

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH ARTICLE 126 OF THE COMPANIES (JERSEY) LAW 1991. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from a stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in Jersey, is appropriately authorised to provide such advice under the Financial Services (Jersey) Law 1998, or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 or, if you are taking advice outside Jersey and the United Kingdom, from an appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document, but not the personalised Forms of Proxy or the personalised Loan Note Form of Election, as soon as possible, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only some of your Ordinary Shares, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not comprise a prospectus for the purposes of the Companies (General Provisions) (Jersey) Order 2002 and a copy of it will not be delivered to the Registrar of Companies in Jersey for filing or approval. The distribution of this document in or into jurisdictions other than the United Kingdom and Jersey may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Recommended Acquisition
of
Cazenove Capital Holdings Limited
by
Schroders plc
to be effected by means of a scheme of arrangement
under Article 125
of the Companies (Jersey) Law 1991

Cazenove Capital Shareholders should carefully read the whole of this document and the accompanying Forms of Proxy and Loan Note Form of Election. In particular, your attention is drawn to the letter from the Chairman of Cazenove Capital set out in Part I of this document which contains the unanimous recommendation of the Cazenove Capital Directors that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting. A statement explaining the Scheme in greater detail and the action to be taken by you appears in Part II of this document.

Notices of the Court Meeting and the General Meeting, both of which will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED on 17 May 2013, are set out in Parts XIV and XV of this document. The Court Meeting will start at 11.00 a.m. and the General Meeting at 11.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned).

TO VOTE ON THE ACQUISITION

If you are a Cazenove Capital Shareholder, whether or not you plan to attend the Meetings, please:

1. complete and return the **BLUE Form of Proxy (for the Court Meeting)**, so as to be received by no later than 11.00 a.m. on 15 May 2013; and
2. complete and return the **WHITE Form of Proxy (for the General Meeting)**, so as to be received by no later than 11.15 a.m. on 15 May 2013,

in each case, to Cazenove Capital's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. A pre-paid envelope is provided for this purpose for use in the United Kingdom only.

If the blue Form of Proxy for use at the Court Meeting is not lodged with Cazenove Capital's Registrar, Equiniti (on behalf of the Chairman of the Court Meeting), by the relevant time, it may be handed to Cazenove Capital's Registrar, Equiniti, or the Chairman of the Court Meeting at the start of the Court Meeting. However, in the case of the General Meeting, unless the white Form of Proxy is lodged with Cazenove Capital's Registrar, Equiniti, by 11.15 a.m. on 15 May 2013, it will be invalid.

The completion and return of a Form of Proxy will not prevent you from attending either the Court Meeting or the General Meeting (or any adjournment thereof) and voting in person if you so wish and are so entitled.

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE, AND IN ANY EVENT, BEFORE THE TIME STATED ABOVE.

In addition to the Forms of Proxy referred to above, eligible Cazenove Capital Shareholders who wish to elect for the Loan Note Alternative in respect of some or all of their Scheme Shares must complete and return the pink Loan Note Form of Election to Equiniti (in its capacity as receiving agent) by no later than 11.00 a.m. on 28 June 2013 in order for it to be valid. A duly completed election to participate in the Loan Note Alternative will be valid even if made by an eligible Cazenove Capital Shareholder who has voted against the Scheme. A Cazenove Capital Shareholder who has returned a Loan Note Form of Election and subsequently wishes to withdraw or amend such election must notify Equiniti in writing by no later than 11.00 a.m. on 28 June 2013. Such notice must contain an original signature and specify whether the election is to be withdrawn or amended. Any election to participate in the Loan Note Alternative is personal to the relevant Scheme Shareholder and is not capable of transfer. In the event that the Scheme Shares in respect of which a Loan Note Form of Election has been submitted are transferred, the election will become invalid.

Any eligible Cazenove Capital Shareholders who wish to participate in the Unit Trust Rollover will only have the opportunity to do so if they first elect for the Loan Note Alternative in respect of some or all of their Scheme Shares.

This page should be read in conjunction with the section entitled "Questions and Answers", starting on page 21 of this document and in paragraph 22 of Part II of this document and the rest of this document.

SHAREHOLDER HELPLINE

0871 384 2891

(+44 121 415 0090 if calling from outside the UK)

If you have not received all of the relevant documents or have any questions relating to this document, either of the Meetings or the completion and return of the Forms of Proxy or the Loan Note Form of Election, please call Cazenove Capital's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. on any Business Day.

Calls to the 0871 384 2891 number are charged at 8 pence per minute (excluding VAT), plus network extras. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that helpline operators cannot provide advice on the merits of the Scheme, the Acquisition or the Loan Notes or give any tax, financial, investment or legal advice.

Dated 19 April 2013

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected times and dates for the implementation of the Scheme. All references in this document to times are to London time unless otherwise stated.

<i>Event</i>	<i>Time and/or date (2013)</i>
Latest time for lodging blue Forms of Proxy for the Court Meeting	11.00 a.m. on 15 May¹
Latest time for lodging white Forms of Proxy for the General Meeting	11.15 a.m. on 15 May²
Voting Record Time for Court Meeting and General Meeting	6.00 p.m. on 15 May ³
Court Meeting	11.00 a.m. on 17 May
General Meeting	11.15 a.m. on 17 May⁴
Latest time for lodging pink Loan Note Form of Election	11.00 a.m. on 28 June⁵
Scheme Court Hearing	1 July ⁶
Scheme Record Time	6.00 p.m. on 1 July ⁶
Effective Date	2 July ⁶
Payment of Scheme consideration	5 July ⁷
Latest date for Scheme to become effective	31 October ⁸

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- 1 The blue Form of Proxy for the Court Meeting may, alternatively, be handed to Cazenove Capital's Registrar (on behalf of the Chairman of the Court Meeting) or the Chairman of the Court Meeting at the start of the Court Meeting. However, it is requested that, if possible, blue Forms of Proxy be lodged at least 48 hours before the time appointed for the Court Meeting.
 - 2 The white Form of Proxy for the General Meeting must be lodged with Cazenove Capital's Registrar by no later than 11.15 a.m. on 15 May 2013 in order for it to be valid, or if the General Meeting is adjourned, no later than 48 hours before the time fixed for the holding of the adjourned meeting. The white Form of Proxy cannot be handed to Cazenove Capital's Registrar or the Chairman of the General Meeting at that Meeting.
 - 3 If either of the Meetings is adjourned, then the Voting Record Time for the relevant reconvened Meeting will be 6.00 p.m. on the date two days before the date set for the relevant reconvened meeting.
 - 4 If the Court Meeting has not been concluded or adjourned prior to the scheduled commencement of the General Meeting, the commencement of the General Meeting will be delayed until the Court Meeting has been concluded or adjourned.
 - 5 If the date for the Scheme Court Hearing is delayed beyond 5 July 2013, this date will be extended until a date which is no earlier than one week before the revised date for the Scheme Court Hearing.
 - 6 These times and dates are indicative only and will depend, amongst other things, on the date on which the conditions to implementation of the Scheme (including obtaining certain approvals from the Appropriate Regulator, the Jersey Financial Services Commission and any other clearances and authorisations required to implement the Acquisition, including from the Securities and Futures Commission of Hong Kong) are satisfied or (if capable of waiver) waived, the date on which the Court issues the Court Order sanctioning the Scheme and the date on which the Court Order is delivered to the Registrar of Companies. If there are any revisions to the timetable, Cazenove Capital will make an appropriate announcement via a Regulatory Information Service as soon as practicable.
 - 7 Indicative date. It is expected that the Scheme consideration will be paid as soon as reasonably practicable after the Effective Date.
 - 8 This is the latest date by which the Scheme may become effective unless Schroders and Cazenove Capital agree, and the Court permits, a later date.

PART I

Letter from the Chairman of Cazenove Capital

(Registered in Jersey with Registered Number 91495)

Directors

David Mayhew (Chairman)
Marcus Gregson
Sir Roger Hurn
Richard Jeffrey
Michael Power
Andrew Ross
Carolyn Sims
Rupert Tyer

Registered office

Cazenove Capital Holdings Limited
Ogier House
The Esplanade
St Helier
Jersey JE4 9WG

19 April 2013

To Cazenove Capital Shareholders and, for information only, to holders of options and awards under the Cazenove Capital Share Schemes.

Dear Cazenove Capital Shareholder,

RECOMMENDED ACQUISITION OF CAZENOVE CAPITAL HOLDINGS LIMITED BY SCHRODERS PLC

1. Introduction

On 25 March 2013, Cazenove Capital and Schroders announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Schroders will acquire the entire issued and to be issued ordinary share capital of Cazenove Capital by means of a court-sanctioned scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991.

I am writing to you to set out a summary of the terms of the Scheme and to explain why your Board considers the terms of the Scheme to be fair and reasonable and **why it recommends unanimously that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting**, both of which will be held on 17 May 2013 at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED. The Court Meeting will start at 11.00 a.m. and the General Meeting will start at 11.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). This letter also explains the action which you are now asked to take. Further details of the Scheme are set out in the Explanatory Statement in Part II of this document.

