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If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



CLOSE BROTHERS GROUP plc

(incorporated and registered in England and Wales under number 520241)

Annual General Meeting

17 November 2011

Your attention is drawn to the letter from the Chairman of Close Brothers Group plc (the “**Company**”) which is set out on pages 3 to 4 of this document and which recommends you to vote in favour of the Resolutions to be proposed at the Annual General Meeting.

Notice of the Annual General Meeting of the Company to be held at 10 Crown Place, London, EC2A 4FT on 17 November 2011 at 11.00 a.m. is set out on pages 5 to 10 of this document. Shareholders will also find enclosed with this document a form of proxy for use in connection with the Annual General Meeting.

Completion and return of a form of proxy will not preclude shareholders from attending and voting at the Annual General Meeting should they choose to do so. **The form of proxy must be received not less than 48 hours before the time appointed for the Annual General Meeting.** Further instructions relating to the form of proxy are set out in the Notice of the Annual General Meeting.

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18 October 2011

Annual General Meeting

Dear Shareholder,

The Annual General Meeting of the Company will be held at 10 Crown Place, London EC2A 4FT on 17 November 2011 at 11.00 a.m. The formal Notice of Annual General Meeting is set out on pages 5 to 10 of this document. If you would like to vote on the resolutions but cannot come to the Annual General Meeting, please fill in the form of proxy sent to you with this Notice and return it to our registrar as soon as possible. The registrar must receive it not less than 48 hours before the time appointed for holding the Annual General Meeting. Lodgement of the form of proxy will not prevent you from attending and voting at the meeting.

Final dividend

Shareholders are being asked to approve a final dividend of 26.5p per ordinary share for the year ended 31 July 2011. If you approve the recommended final dividend, this will be paid on 22 November 2011 to all ordinary shareholders who were on the register of members on 14 October 2011.

Re-election of Directors

In accordance with the UK Corporate Governance Code and to further increase accountability, all Directors will retire at each AGM and stand for re-election by shareholders if they wish to continue to serve as a Director of the Company.

Accordingly, the Directors retiring and offering themselves for re-election at this Annual General Meeting are Preben Prebensen, Stephen Hodges, Jonathan Howell, Bruce Carnegie-Brown, Jamie Cayzer-Colvin, Ray Greenshields, Douglas Paterson, Geoffrey Howe (who was appointed a Director on 4 January 2011) and myself.

Authority to allot shares and disapplication of shareholders' statutory pre-emption rights

We are asking shareholders to authorise the Directors, for the purposes of Part XVII of the Companies Act 2006, to allot shares. Following the Association of British Insurers' Guidance, the Company is seeking, in addition to the usual general authority to allot shares up to an aggregate amount equal to one-third of the existing share capital (which as in previous years is accompanied by a disapplication of shareholders' pre-emption rights), an additional authority to allot shares (but only in the context of a rights issue) up to an aggregate amount equal to one-third of the existing share capital. Overall in the case of a rights issue the Directors on behalf of the Company could issue shares so as to enlarge the Company's share capital by an amount equal to two-thirds of the existing share capital without further shareholder authority. This would ensure that the Company has the maximum possible flexibility (consistent with market practice) to respond to circumstances and opportunities as they arise. As set out in the explanatory notes to the Notice of General Meeting, the Directors have no present intention of exercising this authority.

Introduction of the Close Brothers Group plc Sharesave Scheme 2011

The Directors now propose and seek your approval to establish the Close Brothers Group plc Sharesave Scheme 2011 (the "Scheme") which will replace, in substantially the same terms, the existing sharesave scheme which was adopted in 2002. The Scheme will give all eligible employees the opportunity to acquire shares in the Company using the proceeds of their own savings under a three, five or seven year sharesave contract with a nominated savings authority. Subject to the Scheme being approved by HM Revenue & Customs, employees who take advantage of this opportunity will not normally be subject to income tax on the gains realised upon the exercise of options. Instead, they will be liable to capital gains tax in the usual way when they dispose of their shares.

A summary of the Scheme is set out in the Appendix at pages 13 to 15.


Explanatory notes

The explanatory notes which appear on pages 11 to 12 of this document give further explanation of special business proposed to be passed at the Annual General Meeting.

Recommendation

Your Directors unanimously consider that all the resolutions to be put to the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and recommend that you vote in favour of them as we intend to do in respect of our own shareholdings.

Yours faithfully,



Strone Macpherson
Chairman

Close Brothers Group plc

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Close Brothers Group plc will be held at 10 Crown Place, London, EC2A 4FT on 17 November 2011 at 11.00 a.m. for the purpose of transacting the following business as ordinary resolutions (as regards resolutions 1 to 16) and as special resolutions (as regards resolutions 17 to 19).

