary. The vesting period is normally three years and is subject to earnings per share (EPS) and total shareholder return (TSR) performance conditions.

The most significant change is to the TSR performance condition. The proposed TSR performance condition compares the TSR of the Company with that of the FTSE All Share Total Return Index (Index). 25% of the TSR component of the award will vest if the total return of the Company matches the Index with full vesting if the total return of the Company exceeds the Index by 10% (in absolute rather than relative terms). Vesting is on a straight line basis between 25% and 100%. There is no vesting if the Company does not match the Index.

The main provisions of the proposed new LTIP are described in more detail in the summary appended to the notice of the AGM that follows this letter.

Action to be taken

You are requested (whether or not you intend to be present at the AGM) to complete and submit a proxy appointment form in accordance with the notes to the notice of the AGM. To be valid, the proxy appointment form must be received at the address for delivery specified in the notes by 12 noon on Monday 9 May 2011. Completion and return of a proxy appointment will not preclude a shareholder from attending and voting at the AGM.

Recommendation

The Board considers that all of the resolutions set out in the notice of the AGM are likely to promote the success of the Company and are in the best interests of both the Company and its shareholders as a whole. The Board unanimously recommends that shareholders vote in favour of all of these resolutions as the Directors each intend to do with respect to their own holdings of ordinary shares.

Yours faithfully,

A handwritten signature in black ink that reads "Mark Powell". The signature is written in a cursive style with a large, prominent 'P'.

Mark Powell

Chairman

Notice of Annual General Meeting

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek independent advice from a professional adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold all of your shares, please pass this document and its enclosures to the stockbroker or other agent through whom the sale was effected, for transmission to the purchaser.

Notice is hereby given that the fortieth Annual General Meeting (AGM) of Rathbone Brothers Plc (Company) will be held at 159 New Bond Street, London W1S 2UD on Wednesday 11 May 2011 at 12 noon to consider and, if thought fit, pass the following resolutions.

Resolutions 1 to 12 are ordinary resolutions and resolutions 13 to 15 are special resolutions.

2010 Report and Accounts

- 1 To adopt the reports of the directors and the auditors and the audited financial statements for the year ended 31 December 2010.
- 2 To approve the remuneration report for the year ended 31 December 2010.

The remuneration report can be found on pages 38 to 46 of the 2010 Report and Accounts. Part 15 of the Companies Act 2006 requires the preparation of this report which must be approved by shareholders in general meeting. This does not affect the directors' entitlements to remuneration and the result of this resolution is advisory only.

Final dividend

- 3 To approve the final dividend of 28p per share for the year ended 31 December 2010.

The payment of the final dividend requires the approval of shareholders in general meeting.

Election and re-election of directors

- 4 To elect Mark Nicholls as a director of the Company.
- 5 To re-elect Ian Buckley as a director of the Company.
- 6 To re-elect Paul Chavasse as a director of the Company.
- 7 To re-elect David Harrel as a director of the Company.

Biographical details of the directors seeking election or re-election can be found on pages 24 to 26 of the 2010 Report and Accounts.

Article 67 of the Articles of Association of the Company requires that each director who has not been elected or re-elected by the members at either of the two immediately previous Annual General Meetings shall retire from office and seek election or re-election. Following formal performance evaluation by the Board and individual appraisal by the Chairman, the Board confirms that all directors seeking election or re-election continue to be effective and demonstrate commitment to the role.

Auditors

- 8 To appoint KPMG Audit Plc as auditors of the Company.
- 9 To authorise the directors to agree the remuneration of the auditors.

The auditors of a public company must be appointed for each financial year at the meeting at which the financial statements for the previous financial year are laid.

Political donations

10 That in accordance with section 366 of the Companies Act 2006 the Company and any company which is or becomes a subsidiary of the Company during the period to which this resolution relates be and is hereby authorised:

- (a) to make donations to political parties or independent election candidates;
- (b) to make donations to political organisations other than political parties; and
- (c) to incur political expenditure,

provided that:

- (i) the authority conferred by this resolution shall commence on the date on which it is passed and expire 18 months after the passing of this resolution or, if earlier, on the conclusion of the Company's next Annual General Meeting (or adjournment thereof) after the passing of this resolution;
- (ii) the aggregate amount of such donations and expenditure shall not exceed £50,000 and the amount authorised under each of paragraphs (a), (b) and (c) above shall also be limited to such amount; and
- (iii) in this resolution the expressions 'donation', 'political parties', 'independent election candidate', 'political organisation' and 'political expenditure' have the meanings set out in Part 14 of the Companies Act 2006.