2. Summary of the terms of the Acquisition

Under the terms of the Acquisition, which are set out in Part VI of this document and which are subject to the Conditions and the terms set out in Part V of this document, if the Scheme becomes effective, Scheme Shareholders will be entitled to receive:

135 pence in cash in respect of each Scheme Share held

The Acquisition values the fully diluted share capital of Cazenove Capital at approximately £424 million. This represents a price to 2012 earnings multiple of 25.4x, which is a significant premium to Cazenove Capital's publicly quoted peer group.

Cazenove Capital Shareholders will also receive Cazenove Capital's 2012 Dividend of 4.75 pence in cash per Ordinary Share, which will be paid on 3 May 2013 to those Cazenove Capital Shareholders on the register of members as at 22 March 2013.

In addition, subject to regulatory consent being received, it is intended that eligible individual Cazenove Capital Shareholders who elect for the Loan Note Alternative and who are UK residents for tax purposes will have the opportunity to roll over their proceeds from the Acquisition into either one or both of the two New Unit Trusts, one of which will have an investment strategy and profile matching, in all material respects, the Schroders Income Fund and one of which will have an investment strategy and profile matching, in all material respects, the Cazenove Diversity Income Fund, without triggering any capital gains tax which might otherwise arise.

The Acquisition is being implemented by way of the Scheme. Subject to satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective in early July 2013. If the Scheme becomes effective, it will be binding on all Cazenove Capital Shareholders, irrespective of whether or not they attended or voted at the Meetings.

3. Background to and reasons for the Cazenove Capital Directors' recommendation

The Cazenove Capital Directors believe that the terms of the Acquisition are attractive to Cazenove Capital Shareholders. The Acquisition also represents an excellent strategic step for Cazenove Capital, providing benefits to both its Wealth Management and Investment Funds businesses, improving the proposition to clients and providing opportunities for

employees. Schroders represents a very high quality and culturally compatible partner for Cazenove Capital, with shared values and an overriding focus on putting the interests of its clients first.

Specifically, in deciding to recommend the Acquisition, the Cazenove Capital Directors have taken into account the following considerations.

Attractive financial terms

The Cazenove Capital Directors believe that the terms of the Acquisition, entitling Cazenove Capital Shareholders to receive 135 pence in cash for each Ordinary Share, are attractive.

- The value attributable to the fully diluted share capital of Cazenove Capital under the Acquisition is £424 million. This represents a multiple of price to 2012 earnings (being £16.7 million for the year ended 31 December 2012) of 25.4x, which the Board believes is highly favourable.
- This price to earnings multiple represents a significant premium to Cazenove Capital's publicly quoted peer group. Moreover, peer group share prices and stock market levels are currently favourable relative to those seen over the last five years (being near five year highs), providing a supportive backdrop for achieving attractive financial terms.
- The Acquisition provides value certainty for Cazenove Capital Shareholders. The Board is mindful of potential challenges facing Cazenove Capital including pressure on fees (particularly arising from the Retail Distribution Review), the requirement for significant investment in technology and infrastructure to maintain current levels of service for clients and provide a more scalable operating platform (estimated to be in the region of £15 million over the next three years, were Cazenove Capital to remain independent), the competitive environment for specialist and private client fund managers, the difficulty of achieving further economies of scale to improve profit margins on an organic basis and the impact of a changing regulatory environment.
- In addition, in considering the financial terms of the Acquisition, the Board has taken account of the following:
 - Cazenove Capital has, as at 31 December 2012 and adjusted for payment of the 2012 Dividend and transaction expenses, approximately £46 million of capital in excess of its minimum regulatory capital requirements. The Board believes that, in the absence of a transaction, it would not have considered it appropriate to distribute the full amount of this surplus for reasons of prudent financial management including the maintenance of appropriate buffers; and
 - Cazenove Capital achieves a significantly lower revenue yield on its assets under management than its quoted peers, reflecting its mix of business and larger average portfolio size. The Board has therefore placed more weight on the ratio of price to earnings as a benchmark of value (by comparison with price to assets under management) because it takes account of the level of profitability.
- The Acquisition price per share represents a 59 per cent. premium over the closing price of 85 pence per share from Cazenove Capital's internal dealing facility (which closed on 14 September 2012).
- Cazenove Capital Shareholders on the register of members as at 22 March 2013 will in any event also receive the 2012 Dividend of 4.75 pence in cash per Ordinary Share, which will be paid on 3 May 2013.
- Taking account of the composition of Cazenove Capital's shareholder base, the Board believes the consideration options should be attractive for Cazenove Capital Shareholders. The Acquisition includes the Loan Note Alternative and (subject to certain conditions) Schroders has undertaken to procure that there is an opportunity for holders of the Loan Notes to exchange their Loan Notes in return for units in one or both of two New Unit Trusts. It is intended that this will allow certain Cazenove Capital Shareholders who are resident in the UK for UK tax purposes to have the opportunity to roll over their proceeds from the Acquisition into the New Unit Trust(s) without triggering any capital gains tax which might otherwise arise. Further details in relation to the Loan Note Alternative and the Unit Trust Rollover are set out in paragraphs 5 and 6, respectively, of Part II of this document. I would also refer Cazenove Capital Shareholders who are considering participating in the Loan Note Alternative or the Unit Trust Rollover to Parts IX, XI and XII of this document.

At the date of the demerger of Cazenove Capital from the Cazenove group in December 2005, the price per Ordinary Share was 35 pence. The offer price of 135 pence per Ordinary Share represents an increase of 286 per cent. since that date. This represents a compound annual growth rate of approximately 21 per cent., before taking into account the effect of dividends. On a total shareholder return basis (including dividends), the return to Cazenove Capital Shareholders over this period has been approximately 390 per cent. This compares favourably to the total shareholder return over the same period of the FTSE All-Share of 53 per cent. and certain peers including Rathbone Brothers plc (94 per cent.) and Brewin Dolphin Holdings PLC (75 per cent.).

Strong strategic rationale

For Cazenove Capital's Private Wealth Management business, the Acquisition:

- provides Cazenove Capital with an opportunity, through combining with Schroders' Private Banking business, to establish one of the leading independent private banking organisations in the UK. Schroders Group will continue to use the highly regarded Cazenove Capital names in its Private Banking business;
- significantly enhances the proposition for Cazenove Capital's private clients through providing deposit-taking and lending services and wider investment expertise, in addition to Cazenove Capital's existing investment management and financial planning capabilities; and
- establishes the enlarged business as one of the market leaders in charities.

For Cazenove Capital's Investment Funds business, the Acquisition:

- represents a good fit with Schroders' existing fund range;
- will preserve Cazenove Capital's distinctive business cycle investment process; and
- offers the benefits of Schroders' extensive distribution and research capabilities.

Schroders as a partner

Schroders represents an excellent partner for Cazenove Capital. The Acquisition brings together two long-standing names in UK asset and wealth management with shared values, a strong cultural affinity and an overriding focus on putting the interests of their clients first. Preserving this culture and approach to client service is an important factor for the Cazenove Capital Directors.

Schroders provides significant benefits to and has a strong strategic interest in both the Wealth Management and Investment Funds businesses of Cazenove Capital.

4. Management and employees of Cazenove Capital Group

The Cazenove Capital Directors have welcomed Schroders' statements that it attaches great importance to the skills and experience of the management and employees of the Cazenove Capital Group, to whom Schroders believes it can offer a wide range of career development opportunities.

The senior management teams of both businesses will work together on the integration plan aimed at maintaining the culture of client focus that exists in both firms.

5. Cazenove Capital Share Schemes

Information on how the Scheme will affect participants in the Cazenove Capital Share Schemes is summarised in paragraph 18.1 of Part II of this document and participants in those schemes will be sent separate correspondence.

6. Overseas Shareholders

The implications of the Scheme for persons resident in, or citizens or nationals of, jurisdictions outside the United Kingdom and Jersey may be affected by the laws of the relevant jurisdiction. Such Overseas Shareholders should inform themselves about and observe all applicable legal requirements. Please refer to paragraph 20 of Part II of this document for further details.

7. Regulatory clearances

The Acquisition is conditional upon obtaining regulatory clearances from the Appropriate Regulator and the Jersey Financial Services Commission, as well as any other clearances and authorisations required for the Acquisition (including from the Securities and Futures Commission of Hong Kong).

8. United Kingdom Taxation

Your attention is drawn to Part IX of this document. If you are in any doubt about your tax position, or are subject to tax in any jurisdiction other than the UK, you are strongly advised to consult an appropriate professional independent tax adviser.

9. Action to be taken

Cazenove Capital Shareholders will find, at the end of this document, notices of the Meetings which have been convened to enable Cazenove Capital Shareholders to consider and, if thought fit, approve the Scheme and, in the case of the General Meeting, to approve the Special Resolution necessary to enable Cazenove Capital to effect the Scheme and to enable Schroders to complete the Acquisition. You will find enclosed with this document Forms of Proxy for use in connection with the Meetings.