Ordinary Resolutions

1. To receive the Company's 2011 Annual Report and Accounts together with the reports of the Directors and auditors.
2. To approve the Directors' Remuneration Report for the financial year ended 31 July 2011.
3. To authorise the payment of a final dividend on the ordinary shares of 26.5p per share for the year ended 31 July 2011 on 22 November 2011 to shareholders on the register at the close of business on 14 October 2011.
4. To re-elect Strone Macpherson as a director of the Company.
5. To re-elect Preben Prebensen as a director of the Company.
6. To re-elect Stephen Hodges as a director of the Company.
7. To re-elect Jonathan Howell as a director of the Company.
8. To re-elect Bruce Carnegie-Brown as a director of the Company.
9. To re-elect Jamie Cayzer-Colvin as a director of the Company.
10. To re-elect Ray Greenshields as a director of the Company.
11. To re-elect Douglas Paterson as a director of the Company.
12. To re-elect Geoffrey Howe as a director of the Company.
13. To reappoint Deloitte LLP as auditors of the Company.
14. To authorise the Directors to determine the remuneration of the auditors.
15. To approve the establishment of the Close Brothers Group plc Sharesave Scheme 2011 (the "Scheme"), the principal provisions of which are summarised in the Appendix at pages 13 to 15, and to authorise the Directors to do all acts and things necessary to establish and carry the Scheme into effect.
16. To authorise the Board generally and unconditionally to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (a) up to a nominal amount of £12,175,678 (such amount to be reduced by the nominal amount allotted or granted under paragraph (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in s560(1) of the Companies Act 2006) up to a nominal amount of £24,351,356 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue:
 - (1) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (2) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on 17 February 2013) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

Special resolutions

17. That, if resolution 16 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:

(a) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 16, by way of a rights issue only):

(1) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(2) to holders of other equity securities, as required by the rights of those securities or, as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(b) in the case of the authority granted under paragraph (a) of resolution 16 and/or in the case of any sale of treasury shares for cash to the allotment (otherwise than under paragraph (a) above) of equity securities or sale of treasury shares up to a nominal amount of £1,826,351,

such power to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on 17 February 2013) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

18. That the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares of 25p each, such power to be limited:

(a) to a maximum number of 14,610,813 ordinary shares;

(b) by the condition that the minimum price which may be paid for an ordinary share is 25p and the maximum price which may be paid for each ordinary share is the highest of:

(1) an amount equal to 5 per cent. above the average market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and

(2) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange Trading System,

in each case, exclusive of expenses;

such power to apply until the end of next year's Annual General Meeting (or, if earlier, until the close of business on 17 February 2013) but in each case so that the Company may enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after the power ends and the Company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

19. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board



Elizabeth Lee
Company Secretary
18 October 2011

Registered Office:
10 Crown Place
London EC2A 4FT

NOTICE OF ANNUAL GENERAL MEETING

Notes

Proxies and corporate representatives

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. You can only appoint a proxy by using the procedures set out in these notes and the notes to the proxy form. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraphs (8) to (11) below) will not prevent a member attending the Annual General Meeting and voting in person if he/she wishes to do so.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the office of the Company's registrars (Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU).

Alternatively, shareholders may appoint a proxy electronically by visiting www.capitashareportal.com and following the instructions provided.

CREST members can appoint a proxy by utilising the CREST electronic appointment service in accordance with the procedures set out in Notes (8) to (11).

IMPORTANT: in any case your proxy form must be received by the Company's registrars no later than 48 hours before the time appointed for holding the Annual General Meeting.

3. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

Nominated persons

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 the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

Entitlement to attend and vote

6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00 p.m. on 15 November 2011 (or, in the event of any adjournment, on the date which is 48 hours before the time of the adjourned meeting, excluding non-working days). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

Total voting rights

7. As at 11 October 2011 (being the latest practicable date prior to the publication of this Notice and excluding shares held in Treasury) the Company's issued share capital consists of 146,108,139 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 11 October 2011 are 146,108,139.

CREST members

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. 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 Euroclear UK & Ireland Limited’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is 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 the issuer’s agent (ID RA10) by not less than 48 hours before the time appointed for holding the Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer’s agent is 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.
10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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(s) take(s)) 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. 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.

Audit statements

12. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company’s accounts (including the auditor’s report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company’s auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Members’ right to ask questions

13. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Electronic publication

14. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found on the Company's website (www.closebrothers.co.uk).

Inspection of documents

15. The following documents will be available for inspection at the registered office of the Company (10 Crown Place, London, EC2A 4FT) from 9.00 am on the day of this Notice until the end of the Annual General Meeting:

- Copies of the executive Directors' service contracts;
- Copies of letters of appointment of the non-executive Directors; and
- The rules of the proposed Close Brothers Group plc Sharesave Scheme 2011.