Part 14 of the Companies Act 2006 prohibits the Company and its subsidiaries from making donations of more than £5,000 in any twelve month period to a political party or other political organisations or to an independent election candidate unless they have been authorised to make donations by the Company's shareholders.

The Company has a policy that it does not make donations to political parties, political organisations or independent election candidates and the Board will not use these authorities, if given, to do so. However, the Companies Act 2006 includes broad and ambiguous definitions of political donations and expenditure, which may have the effect of covering some normal business activities, and therefore presents potential for inadvertent or technical breach. The Board therefore considers that it would be prudent to obtain shareholder approval for the Company to make donations to political parties, political organisations and independent election candidates and to incur political expenditure up to the specified limit in the forthcoming year.

2011 Long Term Incentive Plan

- 11 (a) That the Rathbone Brothers Plc 2011 Long Term Incentive Plan (LTIP), the principal features of which are summarised in the Appendix to the notice of this meeting (and a copy of the rules of which are produced to the meeting and initialled by the Chairman for the purposes of identification), be and it is hereby approved and adopted and that the directors of the Company be and are hereby authorised to do all such acts and things as they, in their absolute discretion, may consider necessary or desirable to implement and give effect to the LTIP (including the making of minor alterations to the rules which they consider necessary or appropriate); and
- (b) that the directors of the Company be and they are hereby authorised to establish further plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in any overseas jurisdiction provided that the shares made available under such further plans are treated as counting towards the limits on participation in the LTIP.

The main provisions of the Rathbone Brothers Plc 2011 Long Term Incentive Plan are described in the letter to shareholders and in the appendix to this notice.

Allotment authority

12 That the directors be and they are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (Rights) up to an aggregate nominal amount of £715,000, such authority to expire 18 months after the passing of this resolution or, if earlier, on the conclusion of the Company's next Annual General Meeting (or adjournment thereof) after the passing of this resolution. Notwithstanding such expiry, the authority shall still permit the Company to make allotments of shares or grant Rights in respect of offers or agreements made before such expiry, which would or might require shares to be allotted or Rights to be granted after such expiry. All previous authorities to directors to allot shares and grant Rights that remain unexercised at the commencement of this meeting are hereby revoked without prejudice to any allotment of securities pursuant thereto.

This resolution is proposed annually in order to provide a measure of authority to the directors to allot ordinary shares and to grant rights to subscribe for or to convert any security into ordinary shares, limited to 14,300,000 ordinary shares representing approximately 33% of the issued share capital of the Company as at 1 March 2011, in circumstances defined by the resolution so as to enable them to respond, in the interests of the Company, to any appropriate opportunities that may arise.

As at 1 March 2011, the Company does not hold any shares in the capital of the Company in treasury.

Power to waive pre-emption rights

- 13 (a) That the directors be and they are hereby empowered pursuant to sections 570 and 573 of the Companies Act 2006 (the Act) to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them by resolution 12 in the notice of this meeting or by way of sale of treasury shares:
- (i) in connection with any rights issue or open offer (each as referred to in the Financial Services Authority's listing rules) or any other pre-emptive offer which is open for acceptance for a period determined by the directors, to the holders of ordinary shares on the register on any fixed record date in proportion to their holdings of ordinary shares (and, if applicable, to the holders of any other class of equity security in accordance with the rights attached to such class), subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to (i) fractions of such securities, (ii) the use of one or more currencies for making payments in respect of such offer, (iii) any such shares or other securities being represented by depository receipts, (iv) treasury shares or (v) any legal or practical problems arising under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory; and
 - (ii) other than pursuant to paragraph (a)(i) above, up to an aggregate nominal amount of £105,000, as if section 561 of the Act did not apply to any such allotment.
- (b) The powers given by this resolution shall expire 18 months after the passing of this resolution or, if earlier, on the conclusion of the Company's next Annual General Meeting (or adjournment thereof) after the passing of this resolution. Notwithstanding such expiry, the authority shall still permit the Company to make allotments of equity securities in respect of offers or agreements made before such expiry which would or might require equity securities to be allotted after such expiry. All previous authorities under sections 570 and 573 of the Act are hereby revoked without prejudice to any allotment of securities pursuant thereto.

This first special resolution seeks authority, limited to 2,100,000 ordinary shares representing approximately 5% of the issued share capital of the Company as at 1 March 2011, regarding allotments other than to members proportionately to their respective shareholdings and for which payment is to be wholly in cash.

Additionally, the resolution seeks authority for the Company to sell or otherwise deal with treasury shares (being shares acquired and held by the Company) without necessarily involving shareholders. Over the three years to 31 December 2010, shares with a nominal value of £34,342 were allotted for cash, representing 1.6% of the issued share capital at that date. This compares with institutional shareholder guideline limits of 7.5% in any three-year period.