It is particularly important that as many votes as possible are cast (whether in person or by proxy) at the Court Meeting so that the Court may be satisfied that the result is a fair representation of Scheme Shareholders' opinions. You are therefore strongly urged to complete and return your Forms of Proxy as soon as possible. Please make every effort to vote at the Meetings either in person or by completing the Forms of Proxy. Completion and return of any Form of Proxy will not prevent Cazenove Capital Shareholders from attending the Meetings and voting in person if they wish to do so and are so entitled.

Completed Forms of Proxy should be returned to Cazenove Capital's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 48 hours before the time for which the relevant Meeting has been convened. If the blue Form of Proxy for use at the Court Meeting is not lodged with Cazenove Capital's Registrar by that time, it may be handed to Cazenove Capital's Registrar (on behalf of the Chairman of the Court Meeting) or the Chairman at the start of the Court Meeting. However, if the white Form of Proxy for use at the General Meeting is not lodged with Cazenove Capital's Registrar by that time, it will be invalid.

Completing and returning the enclosed blue and white Forms of Proxy on time will ensure that your votes can be counted at the Meetings.

Further details of how to participate in and vote at the Meetings are set out on pages 21 and 22 and paragraph 22 of Part II of this document.

Please note that only those Cazenove Capital Shareholders registered in the register of members of Cazenove Capital as at 6.00 p.m. on 15 May 2013 or, in the event that the Meetings are adjourned, in the register of members at 6.00 p.m. on the date two days before the date for any adjourned Meeting will be entitled to attend or vote in respect of the number of Cazenove Capital Shares registered in their name at such time.

In addition to the Forms of Proxy referred to above, eligible Cazenove Capital Shareholders who wish to elect for the Loan Note Alternative in respect of some or all of their Scheme Shares must complete and return the pink Loan Note Form of Election to Equiniti (in its capacity as receiving agent) by no later than 11.00 a.m. on 28 June 2013 in order for it to be valid. A duly completed election to participate in the Loan Note Alternative will be valid even if made by an eligible Cazenove Capital Shareholder who has voted against the Scheme.

It should be noted that any eligible Cazenove Capital Shareholders who wish to participate in the Unit Trust Rollover will have the opportunity to do so only if (and to the extent that) they first elect for the Loan Note Alternative in respect of some or all of their Scheme Shares.

10. Further information

The terms of the Scheme are set out in full in Part VI of this document. In addition, Part II of this document contains an Explanatory Statement (required by Article 126 of the Companies (Jersey) Law 1991) which gives further details of the Acquisition and the Scheme.

11. Irrevocable undertakings

The Cazenove Capital Directors have irrevocably undertaken to vote in favour of the Scheme (or, where applicable, procure that votes are cast in favour of the Scheme) at the Court Meeting and the Special Resolution at the General Meeting, in respect of their beneficial (or otherwise controlled) holdings of 17,060,142 Ordinary Shares representing, in aggregate, approximately 5.9 per cent. of the ordinary share capital of Cazenove Capital in issue on 15 April 2013 (being the latest practicable date prior to publication of this document).

Further details of these irrevocable undertakings are set out in paragraph 4(d) of Part X of this document.

12. Recommendation

The Cazenove Capital Directors, who have been so advised by Evercore Partners, consider the terms of the Acquisition to be fair and reasonable. In providing its advice, Evercore Partners has taken into account the commercial assessments of the Cazenove Capital Directors. In addition, the Cazenove Capital Directors consider that the terms of the Acquisition are in the best interests of Cazenove Capital Shareholders as a whole.

Accordingly, the Cazenove Capital Directors recommend unanimously that Cazenove Capital Shareholders vote in favour of the resolutions relating to the Acquisition at the Meetings as they have irrevocably undertaken to do or procure in respect of their own beneficial (or otherwise controlled) holdings.

Yours sincerely



David Mayhew
Chairman

PART II

Explanatory Statement

(in compliance with Article 126 of the Companies (Jersey) Law 1991)

19 April 2013

To Cazenove Capital Shareholders and, for information only, to the holders of options and awards under the Cazenove Capital Share Schemes.

RECOMMENDED ACQUISITION OF CAZENOVE CAPITAL HOLDINGS LIMITED BY SCHRODERS PLC

1. Introduction

On 25 March 2013, Cazenove Capital and Schroders announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Schroders will acquire the entire issued and to be issued ordinary share capital of Cazenove Capital to be effected by means of a court-sanctioned scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991.

Your attention is drawn to the letter from the Chairman of Cazenove Capital set out in Part I of this document which contains, among other things, the unanimous recommendation by the Cazenove Capital Directors to Cazenove Capital Shareholders to vote in favour of the resolutions relating to the Acquisition at the Meetings as they have irrevocably undertaken to do or procure in respect of their own beneficial (or otherwise controlled) holdings.

The Cazenove Capital Directors, who have been so advised by Evercore Partners, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Cazenove Capital Directors, Evercore Partners has taken into account the commercial assessment of the Cazenove Capital Directors. In addition, the Cazenove Capital Directors consider that the terms of the Acquisition are in the best interests of Cazenove Capital Shareholders as a whole.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part VI of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including the letter from the Chairman of Cazenove Capital in Part I, the conditions and certain further terms set out in Part V and the additional information set out in Part X of this document.

2. Summary of the Scheme

Under the terms of the Scheme, which are set out in Part VI of this document, if the Scheme becomes effective, Scheme Shareholders will be entitled to receive:

135 pence in cash in respect of each Scheme Share held

As an alternative, Scheme Shareholders (other than Restricted Shareholders) will have the option of electing to receive Loan Notes under the Loan Note Alternative instead of all or part of the cash consideration to which they would otherwise be entitled. Further details in relation to the Loan Note Alternative are set out in paragraph 5 of this Part II.

The Acquisition values the fully diluted share capital of Cazenove Capital at approximately £424 million.

Cazenove Capital Shareholders will in any event also receive Cazenove Capital's 2012 Dividend of 4.75 pence in cash per Ordinary Share, which will be paid on 3 May 2013 to those Cazenove Capital Shareholders on the register of members as at 22 March 2013.

The implementation of the Scheme is subject to the Conditions, which are summarised in paragraph 12 of this Part II and set out in full in Part V of this document.

The Scheme can become effective in accordance with its terms only if all the Conditions to the Acquisition have been satisfied or, where relevant, waived. Subject to the foregoing, it is expected that the Scheme will become effective in early July 2013.

Implementation of the Scheme will require the approval of Scheme Shareholders at the Court Meeting and the approval of the Special Resolution by the Cazenove Capital Shareholders at the General Meeting. The Scheme also requires the sanction of the Court.

The Scheme will become effective upon the delivery of the Scheme Court Order to the Registrar of Companies for registration.

Once the Scheme becomes effective, it will be binding on all Cazenove Capital Shareholders, whether or not they attended the Meetings or voted in favour of the Scheme and the Special Resolution. Cheques in respect of cash

consideration will be dispatched (or, where Scheme Shareholders have directed Cazenove Capital to remit payments to a specified bank account, cash consideration will be credited by electronic transfer to such account) in respect of Scheme Shares as soon as reasonably practicable after the Effective Date.

The Scheme is described in further detail at paragraph 10 of this Part II below.

3. Background to and reasons for the Acquisition

The acquisition of Cazenove Capital will strengthen the Schroders business and represents a very attractive opportunity in respect of its Private Banking and Investment Funds businesses.

A priority for Schroders is to develop its Private Banking business. The acquisition of Cazenove Capital:

- materially expands Schroders' scale and capabilities in Private Banking, with combined pro-forma assets under management of £28.4 billion as at 31 December 2012;
- creates a leading independent private banking and wealth management business in the UK, offering its clients investment management, financial planning, deposit-taking and lending services; and
- broadens Schroders' proposition for its private banking clients, including financial planning.

In addition, Cazenove Capital:

- adds £5.1 billion of assets under management in its Investment Funds business to Schroders' UK Intermediary business, with strength in specialist equities, multi-manager and absolute return strategies, and good investment performance;
- enhances Schroders' existing investment capabilities with the addition of Cazenove Capital's highly-rated portfolio managers, including additional capability in absolute return strategies; and
- will provide economies of scale, principally in UK funds distribution and infrastructure, which Schroders expects will enable it to achieve pre-tax cost synergies of between £12 million and £15 million per annum. The Acquisition is expected to be earnings enhancing after amortisation of intangible assets in the first full financial year after completion of the Acquisition⁹.

4. Management, employees and intentions regarding the Cazenove Capital Group

Schroders attaches great importance to the skills and experience of the management and employees of the Cazenove Capital Group and believes that it can offer them a wide range of career development opportunities.