Communication

16. You may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purpose other than those expressly stated.

Close Brothers Group plc

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Resolutions 1 to 16 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 17 to 19 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution. The notes on the following pages give an explanation of resolutions 4 to 12 and 16 to 19 only, on the basis that these resolutions are in respect of the re-election of Directors and the special business to be transacted at the 2011 AGM.

Resolutions 4 – 12: Re-election of Directors

In accordance with the UK Corporate Governance Code, all Directors will retire and stand for re-election at the Annual General Meeting.

Resolutions 4 to 12 are seeking approval for the re-election of Strone Macpherson, Preben Prebensen, Stephen Hodges, Jonathan Howell, Bruce Carnegie-Brown, Jamie Cayzer-Colvin, Ray Greenshields, Douglas Paterson and Geoffrey Howe (who was appointed a Director on 4 January 2011) as Directors. Biographical details of the Directors are set out on pages 8 to 9 of the Annual Report and Accounts for the financial year ended 31 July 2011.

Resolution 16: General authority to allot

Paragraph (a) of resolution 16 would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £12,175,678 (representing 48,702,712 ordinary shares of 25p each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 11 October 2011, the latest practicable date prior to publication of this Notice. As at 11 October 2011 4,452,329 ordinary shares were held by the Company in Treasury.

In line with guidance issued by the Association of British Insurers, paragraph (b) of resolution 16 would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £24,351,356 (representing 97,405,424 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of resolution 16. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital (excluding treasury shares) of the Company as at 11 October 2011, the latest practicable date prior to publication of this Notice.

The authorities sought under paragraphs (a) and (b) of resolution 16 will expire at the earlier of 17 February 2013 and the conclusion of the Annual General Meeting of the Company held in 2012.

The Directors have no present intention to exercise either of the authorities sought under this resolution 16. However, if they do exercise the authorities, the Directors intend to follow ABI recommendations concerning their use.

Resolution 17: General power to disapply pre-emption rights

Resolution 17 would give the Directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in Treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be, similar to previous years, limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £1,826,351 (representing 7,305,404 ordinary shares). This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 11 October 2011, the latest practicable date prior to publication of this Notice. In respect of this aggregate nominal amount, the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the earlier of 17 February 2013 and the conclusion of the Annual General Meeting of the Company held in 2012.

Resolution 18: Purchase of own shares

Resolution 18 would give the Company the right to make market purchases of its own shares.

Authority is sought for the Company to purchase up to 10 per cent. of its issued ordinary shares (excluding any treasury shares).

The Directors intend to keep under review the potential to purchase ordinary shares. The Directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per shares of the Company.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any ordinary shares the Company may purchase as treasury shares. The minimum price, exclusive of expenses, which may be paid for an ordinary share is 25p. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to 5% above the average market value for an ordinary share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 7,669,846 ordinary shares, representing 5.25 per cent. of the Company's ordinary issued share capital (excluding treasury shares) as at 11 October 2011. If the existing authority given at the 2010 AGM and the authority now being sought by resolution 18 were to be fully used, these would represent 6.55 per cent. of the Company's ordinary issued share capital (excluding treasury shares) at that date.

Resolution 19: Notice of general meetings

Resolution 19 would allow the Company to hold general meetings on 14 clear days' notice. Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (AGMs will continue to be held on at least 21 clear days' notice.)

Until the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an annual general meeting on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 19 seeks such approval. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The Company is in compliance with this requirement.

APPENDIX

Summary of the main provisions of The Close Brothers Group plc Sharesave Scheme 2011 (the “Scheme”)

1. Administration

The Scheme will be operated and administered by the board of Directors of the Company or a duly authorised committee thereof (the “Board”).

2. Eligibility

All U.K. resident employees (including executive Directors working 25 hours or more per week) who have six or more months’ of continuous service with the Company, or any subsidiary nominated to join in the Scheme, will be eligible to participate in any invitation. The Board has the discretion to reduce or eliminate the period of qualifying service (generally, on a particular occasion when invitations to apply for Options are issued or in relation to named or defined categories of employees or Directors of the group), and/or to invite other employees of the group to participate.

3. Options

Options will entitle the holder to acquire ordinary shares in the Company (“Shares”). Options may either be options to subscribe for new Shares to be issued by the Company or options to purchase existing Shares.

Options will be personal to the participant and may not be transferred. No payment will be required for the grant of an option.