Renewal of this limited authority will enable the directors to issue shares, in the interests of the Company, in response to any appropriate opportunities that may arise. For transactions of a substantial nature involving the allotment of shares, it is normal for the UK Listing Authority or company law to require shareholder approval for the specific transaction notwithstanding this general authority.

Authority to purchase ordinary shares

- 14 That the directors be and they are hereby granted pursuant to section 701 of the Companies Act 2006 (the Act) general and unconditional authority to make market purchases (as defined by section 693 of the Act) of any of its ordinary shares of 5p each upon and subject to the following conditions:
- (a) the maximum number of ordinary shares in the Company hereby authorised to be acquired is 2,100,000 shares (being approximately 5% of the issued share capital of the Company as at 1 March 2011);
 - (b) the minimum price which may be paid for an ordinary share is 5p;
 - (c) the maximum price which may be paid for an ordinary share is the higher of (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the share is purchased and (ii) the amount stipulated by Article 5(i) of the Buy-back and Stabilisation Regulation 2003 (in each case, exclusive of expenses); and
 - (d) the authority hereby conferred shall (unless previously renewed) expire 18 months after the passing of this resolution or, if earlier, on the conclusion of the Company's next Annual General Meeting (or adjournment thereof) after the passing of this resolution except that the Company may at any time prior to the expiry of such authority enter into a contract for the purchase of ordinary shares which would or might be completed wholly or partly after the expiry of such authority and may complete a purchase of ordinary shares in pursuance of any such contract.

Authority to purchase ordinary shares continued

This second special resolution is to renew the authority granted to the directors at the Annual General Meeting on 5 May 2010 to purchase the Company's own ordinary shares under certain stringent conditions. The authority will be used only when the directors consider that it would be advantageous to the Company and the effect would be to enhance earnings per share. Shares purchased will be held as treasury shares as defined in section 724(5) of the Act.

As at 1 March 2011 there were options outstanding to subscribe for 638,474 new ordinary shares in the Company. This represents approximately 1.5% of the issued ordinary share capital of the Company at that date and would represent approximately 1.6% if the authority to buy back shares under this resolution were used in full.

Authority for the convening of general meetings of the Company on 14 clear days' notice

15 That any general meeting of the Company, other than an Annual General Meeting, may be convened by the giving of not less than 14 clear days' notice.

The Companies (Shareholders' Rights) Regulations 2009 which came into force on 3 August 2009 increased the notice period for general meetings of the Company to 21 days. This notice period can be reduced to 14 days for general meetings (other than an Annual General Meeting) by the passing of a special resolution each year provided that voting by electronic means is available to all shareholders. The shorter notice period would not be used as a matter of routine for general meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of the shareholders as a whole.

By Order of the Board

Richard Loader

Company Secretary

31 March 2011

Registered Office: 159 New Bond Street, London W1S 2UD

Notes

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 and subject to the provisions for proxies, the Company specifies that only those shareholders registered in the register of members of the Company as at 6.00pm on 9 May 2011 (or, if the meeting is adjourned, 6.00pm on the day two days prior to the day fixed for the adjourned meeting) shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Subsequent changes to the entries on the register will be disregarded in determining the rights of any person to attend or to vote at the meeting.

2 **Members entitled to attend, speak and vote are entitled, if they so wish, to appoint one or more proxies to attend, speak and vote in their stead provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member.** Proxy forms should be completed and returned to the Company's Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL by no later than 12 noon on 9 May 2011. Alternatively, a member may appoint a proxy online by following the instructions for the electronic appointment of a proxy at www.sharevote.co.uk. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the same time. Members who hold their shares in uncertificated form may also use CREST to appoint a proxy electronically, as explained below. Appointing a proxy will not prevent you from attending and voting at the Annual General Meeting if you so wish.

The 'vote withheld' option is provided on the proxy card to enable you to abstain on any particular resolution. However, it should be noted that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' and 'against' a resolution.

3 CREST members who wish to appoint a proxy or proxies through CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Wednesday 11 May 2011 and any adjournment thereof by using the procedures described in the CREST Manual which can be viewed at www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited (Euroclear), and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by no later than 12 noon on 9 May 2011. No message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which our registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4 Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

5 The statement of rights of members in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

6 As at 1 March 2011 (being the last practicable date prior to the printing of this Notice) the Company's issued share capital consists of 43,386,251 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 1 March 2011 are 43,386,251.