Following the Acquisition, Schroders intends to combine Cazenove Capital's operating businesses in the UK with those of Schroders. It is likely that some redundancies will occur as a result, and it is expected that these would be in UK funds distribution and infrastructure. Schroders has given assurances to the Cazenove Capital Directors that, upon and following completion of the Acquisition, it intends to safeguard fully the existing employment rights of all Cazenove Capital Group employees and to comply with the Cazenove Capital Group's pension obligations to existing employees, and that any Cazenove Capital Group employees who are made redundant will be appropriately compensated. Schroders has also confirmed that where appropriate it will seek to harmonise the terms and conditions of Cazenove Capital Group and Schroders Group employees.

In accordance with Rule 16.2(a) of the City Code, no incentivisation arrangements for management are being proposed by Schroders.

No changes are envisaged at the current time to the Cazenove Capital Group's business locations in London, Jersey and elsewhere in the UK or to the deployment of fixed assets of the Cazenove Capital Group. Schroders intends to retain Cazenove Capital's office in the City of London, however employees of both firms may move between this location and Schroders' existing offices which are also in the City of London.

The senior management teams of both businesses will work together on the integration plan maintaining the culture of client focus that exists in both firms.

Andrew Ross will be Head of UK Private Banking, reporting to Philip Mallinckrodt, Schroders Group Head of Private Banking.

5. Loan Note Alternative

A Loan Note Alternative is available to Cazenove Capital Shareholders (other than Restricted Shareholders), which will enable eligible Cazenove Capital Shareholders to take Loan Notes instead of all or part of the cash consideration to which they would otherwise be entitled. The Loan Note Alternative is available on the basis of £1 nominal value of Loan Notes for every £1 of cash which a Cazenove Capital Shareholder would otherwise be entitled to receive under the Acquisition. Each Scheme Shareholder's aggregate entitlement to Loan Notes will be rounded down to the nearest £1 and the balance of the consideration disregarded and not paid to the Scheme Shareholder.

⁹ This statement should not be construed as a profit forecast or be interpreted to mean that the future earnings per share, profits, margins or cash flows of Schroders will necessarily be greater or less than the historical published earnings per share, profits, margins or cash flows of Schroders.

The Loan Notes will be governed by English law and will be issued, credited as fully paid, in integral multiples of £1 nominal value. The Loan Notes will be non-transferable by Cazenove Capital Shareholders other than to close family members, family trusts and, in certain circumstances, in connection with the Unit Trust Rollover, and no application will be made for them to be listed or dealt in on any stock exchange. The Loan Notes will not be “qualifying corporate bonds” for the purposes of UK capital gains tax.

The Loan Notes will bear interest from their date of issue at a rate of (i) where LIBOR for the interest period is at or below 50 basis points, LIBOR less 25 basis points, subject to a minimum of zero per cent., (ii) where LIBOR for the interest period is at or above 300 basis points, 2.5 per cent., and (iii) where LIBOR for the interest period is between 50 and 300 basis points, LIBOR less a margin where the margin is determined by increasing the margin below LIBOR on a straight line basis from 25 basis points where LIBOR is at 50 basis points to a margin below LIBOR of 50 basis points where LIBOR is at 300 basis points. Interest will be payable semi-annually in arrear on 30 June and 31 December in each year (or, if such day is not a Business Day, on the next succeeding Business Day) in respect of the six month interest period ending on that date. The Loan Notes will be redeemable at par (together with accrued interest less any tax required by law to be withheld or deducted therefrom) in whole or in part, for cash at the option of the noteholders on the day which is 12 months and one day from the date of issue and thereafter on 30 June and 31 December in each year.

Schroders will also have the right to redeem all of the Loan Notes prior to their stated maturity date in the event that the principal amount outstanding on the Loan Notes then in issue is less than £2 million. If not previously redeemed, the final redemption date will be the fifth anniversary of the issue of the Loan Notes (subject to yearly extensions at Schroders' election).

The Loan Note Alternative is conditional upon the Acquisition becoming effective. If valid elections for the Loan Note Alternative would not result in the issue of at least £20 million in nominal value of Loan Notes in aggregate, Schroders will not issue any Loan Notes. Unless Schroders agrees otherwise, the Loan Note Alternative will not be available to persons in Australia, Hong Kong or the United States or in, or to, or for the account or benefit of any person located in, any other Restricted Jurisdiction.

Gleacher Shacklock has advised Schroders that, in its opinion, based on market conditions on 15 April 2013 (the latest practicable date prior to the publication of this document), its estimate of the value of the Loan Notes (had they been in issue on that day) would have been not less than 98 pence per £1 in nominal value.

Cazenove Capital Shareholders (other than Restricted Shareholders) may elect to participate in the Loan Note Alternative in respect of all or any of their Scheme Shares by completing and delivering to Equiniti (as receiving agent) a pink Loan Note Form of Election in accordance with the instructions thereon and set out in this document by 11.00 a.m. on 28 June 2013. A duly completed election to participate in the Loan Note Alternative will be valid even if made by a Cazenove Capital Shareholder who has voted against the Scheme.

Upon execution and delivery by a holder of Scheme Shares of a Loan Note Form of Election validly electing for the Loan Note Alternative, such holder shall be bound by the terms and provisions contained in the Loan Note Form of Election, in Part XI of this Scheme Document and in the Loan Note Instrument and in particular (but without prejudice to the generality of the foregoing) shall be responsible for the representations and warranties contained in notes (G) and (I) of the Loan Note Form of Election. A Scheme Shareholder who has returned a Loan Note Form of Election and subsequently wishes to withdraw or amend such election must notify Equiniti (in its capacity as receiving agent) in writing by no later than 11.00 a.m. on 28 June 2013. Such notice must contain an original signature and specify whether the election is to be withdrawn or amended.

Further details on the terms of the Loan Notes are set out in Part XI. In addition, details of the tax treatment that may apply to Scheme Shareholders are referred to in Part IX of this document, which includes certain statements about the UK tax consequences for certain UK resident Cazenove Capital Shareholders.

Neither the Cazenove Capital Directors nor Schroders give any advice to Scheme Shareholders as to whether, and to what extent, they should elect for the Loan Note Alternative under the Scheme as its benefits will depend on each Scheme Shareholder's individual position. Scheme Shareholders should consider whether the Loan Notes are a suitable payment alternative in light of their own personal circumstances and investment objectives and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Loan Note Alternative.

6. Unit Trust Rollover

Establishment of the New Unit Trusts

Subject to receiving FCA approval, Schroders has undertaken in the Co-operation Agreement with Cazenove Capital to establish two New Unit Trusts and has made an application to the FCA for authorisation of the New Unit Trusts. One of the New Unit Trusts will have an investment strategy and profile matching, in all material respects, and will be managed by the manager from time to time of, Schroder Unit Trusts Limited's Income Fund. The other New Unit Trust will have an investment strategy and profile matching, in all material respects, and will be managed by the manager from time to time of, Cazenove Investment Fund Management Limited's Cazenove Diversity Income Fund.

Opportunity to participate in the Unit Trust Rollover

Subject to certain conditions, it is currently expected that Eligible Noteholders will be offered the opportunity to participate in the Unit Trust Rollover during a 30 day period shortly after the consideration for the Scheme is settled. At that time,

Eligible Noteholders will be sent a prospectus in relation to each New Unit Trust and further information about the terms on which they may participate in the Unit Trust Rollover. Any eligible Cazenove Capital Shareholders who wish to participate in the Unit Trust Rollover will have the opportunity to do so only if they first elect for the Loan Note Alternative in respect of some or all of their Scheme Shares.

Implementation of the Unit Trust Rollover in respect of each New Unit Trust will be subject to Eligible Noteholders returning valid Rollover Forms of Election in respect of the relevant New Unit Trust in respect of Loan Notes with an aggregate principal amount of at least £10 million.

Further details of the structure and process for implementing the Unit Trust Rollover are set out in Part XII.

Important notice regarding the New Unit Trusts and the Unit Trust Rollover

Nothing in this document constitutes, or should be construed as, an offer, inducement or invitation to participate in the Unit Trust Rollover and neither the Cazenove Capital Directors nor Schroders gives any advice to Scheme Shareholders as to whether, and to what extent, they should elect to participate in the Unit Trust Rollover. Eligible holders of Loan Notes should base their decision on whether to participate in the Unit Trust Rollover solely on the prospectus in relation to the relevant New Unit Trust (and accompanying documentation) in light of their own personal circumstances and investment objectives and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in relation to the Unit Trust Rollover.

7. Information on Schroders Group

Schroders is the UK's largest listed asset management company, listed on the main market of the London Stock Exchange and a constituent of the FTSE 100 Index. Schroders had £212.0 billion of assets under management as at 31 December 2012, on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income, multi-asset, alternatives and property.

Schroders employs more than 3,000 people worldwide, operating from 34 offices in 27 different countries across Europe, the Americas, Asia and the Middle East, close to the markets in which it invests and close to its clients. Schroders' profits before tax for the financial year ended 31 December 2012 were £360 million.

8. Information on Cazenove Capital Group

Cazenove Capital provides investment management services to a wide range of clients. The business is divided into two principal areas, Wealth Management and Investment Funds.