4. Timing

Invitations to participate may be issued in the case of the first issue within 42 days of the Scheme being approved by HM Revenue & Customs. Thereafter, within 42 days of the Company announcing its results for the last preceding financial year or other period. Invitations may also be issued when the Board resolves that exceptional circumstances exist which justify the grant of options.

5. Exercise price

The exercise price will be set by the Board and may not be less than an amount equal to 80% of the middle market quotation for a Share (as derived from the Daily Official List of the London Stock Exchange) from the three consecutive dealing days immediately prior to the invitation date (or, if less, the middle market quotation for a Share on the date of grant). If the option relates to Shares to be allotted, the exercise price will be set by the Board and may not be less than the nominal value of a Share.

6. Individual limit

No eligible employee may be granted an option if the aggregate monthly contributions payable by an employee under all subsisting sharesave contracts would exceed £250 (or such other amount specified in Paragraph 25 of Schedule 3 to the Income and Corporation Taxes Act 2003).

7. Scheme limits

On any date, the maximum number of Shares over which the Board may grant options under which Shares are to be allotted, when added to the number of Shares allotted and Shares remaining to be allotted:

- (a) in respect of options which are to be or have been granted on the same date or within the previous ten years under the Scheme or any other share option scheme approved by the Company in general meeting; and
- (b) on the same date or within the previous ten years under any other share incentive scheme approved by the Company in general meeting,

shall not exceed 10 per cent. of the number of Shares in issue on the date preceding that date.

For these purposes, the allotment of Shares shall, for the avoidance of doubt, mean the issue and allotment (but not transfer) of Shares unless the Shares to be transferred are Treasury Shares (in which case the Treasury Shares to be transferred shall be deemed to be an allotment for these purposes).

No option shall be granted under the Scheme after 17 November 2021.

8. Exercise of options

Options will normally be exercisable in whole or in part during the period of six months starting on the bonus date. The bonus date is the date on which the bonus under the related sharesave contract is payable. In normal circumstances this will be the third, fifth or seventh anniversary of the starting date of the sharesave contract and will depend upon the election made by the participant at the time of grant.

9. Termination of employment

If the participant dies, his personal representatives may exercise his options in the twelve months following his death or, if death occurred within six months after the bonus date, within twelve months after the bonus date. If a participant ceases to be employed within the group for a permitted reason, the participant may exercise his options in the six months following the termination of his employment. A permitted reason is injury, disability, redundancy, retirement at age 60, retirement at contractual retirement date, the company in which the participant works no longer being under the control (within the meaning of section 719 of the Income Tax (Earnings and Pensions) Act 2003) of the Company or the business in which the participant works being transferred to a person who is not an associated company (within the meaning of Paragraph 47(1) of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003) of the Company or under the control of the Company or, in the case of any option which the participant has held for at least three years, any other reason. If a participant ceases to be employed for any other reason, his option will lapse.

For these purposes, a participant will not be treated as ceasing to be employed within the group for so long as he remains employed by a company which is an associated company of the Company or any company over which the Company has control.

10. Change of control

The exercise of options will also be permitted in the event of a change in control, a reorganisation, an amalgamation or a voluntary winding up of the Company. In the event of a change in control of the Company, participants may surrender their options in return for substitute options over shares in the acquiring company.

11. Listing

Application will be made for admission to the Official List of new shares issued under the Scheme and for permission to trade in those Shares. Shares allotted or transferred on the exercise of options will rank equally in all respects with existing Shares except for, in the case of Shares allotted, rights attaching to Shares by reference to a record date prior to the date of exercise. The Company will at all times keep available sufficient unissued share capital to satisfy outstanding options to subscribe for Shares and ensure sufficient Shares are available for transfer in respect of all outstanding options under which Shares are to be transferred.

12. Amendments

The Board may make such amendments to the Scheme as it sees fit, subject to the following paragraphs.

No amendments necessary in order to meet requirements of Schedule 3 to the Income Tax (Earnings and Pensions) Act 2003 may take effect when the Scheme is approved by HM Revenue & Customs without the prior approval of HM Revenue & Customs.

No amendment which is to the advantage of employees or participants may be made to those provisions dealing with definitions, eligibility, exercise price, individual or Scheme limits, the terms of options,

change of control, provision of Shares pursuant to exercise, rights attaching to Shares, loss of office, the powers of the Board or the adjustment of options, without the prior approval of the Company in general meeting.

The Board shall not make any amendment (not being an amendment necessary or desirable to maintain HM Revenue & Customs approval under Schedule 3 if the Income Tax (Earnings and Pensions) Act 2003 or any other enactment) that would materially prejudice the existing participants except with the prior consent of participants who, if they exercised their options in full would become entitled to at least 75% of all Shares which would fall to be allotted or transferred upon exercise of all outstanding options.