Notes continued

- 7 A memorandum of the terms of all contracts of service between directors and the Company (or any of its subsidiaries) is available for inspection at the Registered Office during business hours on any weekday (public holidays excluded). The memorandum will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to the meeting and during the meeting. In addition, a copy of the rules of the proposed Rathbone Brothers Plc 2011 Long Term Incentive Plan will be available for inspection at the Registered Office during business hours on any weekday (public holidays excluded) from 31 March 2011 to the date of the meeting, and at the place of the Annual General Meeting for at least 15 minutes prior to the meeting and during the meeting.
- 8 Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered.
- 9 Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at www.rathbones.com. A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
- 10 It is possible that, pursuant to members' requests made in accordance with section 527 of the Companies Act 2006, the Company will be required to publish on a website a statement in accordance with section 528 of that Act setting out any matter that the members concerned propose to raise at the meeting relating to the audit of the Company's latest audited financial statements. The Company cannot require the members concerned to pay its expenses in complying with those sections. The Company must forward any such statement to its auditors by the time it makes the statement available on the website. The business which may be dealt with at the meeting includes any such statement.

Appendix

Summary of the 2011 Long Term Incentive Plan

Introduction

The Rathbone Brothers Plc 2011 Long Term Incentive Plan (LTIP) is a long term performance incentive plan under which eligible employees may be granted awards over ordinary shares in the Company (Shares), in the form of:

- rights to acquire Shares (Conditional Awards); or
- rights to acquire Shares at nil or nominal cost during a defined period after vesting (Nil-Cost Options).

The Remuneration Committee (the Committee) also has discretion to grant phantom awards or interests in Shares under the LTIP in such other form as it considers to have a substantially similar economic effect.

The principal features of the LTIP are summarised below.

Eligibility

All employees (including executive directors but excluding non-executive directors) of the Company and its subsidiaries (the Group) are eligible to participate at the discretion of the Committee.

Grant of awards

Awards may be granted in the six weeks following approval of the LTIP by the shareholders of the Company in general meeting. Thereafter, awards may normally only be granted in the six weeks following the announcement by the Company of its results for any period, or following a change in the legislation relating to share plans, or on the commencement of an eligible employee's employment or where there are circumstances considered by the Committee to be exceptional. However, at all times, the grant of awards will be subject to the Model Code on directors' dealings in securities set out in the Listing Rules and other applicable dealing rules.

Initial awards to be granted under the LTIP following its approval by the shareholders of the Company in general meeting will be granted immediately following such approval, but for all purposes of the plan shall be treated as if they had been granted on 1 March 2011.

No awards may be granted later than ten years after the approval of the LTIP by the Company in general meeting, and the Committee will review the operation of the LTIP after a period of five years to ensure that it remains effective in meeting the needs of the business.

Awards may be granted over newly issued Shares, treasury shares or Shares purchased in the market. It is anticipated that purchased Shares will be used to satisfy vested awards.

Benefits received under the LTIP are not pensionable and may not be assigned or transferred without the consent of the Committee except on a participant's death. No payment will be required for the grant of an award.

Vesting

The vesting period will be set on grant and will normally be at least three years (other than in relation to initial awards granted under the plan which will be treated as if they were granted on 1 March 2011). On vesting of a Conditional Award, a participant becomes entitled to have the Shares

issued or transferred to him subject to the LTIP rules. On vesting of a Nil-Cost Option, the option becomes exercisable until the tenth anniversary of the grant of the award. The Committee may also satisfy part or all of an award in cash.

Where a Conditional Award vests or a Nil-Cost Option is exercised, Shares will be issued or transferred to the participant within 30 days (subject to the Model Code on directors' dealings in securities set out in the Listing Rules and other applicable dealing rules).

Performance condition

Awards may be subject to the satisfaction of performance conditions which will determine the proportion (if any) of the award which will vest at the end of a performance period.

Where performance conditions are applicable:

- the period over which performance will be measured shall not be less than three financial years commencing at the start of the financial year in which the award is made;
- the Committee will ensure that performance conditions are both sufficiently stretching and challenging and are appropriate for the Company and the prevailing market;
- to the extent that performance conditions are not met, the awards will lapse; and
- the conditions may be varied in certain circumstances following the grant of an award so as to achieve their original purpose, but not so as to make their achievement materially any more or less difficult.