Cazenove Capital's Wealth Management business manages £12.1 billion on behalf of a wide range of clients, including entrepreneurs, corporate directors, professionals and other wealthy individuals, as well as their trusts, charitable foundations and personal pensions. Cazenove Capital offers a distinctive service to high net worth individuals, with provision of discretionary portfolio management complemented by a fully integrated financial planning service. Cazenove Capital's clients are principally based in the UK, although there are also offshore individuals and trusts. The average size of a family relationship is well in excess of £1 million. Cazenove Capital manages £2.8 billion of assets on behalf of over 700 charities.

The Investment Funds business had £5.1 billion of external assets under management as at 31 December 2012. There are four areas of specialisation: Pan-European Equities, UK Equities, European Credit and Multi-Manager. Clients include professional advisers, private banks, multi-managers, pension funds and insurance companies, both in the UK and overseas. As well as pooled funds domiciled both in the UK and in Dublin, the team also manages a range of hedge funds. Cazenove Capital has also received a number of specialist institutional mandates.

In addition to its headquarters in London, Cazenove Capital has offices in Oxford, Chester, Edinburgh, Jersey and Hong Kong.

9. Current trading and prospects and financial information relating to Cazenove Capital

As at 31 December 2012, Cazenove Capital's gross assets were £185.9 million, including net tangible assets of £90.4 million. These figures are stated prior to payment of the 2012 Dividend which amounts to £13.6 million. As at 31 December 2012, Cazenove Capital's minimum regulatory capital requirement (calculated in accordance with the FCA's BIPRU and GENPRU sourcebooks) was approximately £26 million. Its revenue and profit before tax for the financial year ended 31 December 2012 were £111.3 million and £22.4 million respectively.

Cazenove Capital has had a good start to the year and is currently trading in line with management's expectations.

10. The Scheme

The Acquisition is to be effected by means of the Scheme.

The Scheme is a legal process under the Companies (Jersey) Law 1991, the purpose of which is to provide for Schroders to become the owner of the entire issued and to be issued ordinary share capital of Cazenove Capital. In order to achieve this, the Scheme Shares held by Scheme Shareholders will be transferred to Schroders. The transfer of the Scheme Shares to Schroders will result in Cazenove Capital becoming a wholly-owned subsidiary of Schroders.

The Scheme is set out in full in Part VI of this document.

In order for the Scheme to become effective:

- (a) the Scheme must be approved at the Court Meeting by a majority in number representing not less than three-fourths of the voting rights of the holders of Scheme Shares (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy;
- (b) the Special Resolution must be approved at the General Meeting by a majority of at least two-thirds of the votes cast either in person or by proxy. The General Meeting will be held immediately after the Court Meeting;
- (c) the Court must sanction the Scheme at the Scheme Court Hearing and issue the Scheme Court Order; and
- (d) the Scheme Court Order must be delivered to the Registrar of Companies for registration.

The Scheme can become effective in accordance with its terms only if all the Conditions to the Acquisition have been satisfied or, where relevant, waived. The Scheme will become effective on delivery of the Scheme Court Order to the Registrar of Companies for registration.

All Scheme Shareholders are entitled to attend the Scheme Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme.

Once the Scheme becomes effective, it will be binding on Cazenove Capital and all Cazenove Capital Shareholders, including those who did not attend the Meetings or vote to approve the Scheme, or who voted against the Scheme or the Special Resolution at the Meetings.

Alternative means of implementing the Acquisition

Schroders reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a takeover offer (as defined in Article 116 of the Companies (Jersey) Law 1991). In such event, such offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Acquisition, including (without limitation and subject to the consent of the Panel) an acceptance condition that is set by reference to shares carrying 90 per cent. (or such lower percentage as Schroders may decide or the Panel may require, being more than 50 per cent.) of the voting rights then exercisable at a general meeting of Cazenove Capital.

11. Shareholder meetings

The Scheme will require the approval of Cazenove Capital Shareholders at the Meetings, both of which will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED on 17 May 2013. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.15 a.m., or as soon thereafter as the Court Meeting is concluded or adjourned.

Notices of the Court Meeting and the General Meeting are set out in Parts XIV and XV of this document.

Entitlement to attend and vote at the Meetings and the number of votes which may be cast will be determined by reference to the register of members of Cazenove Capital at the Voting Record Time. All Cazenove Capital Shareholders whose names appear on the register of members of Cazenove Capital at 6.00 p.m. on 15 May 2013 or, if the Meetings are adjourned, on the register of members of Cazenove Capital at 6.00 p.m. on the date two days before the date fixed for such adjourned Meeting, shall be entitled to attend and speak and vote at the relevant Meeting in respect of the number of Ordinary Shares registered in their name at the relevant time.

Court Meeting

The Court Meeting, which has been convened for 11.00 a.m. on 17 May 2013 at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED, is being held at the direction of the Court for the purpose of enabling Scheme Shareholders to consider and, if thought fit, approve the Scheme. Provided that the Scheme is approved by Scheme Shareholders at the Court Meeting by the requisite statutory majority, the Court may then go on to consider whether to sanction the Scheme at the Scheme Court Hearing.

At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. In order for the Scheme to be approved at the Court Meeting, those Scheme Shareholders voting to approve the Scheme must represent a majority in number representing not less than three-fourths of the voting rights of the holders of Scheme Shares (or the relevant class or classes thereof, if applicable) present and voting in person or by proxy.

At the Court Meeting, it is particularly important that as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.

You will find the Notice of the Court Meeting in Part XIV of this document.

General Meeting

The General Meeting has been convened for the same date as the Court Meeting at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED, and will be held immediately after the Court Meeting has concluded or been adjourned to consider and, if thought fit, pass the Special Resolution:

- (A) to authorise the Cazenove Capital Directors to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (B) to approve amendments to Cazenove Capital's articles of association (as described below).

Part (A) of the Special Resolution is being proposed so that the Cazenove Capital Directors are authorised to take all actions that they consider necessary or appropriate for carrying the Scheme into effect.

Part (B) of the Special Resolution is being proposed to amend Cazenove Capital's articles of association to ensure that:

- (i) any Ordinary Shares issued on and between the Voting Record Time and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the articles of association of Cazenove Capital so that any Ordinary Shares issued to persons other than Schroders and/or its nominee(s) ("**New Members**") on or after the Scheme Record Time will be automatically transferred (immediately after the Effective Date or, if later, upon the issue of such Ordinary Shares) to Schroders and/or its nominee(s) and, in consideration for such transfer, the New Members will receive the same cash consideration per Ordinary Share as the New Member would have been entitled to receive if such Ordinary Shares had been Scheme Shares, following the Effective Date (or, if later, immediately following such transfer). This is important as such Ordinary Shares will not be subject to the Scheme itself. This will avoid any person (other than Schroders and/or its nominees) being left with Ordinary Shares after the Scheme becomes effective; and
- (ii) article 16 is amended, with effect from the time at which the Court makes the Scheme Court Order, such that Ordinary Shares may be transferred to Schroders pursuant to the Scheme without the consent of the Cazenove Capital Directors, (which would otherwise potentially be required by Cazenove Capital's articles of association).

The Special Resolution will require votes in favour representing at least two-thirds of the votes cast at the General Meeting (either in person or by proxy). The vote of the Cazenove Capital Shareholders at the General Meeting will be held by way of a poll. Each holder of Ordinary Shares who was entered on the register of members of Cazenove Capital at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each Ordinary Share so held.

You will find the Notice of General Meeting in Part XV of this document.

12. Conditions to the Acquisition

The Conditions which must be satisfied (or, where applicable, waived by Schroders) in order for the Scheme and the Acquisition to become effective are set out in full in Part V of this document and summarised below.

The Acquisition is conditional upon, among other things:

- (a) the approval of the Scheme by a majority in number representing not less than three-fourths of the voting rights of the holders of Scheme Shares (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or any adjournment of any such meeting on or before 1 July 2013 or such later date, if any, as Schroders and Cazenove Capital may agree and the Court may allow;
- (b) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting on or before 1 July 2013 or such later date, if any, as Schroders and Cazenove Capital may agree and the Court may allow;
- (c) the sanction of the Scheme by the Court (with or without modification, but subject to any such modification which is not of a minor, technical or administrative nature being on terms acceptable to both Schroders and Cazenove Capital);
- (d) the delivery of the Scheme Court Order to the Registrar of Companies for registration;
- (e) the receipt of regulatory clearances from the Appropriate Regulator and the Jersey Financial Services Commission, as well as any other clearances and authorisations required for the Acquisition (including from the Securities and Futures Commission of Hong Kong); and
- (f) the other Conditions set out in Part V of this document which are not otherwise summarised in this paragraph 12 being satisfied or, if capable of waiver, waived.

13. Settlement

(a) Cash consideration

Subject to the Scheme becoming effective (and paragraph 13(b) below), settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected by Schroders procuring that:

- (i) a cheque in respect of the cash consideration to which such Scheme Shareholder is entitled will be dispatched by first class post (or such other method(s) as may be approved by the Panel) to the address appearing in the register of members of Cazenove Capital at the Scheme Record Time. (All cheques shall be in sterling and drawn on a branch of a UK clearing bank); or
- (ii) if a Scheme Shareholder has, prior to the Voting Record Time, notified Cazenove Capital that he or she wishes to receive remittances by way of electronic funds transfer to a nominated bank account, the cash

consideration to which such Scheme Shareholder is entitled will be credited by way of electronic funds transfer to the Scheme Shareholder's nominated bank account.

In either case, cheques will be dispatched or funds transferred to Scheme Shareholders as soon as reasonably practicable and no later than 14 days after the Effective Date.

(b) Loan Note Alternative

Where a Scheme Shareholder has elected to participate in the Loan Note Alternative in respect of all or part of his or her Scheme Shares, Schroders shall procure that, as soon as reasonably practicable and no later than 14 days after the Effective Date, the Loan Notes to which the Scheme Shareholder is entitled will be issued to such person in certificated form, with definitive certificates for Loan Notes to be dispatched by first class post (or such other method(s) as may be approved by the Panel) to the address appearing in respect of that Scheme Shareholder in the register of members of Cazenove Capital at the Scheme Record Time. For the avoidance of doubt, the amount of cash consideration to which such Scheme Shareholder shall be entitled shall be reduced by an amount equal to the principal amount of the Loan Notes issued to such Scheme Shareholder.

(c) General

All documents and cheques sent to Cazenove Capital Shareholders will be sent at the recipient's own risk. Except with the consent of the Panel, settlement of cash consideration to which any Cazenove Capital Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free from any liens, right of set-off, counterclaim or other analogous right to which Schroders may otherwise be, or claim to be, entitled against such Cazenove Capital Shareholder.

14. The Cazenove Capital Directors and the effect of the Scheme on their interests

The interests of the Cazenove Capital Directors in the share capital of Cazenove Capital are set out in paragraph 4 of Part X of this document. Ordinary Shares held by Cazenove Capital Directors will be subject to the Scheme.

In common with the other participants in the Cazenove Capital Share Schemes, any awards held by Cazenove Capital Directors under those plans will vest, lapse or be exchanged for replacement awards as set out in paragraph 18.1 of this Part II. Further information on awards held by Cazenove Capital Directors is set out in paragraph 4 of Part X of this document.

Details of the service contracts (including termination provisions) of the executive directors of Cazenove Capital, the letters of appointment of the non-executive directors of Cazenove Capital are set out in paragraph 7 of Part X of this document.

The total emoluments received by the Cazenove Capital Directors will not be varied as a consequence of the Scheme.

The Cazenove Capital Directors have given irrevocable undertakings to Schroders to vote in favour of the Scheme (see paragraph 4(d) of Part X of this document).

The effect of the Scheme on the interests of the Cazenove Capital Directors does not differ from its effect on the like interests of any other Cazenove Capital Shareholder.

15. Dividend

In addition to the cash consideration payable by Schroders pursuant to the Acquisition, Cazenove Capital Shareholders on the register of members as at 22 March 2013 will in any event also receive the 2012 Dividend of 4.75 pence in cash per Ordinary Share, which will be paid on 3 May 2013.

16. Co-operation Agreement

On 25 March 2013, Cazenove Capital and Schroders entered into the Co-operation Agreement. The Co-operation Agreement was amended on 19 April 2013 to provide for the establishment of the second of the two New Unit Trusts. Pursuant to the Co-operation Agreement (as amended): (i) Cazenove Capital has agreed to co-operate with Schroders to ensure the satisfaction of certain regulatory conditions, and Cazenove Capital and Schroders have entered into mutual commitments in relation to the process for obtaining regulatory clearances; (ii) Schroders has agreed to provide Cazenove Capital with certain information for the purposes of, and to otherwise assist with, the preparation of this document; (iii) Schroders has agreed, subject to certain conditions, to procure that those Cazenove Capital Shareholders who participate in the Loan Note Alternative have the opportunity to give up their Loan Notes in return for units in one or both of the New Unit Trusts as soon as practicable upon the Scheme becoming effective; (iv) Schroders has agreed to certain provisions relating to the Acquisition if it proceeds by way of an Offer; and (v) each of Cazenove Capital and Schroders has agreed to take any action necessary to implement certain proposals in relation to the Cazenove Capital Share Schemes.

Schroders has (subject to certain conditions) undertaken to establish two New Unit Trusts as soon as possible, and in any event by 25 September 2013. One of the New Unit Trusts will have an investment strategy and profile matching, in all material respects, and will be managed by the manager from time to time of, Schroder Unit Trusts Limited's Income Fund. The other New Unit Trust will have an investment strategy and profile matching, in all material respects, and will be managed by the manager from time to time of, Cazenove Investment Fund Management Limited's Cazenove Diversity Income Fund.

Also under the terms of the Co-operation Agreement, Schroders has undertaken to procure, subject to certain conditions (including the Acquisition becoming Effective and the New Unit Trusts being approved by the FCA), that: (i) Eligible Noteholders will be offered an opportunity during a 30 day period to elect whether to participate in the Unit Trust Rollover in respect of one or both of the two New Unit Trusts; and (ii) the New Unit Trusts perform their respective obligations in respect of the Unit Trust Rollover.

17. Financing

The cash consideration payable to Cazenove Capital Shareholders pursuant to the Acquisition will be funded from Schroders' existing resources of cash deposits and liquid securities.

Gleacher Shacklock is satisfied that sufficient resources are available to Schroders to satisfy in full the cash consideration payable pursuant to the Acquisition.

18. Cazenove Capital Share Schemes and Directors' interests

18.1 Cazenove Capital Share Schemes

In accordance with the arrangements agreed with Schroders as set out in the Co-operation Agreement, the Scheme will affect participants holding awards under the Cazenove Capital Share Schemes.

Participants in the Cazenove Capital Share Schemes will be sent letters explaining the effect of the Scheme on their rights under each plan and appropriate proposals will be made to participants in due course.

Cazenove Capital Sharesave Scheme

The Cazenove Capital Sharesave Scheme is an HMRC approved, all-employee share plan under which participants hold options over Ordinary Shares in connection with linked savings arrangements. Options were granted under the Cazenove Capital Sharesave Scheme in 2010 and 2012, and options are outstanding in respect of a total of 2,591,745 Ordinary Shares.

Options granted under the Cazenove Capital Sharesave Scheme will, to the extent that they are not already exercisable, become exercisable on the date of the Court sanction of the Scheme to the extent of savings accrued in the related savings contract.

If not exercised, options under the Cazenove Capital Sharesave Scheme will lapse on the Effective Date.

The early exercise on the Court sanction of the Scheme of the options granted in 2012 will result in an income tax liability arising on the exercise of such options which would not have arisen had these options been exercised following the third anniversary of grant. Cazenove Capital and Schroders have therefore agreed that Schroders will, as soon as practicable following the Effective Date, make a cash payment to the holders of such options in an amount that, after deduction of income tax and employee National Insurance contributions, will be equal to the amount of income tax that arises on the exercise of such options.

Options will be satisfied by the transfer of Ordinary Shares that are currently held in the Cazenove EBT.

Prior to the exercise of options, participants in the Cazenove Capital Sharesave Scheme are not entitled to exercise voting rights in respect of the Ordinary Shares subject to the options.

Participants will receive a separate communication, inviting them to exercise their options (with such exercise to be effective on the Court sanctioning the Scheme) and giving participants the choice to elect for the Loan Note Alternative in respect of the Ordinary Shares received on exercise.

Cazenove Capital Share Option Plan

The Cazenove Capital Share Option Plan consists of two parts: an HMRC approved company share option plan and an unapproved option plan. There are approved options outstanding in respect of 1,155,568 Ordinary Shares and unapproved options outstanding in respect of 7,273,389 Ordinary Shares.

All options under the Cazenove Capital Share Option Plan are currently exercisable in full. If not exercised, options will lapse six months following the date of the Court sanctioning the Scheme.

Any options that are exercised prior to the Effective Date will be satisfied by the transfer of Ordinary Shares that are currently held in the Cazenove EBT. Any options that are exercised after the Scheme becomes effective will be satisfied by the issue of Ordinary Shares, which will then be immediately acquired by Schroders pursuant to the amendment to the articles of association for Cazenove Capital referred to in paragraph 11 above.

Prior to the exercise of options, participants in the Cazenove Capital Share Option Plan are not entitled to exercise voting rights in respect of the Ordinary Shares subject to the options.

Participants will receive a separate communication, inviting them to exercise their options (with such exercise to be effective on the Court sanctioning the Scheme) and giving participants the choice to elect for the Loan Note Alternative in respect of the Ordinary Shares received on exercise.

Cazenove Capital 2009 Conditional Share Plan

Awards under the Cazenove Capital 2009 Conditional Share Plan take the form of a right to receive Ordinary Shares for nil-cost or a cash payment of equivalent value. Awards are outstanding in respect of a total of 7,002,712 Ordinary Shares.