For the first operation of the LTIP following approval by shareholders, one half of the number of Shares subject to the award will be subject to growth in the Company's Earnings Per Share (EPS). EPS growth over the performance period must equal at least 15% for vesting to occur and, if this is the case, 25% of the LTIP award relating to EPS will vest, rising with a straight line increase to full vesting when the Company's EPS growth is 37.5% or more over the performance period. The other half will be subject to Total Shareholder Return (TSR). The TSR measure would be calculated with reference to the Company's TSR compared to that of the FTSE All Share over the performance period. The Company's TSR over the performance period must equal that of the FTSE All Share for vesting to occur and, if this is the case, 25% of the LTIP award relating to TSR will vest, rising to full vesting when the Company's TSR exceeds that of the FTSE All Share by more than 10%.

Individual limits

No employee may be granted an award under the LTIP in any financial year over Shares worth more than 75% of base salary, other than in exceptional circumstances where the Committee may determine that a limit of 100% of base salary would be appropriate.

Unless the Committee determines otherwise, the value of a Share for these purposes is the average of the closing prices published by the London Stock Exchange for the twenty dealing days immediately preceding the date of grant (other than in relation to initial awards granted under the plan which will be treated as if they were granted on 1 March 2011).

Overall limits

The LTIP will be subject to the limit that, in any ten year period, commitments to issue new Shares, when aggregated with awards under all the Company's other incentive plans, must not exceed 10% of the issued ordinary share capital in any rolling 10 year period.

While it remains best practice to do so, treasury shares will be treated as newly issued for the purpose of these limits.

For the purposes of these limits, awards or other rights to acquire Shares which lapse or have been released do not count. However, where appropriate, Shares subscribed by the trustees of an employee benefit trust to satisfy rights granted under any employees' share plans adopted by the Company would count towards these limits.

Leaving employment

If a participant leaves employment during the vesting period, his award will normally lapse. Nil-Cost Options which have already vested will remain exercisable for six months, or 12 months in the case of death (or such other period as the Committee may decide), unless the participant left due to summary dismissal or the Committee decides otherwise.

However, if the participant leaves employment by reason of death, ill-health, redundancy, sale of the employing company or business, retirement or for any other reason at the discretion of the Committee, the award will normally continue to vest on the original date set for vesting (unless the Committee decides to accelerate vesting). However, vesting will be subject to pro-rating for the number of complete months that have elapsed as a proportion of the vesting period and to the extent that any performance condition which applies is satisfied at that time. Nil-Cost Options which have not already vested will become exercisable for six months after vesting on leaving employment, or 12 months in the case of death (unless the Committee decides otherwise).

Corporate events

In the event of a change of control of the Company (not being an internal reorganisation) or a compulsory acquisition of Shares in relation to a change of control, the award will normally vest immediately, subject to pro-rating for time and the satisfaction of any performance conditions. Nil-Cost Options will be exercisable for a period of four weeks after the change of control.

Alternatively, in the above circumstances, the Committee may permit or require awards to be exchanged for new awards of Shares in the acquiring company on a comparable basis.

Any internal reorganisation to create a new holding company will not result in the accelerated vesting of awards; they will be replaced by awards over Shares in the new holding company unless the Committee determines otherwise.

If there is a variation in the share capital of the Company (including, without limitation, a capitalisation issue, rights or bonus issue or sub-division or consolidation of share capital, or a reduction of capital, or in the event of a demerger or payment of special dividend), the number of Shares under an award, nominal value and/or class of Shares may be

adjusted, at the Committee's discretion, to ensure the award retains the same economic value.

Dividends and voting rights

Participants will not have any voting or dividend rights in relation to the Shares prior to the vesting of the award. The number of Shares which vest will be increased to take account of dividends which would have been paid on a number of Shares equal to the Shares which vest over the vesting period.

Shares allotted or transferred under the LTIP will rank equally with all other Shares for the time being in issue (except for rights attaching to Shares by reference to a record date prior to the date of issue). The Company will apply for the listing of any new Shares allotted under the LTIP.

Amendment and termination

Any alterations to the rules to the advantage of participants governing eligibility, limits on participation, the number of new Shares available under the LTIP and the terms of vesting and adjustment of awards on a variation of capital (as referred to above) must be approved in advance by shareholders in general meeting. However any alteration or addition which is minor in nature or made to benefit the administration of the LTIP, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment for participants or Group companies may be made by the Committee without shareholder approval.

Contractual implications

Participation in the LTIP is discretionary and does not and is not intended to confer on a participant:

- any right to continue to be eligible to participate in the LTIP;
- a right to continued employment; or
- a right to damages for loss of the award on cessation of employment.

Governing law

The LTIP is to be governed in accordance with the laws of England and Wales and the parties submit to the jurisdiction of the courts of England and Wales.

Head office

159 New Bond Street

London W1S 2UD

Tel +44 (0)20 7399 0000

Fax +44 (0)20 7399 0011