All outstanding awards under the Cazenove Capital 2009 Conditional Share Plan will vest in full on the Scheme being sanctioned by the Court. To the extent that there are sufficient Ordinary Shares held in the Cazenove EBT after the Cazenove EBT has satisfied the exercise of options under the Cazenove Capital Sharesave Scheme and the Cazenove Capital Share Option Plan, awards under the Cazenove Capital 2009 Conditional Share Plan will be satisfied by the transfer of Ordinary Shares currently held in the Cazenove EBT which will then be acquired under the Scheme for cash consideration. Any awards not satisfied by the Cazenove EBT will be satisfied by a cash payment by Cazenove Capital Management Limited in an amount equal to the consideration that would have been payable under the Scheme in respect of the relevant Ordinary Shares.

Prior to the vesting of awards, participants in the Cazenove Capital 2009 Conditional Share Plan are not entitled to exercise voting rights in respect of the Ordinary Shares subject to awards.

Participants will receive a separate communication, informing them of the vesting of awards.

Participants in the Cazenove Capital 2009 Conditional Share Plan thus ultimately receive cash in respect of their awards under this plan and will not be entitled to participate in the Loan Note Alternative.

Cazenove Capital Restricted and Growth Share Plan

(a) Rollover of awards

Awards under the Cazenove Capital Restricted and Growth Share Plan take one of three forms: restricted awards of Ordinary Shares, restricted awards of Growth Shares, and options to acquire Growth Shares. Each type of award is explained in more detail below.

Pursuant to the terms of the Cazenove Capital Restricted and Growth Share Plan, Cazenove Capital and Schroders have agreed that all awards under the Cazenove Capital Restricted and Growth Share Plan will be rolled-over so that the awards will continue to subsist in respect of Schroders shares.

Rolled-over awards will take the same form as the existing awards (either an option or a restricted interest in shares) as explained further below. Rolled-over awards will continue to be subject to the same vesting terms as the existing awards, vesting as to one-third on 31 August 2014, one-third on 31 August 2015, and one-third on 31 March 2016. Awards in the form of options can be exercised at any time prior to these dates, but in that case the shares acquired on exercise will be restricted until the normal vesting dates. Cazenove Capital and Schroders have agreed that rolled-over awards will only be forfeited in the event of the participant ceasing to hold office or employment with the new combined group where the cessation is due to summary dismissal for cause or resignation (other than in circumstances constituting constructive dismissal). In the event of the participant ceasing to hold office or employment for any other reason, the rolled-over awards shall vest in full (and in the case of an option shall be exercisable for a period of six months).

(b) Awards over Ordinary Shares

Awards under the Cazenove Capital Restricted and Growth Share Plan over Ordinary Shares take the form of a holding of Ordinary Shares, subject to forfeiture restrictions (pursuant to which awards will be forfeited on the participant ceasing employment prior to the vesting date save for in certain specified circumstances). During the vesting period, the shares are held by the Cazenove Nominee on behalf of the participants.

Awards over Ordinary Shares will be rolled over into awards over Schroders Voting Shares.

As an income tax and employee National Insurance contributions liability will arise for participants, the rollover will apply only to the net value of the awards.

As an alternative to the net rollover, participants will be given the chance voluntarily to release their award to the Cazenove EBT for no consideration. The Cazenove EBT will receive the consideration payable under the Scheme in cash in respect of such Ordinary Shares, and as soon as is reasonably practicable following the Effective Date, the Cazenove EBT will apply the consideration received under the Scheme in acquiring Schroders Voting Shares in the market. Dealing costs and stamp duty in relation to the acquisition of Schroders Voting Shares in the market will be borne by Schroders. The Cazenove EBT will then consider applying such Schroders Voting Shares in making new awards to participants who released their awards. If granted, the new awards will be on the same terms as will be applicable in respect of rolled-over awards. The trustee of the Cazenove EBT has confirmed that it is minded to make such new awards.

(c) Awards over Growth Shares

Growth Shares are shares in Cazenove Capital which, in specified circumstances, become convertible into Ordinary Shares, although, because awards over Growth Shares are being rolled-over, the Growth Shares will not convert into Ordinary Shares as a result of the Acquisition. The value of each Growth Share is equal to the value of an Ordinary Share less a hurdle of 61 pence.

Awards over Growth Shares will be rolled-over into awards over Schroders Non-Voting Shares with (as nearly as possible) the same value as the Growth Shares currently subject to the awards, based on the average of the closing mid-price of a Schroders Non-Voting Share over the three dealing days immediately preceding the Effective Date.

(d) Options over Growth Shares

Options over Growth Shares will be rolled over by existing options being cancelled in consideration for the grant by Schroders of replacement options over a number of Schroders Non-Voting Shares calculated as explained above. The replacement options will be subject to the terms described above.

(e) Ordinary Shares and Growth Shares held by the Cazenove Nominee and EBT

In order to effect the rollover of the restricted awards of Ordinary Shares and Growth Shares as set out above, the Cazenove Nominee will need to receive and hold on the participants' behalf Schroders Voting Shares and Schroders Non-Voting Shares respectively.

The holding of Schroders Voting Shares in respect of restricted Ordinary Shares will be effected by the Cazenove Nominee receiving cash consideration under the Scheme and using such amount in the acquisition of Schroders Voting Shares on the market.

The holding of Schroders Non-Voting Shares in respect of restricted Growth Shares will be effected by the Cazenove Nominee transferring the Growth Shares on behalf of participants to Schroders in consideration of the issue of Schroders Non-Voting Shares as soon as reasonably practicable after the Effective Date.

The Cazenove EBT also currently holds a number of Growth Shares equal to the number of Growth Shares subject to the outstanding options. In connection with the rollover of the options over Growth Shares, the Cazenove EBT will also transfer the Growth Shares it holds to Schroders in consideration of the issue of Schroders Non-Voting Shares as soon as reasonably practicable after the Effective Date, which will then be available to satisfy the exercise of the rolled-over options.

This acquisition of Growth Shares will not form part of the Scheme. The consideration for the acquisition will be such number of Schroders Non-Voting Shares as the awards over Growth Shares will be rolled-over into, as explained above. Each of the Cazenove EBT and the Cazenove Nominee has agreed to transfer the Growth Shares on these terms to Schroders, with such disposal to be conditional on, and to take effect as soon as practicable following, the Scheme becoming effective.

18.2 Directors' Interests

The interests of the Cazenove Capital Directors under the Cazenove Capital Share Schemes are set out in paragraph 4 of Part X.

19. Cazenove Capital Pension Schemes

Schroders has given assurances to the Cazenove Capital Directors that, upon and following completion of the Acquisition, it intends to comply with the Cazenove Capital Group's pension obligations to existing employees.

20. Overseas Shareholders

The distribution of this document to persons who are not resident in the United Kingdom or Jersey may be affected by the laws of their relevant jurisdiction. Such persons should inform themselves of and observe any applicable legal or regulatory requirements of their jurisdiction.

Without limitation to the statements below, Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

Scheme Shareholders in the United States

The Scheme relates to the shares of a Jersey company that is a "foreign private issuer" as defined in Rule 3b-4 of the US Exchange Act and will be governed by Jersey law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in Jersey and under the City Code to schemes of arrangement, which differ from the disclosure requirements of the US tender offer rules. Financial information included in this document has been prepared, unless specifically stated otherwise, in accordance with accounting standards applicable in the United Kingdom and/or Jersey and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Neither the US Securities and Exchange Commission, nor any US state securities commission, has approved or disapproved of the Acquisition, passed upon the merits or fairness of the Acquisition or passed upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is an offence in the US.

The Loan Notes to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act of 1933 (as amended) or under the relevant securities laws of any state or territory or other jurisdiction of the United States. Accordingly, the Loan Notes are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into the United States. US holders of Ordinary Shares may not elect for the Loan Note Alternative.

Scheme Shareholders in Hong Kong

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in Hong Kong. Unless Schroders otherwise agrees, the Loan Notes available under the Loan Note Alternative have not been and will not be offered or sold by Schroders in Hong Kong.

Scheme Shareholders in Canada

This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein and any representation to the contrary is an offence.

The initial issuance of the Loan Notes in Canada to shareholders who elect to receive the Loan Note Alternative is exempt from the requirement that a prospectus be prepared and filed with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Loan Notes must be made in accordance with applicable securities laws which may require resales to be made in accordance with prospectus and dealer registration requirements or exemptions from the prospectus and dealer registration requirements. These resale restrictions may in some circumstances apply to resales of the Loan Notes outside of Canada. Canadian shareholders who elect to receive the Loan Note Alternative are advised to seek legal advice prior to any resale of the Loan Notes.

Scheme Shareholders in Australia

This document does not constitute an offer to sell or the solicitation of an offer to buy, securities in Australia. Unless Schroders otherwise agrees, the Loan Notes available under the Loan Note Alternative have not been and will not be offered or sold by Schroders in Australia.

21. United Kingdom taxation

Your attention is drawn to Part IX of this document which contains a summary of certain United Kingdom tax consequences of the implementation of the Scheme, the Loan Note Alternative and the Unit Trust Rollover for Cazenove Capital Shareholders who are resident in the UK for UK tax purposes. The summary set out in Part IX of this document is intended as a guide only and Cazenove Capital Shareholders who are in any doubt about their tax position, or who are subject to tax in any jurisdiction other than the UK, are strongly advised to consult an appropriate professional independent tax adviser.

22. Action to be taken

Cazenove Capital Shareholders will find enclosed with this document a blue Form of Proxy and a white Form of Proxy. The blue Form of Proxy is to be used in connection with the Court Meeting and the white Form of Proxy is to be used in connection with the General Meeting. Whether or not you plan to attend these Meetings, PLEASE COMPLETE AND SIGN BOTH Forms of Proxy and return them in accordance with the instructions printed thereon to Cazenove Capital's Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received as soon as possible but in any event at least 48 hours prior to the relevant Meeting.

If the blue Form of Proxy is not lodged with Cazenove Capital's Registrar, Equiniti, in time, it may be handed to Cazenove Capital's Registrar, Equiniti (on behalf of the Chairman of the Court Meeting), or the Chairman of the Court Meeting at the start of the Court Meeting.

However, in the case of the General Meeting, if the white Form of Proxy is not lodged with Cazenove Capital's Registrar, Equiniti, in time and in accordance with the instructions on that Form of Proxy, it will be invalid.

Cazenove Capital Shareholders are entitled to appoint a proxy in respect of some or all of their Ordinary Shares and are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow shareholders to specify the number of Ordinary Shares in respect of which that proxy is appointed. Shareholders who return a Form of Proxy duly executed but leave this space blank will be taken to have appointed the proxy in respect of all of their Ordinary Shares.

If you wish to appoint multiple proxies in connection with the Court Meeting and/or the General Meeting you may:

- (a) photocopy the relevant Form(s) of Proxy, fill in each copy in respect of different shares and send the multiple forms together to Cazenove Capital's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
- (b) call Cazenove Capital's Registrar, Equiniti, on telephone number 0871 384 2891 (from within the UK) or telephone number +44 121 415 0090 (from outside the UK) who will then issue you with multiple Forms of Proxy.

In each case, please ensure that all of the multiple Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.

It is particularly important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete and return your Forms of Proxy as soon as possible. The completion and return of a Form of Proxy will not preclude you from attending either the Court Meeting or the General Meeting and voting in person, if you so wish.

In addition to the Forms of Proxy referred to above, eligible Cazenove Capital Shareholders who wish to elect for the Loan Note Alternative in respect of some or all of their Scheme Shares must complete and return the pink Loan Note Form of Election to Equiniti (in its capacity as receiving agent) by no later than 11.00 a.m. on 28 June 2013 in order for it to be valid. A duly completed election to participate in the Loan Note Alternative will be valid even if made by an eligible Cazenove Capital Shareholder who has voted against the Scheme. A Scheme Shareholder who has returned a Loan Note Form of Election and subsequently wishes to withdraw or amend such election must notify Equiniti in writing by no later than 11.00 a.m. on 28 June 2013. Such notice must contain an original signature and specify whether the election is to be withdrawn or amended.

If you have not received all of the relevant documents or have any questions relating to this document, either of the Meetings or the completion and return of the Forms of Proxy, please call Cazenove Capital's Registrar, Equiniti on 0871 384 2891 (from within the UK) or +44 121 415 0090, if calling from outside the UK between 8.30 a.m. and 5.30 p.m. on any Business Day. Calls to the 0871 384 2891 number are charged at 8 pence per minute (excluding VAT), plus network extras. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that helpline operators cannot provide advice on the merits of the Scheme, the Acquisition or the Loan Notes or give any tax, financial, investment or legal advice.

23. Further information

The terms of the Scheme are set out in full in Part VI of this document. Your attention is also drawn to the further information contained in this document which forms part of this Explanatory Statement.

PART III

Questions and Answers

1. **What is a scheme of arrangement?**

A scheme of arrangement is a legal procedure which is commonly used to implement a takeover. The Scheme requires approval of Scheme Shareholders at a meeting convened by order of the Court and, in addition, implementation of the Scheme requires the approval of Cazenove Capital Shareholders at a General Meeting. The Scheme also needs to be sanctioned by the Court.

In summary, under the terms of the Scheme, Scheme Shares will be transferred to Schroders. In consideration for receipt of the Scheme Shares, Schroders will pay 135 pence per Ordinary Share in cash to Scheme Shareholders. Cazenove Capital Shareholders will in any event also receive Cazenove Capital's 2012 Dividend of 4.75 pence in cash per Ordinary Share, which will be paid on 3 May 2013 to those Cazenove Capital Shareholders on the register of members as at 22 March 2013.

2. **When and where will the Meetings take place?**

Court Meeting

Location The Institute of Directors, 116 Pall Mall, London SW1Y 5ED

Date/Time 17 May 2013 at 11.00 a.m.

General Meeting

Location The Institute of Directors, 116 Pall Mall, London SW1Y 5ED (the same place as the Court Meeting)

Date/Time 17 May 2013 at 11.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned)

Notices of the Meetings are set out in Parts XIV and XV of this document.

3. **Why are there two meetings?**

The Court Meeting is convened by the Court to enable Scheme Shareholders to consider and if thought fit approve the Scheme. It is a legal requirement under Article 125 of the Companies (Jersey) Law 1991.

It is then necessary to hold a General Meeting to enable Cazenove Capital Shareholders to approve the Special Resolution required to implement the Scheme and to give effect to certain changes to Cazenove Capital's articles of association required to give effect to the Scheme.

Further detail in relation to the Meetings is set out in paragraph 11 of Part II of this document.

4. **What is the difference between Cazenove Capital Shareholders and Scheme Shareholders?**

The definition of Scheme Shares excludes any shares in Cazenove Capital held by Schroders or the Schroders Group. Only Ordinary Shareholders on the register of members of Cazenove Capital at the Voting Record Time can vote at the Court Meeting.

5. **What documents do I need?**

Please check you have received with this document the following:

- a blue Form of Proxy for use at the Court Meeting on 17 May 2013;
- a white Form of Proxy for use at the General Meeting on 17 May 2013;
- a pink Loan Note Form of Election for submission by no later than 28 June 2013; and
- a pre-paid envelope for use in the United Kingdom.

If you have not received all of these documents, please contact Cazenove Capital's Registrar, Equiniti, on the helpline referred to below.

6. **What should I do with the Forms of Proxy?**

Whether or not you plan to attend the Meetings, PLEASE COMPLETE AND SIGN BOTH THE BLUE AND WHITE FORMS OF PROXY and return them in accordance with the instructions printed on them.

Completed Forms of Proxy should be returned, in the pre-paid envelope provided (for use in the UK only), to Cazenove Capital's Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and, in any event, so as to be received by no later than 11.00 a.m. on 15 May 2013 in the case of the Court Meeting (blue Form of Proxy) and by no later than 11.15 a.m. on 15 May 2013 in the case of the General Meeting (white Form of Proxy) (or in the case of any adjournment, no later than 48 hours before the time fixed for the adjourned Meeting). This will enable your votes to be counted at the Meetings in the event of your absence.

If the BLUE Form of Proxy for use at the Court Meeting is not lodged with Cazenove Capital's Registrar, Equiniti, by 11.00 a.m. on 15 May 2013, it may be handed to Cazenove Capital's Registrar (on behalf of the Chairman of the Court Meeting) or the Chairman of the Court Meeting at the start of the Court Meeting. However, if the WHITE Form of Proxy for the General Meeting is not lodged with Cazenove Capital's Registrar so as to be received no later than 11.15 a.m. on 15 May 2013, it will be invalid.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy as soon as possible.

7. Why are there two Forms of Proxy?

It is a requirement that two separate forms are completed, a blue Form of Proxy, and a white Form of Proxy.

- The BLUE Form of Proxy is for the Court Meeting only and enables Scheme Shareholders to approve the Scheme.
- The WHITE Form of Proxy is for the General Meeting only and enables Cazenove Capital Shareholders to vote on the Special Resolution.

8. What is the pink Loan Note Form of Election for?

The pink Loan Note Form of Election is to be used by eligible Cazenove Capital Shareholders who wish to elect for the Loan Note Alternative in respect of some or all of their Scheme Shares. The pink Loan Note Form of Election must be completed and returned to Equiniti (in its capacity as receiving agent) by no later than 11.00 a.m. on 28 June 2013 in order for it to be valid. A duly completed election to participate in the Loan Note Alternative will be valid even if made by an eligible Cazenove Capital Shareholder who has voted against the Scheme. A Scheme Shareholder who has returned a Loan Note Form of Election and subsequently wishes to withdraw or amend such election must notify Equiniti in writing by no later than 11.00 a.m. on 28 June 2013. Such notice must contain an original signature and specify whether the election is to be withdrawn or amended.

Further details regarding the Loan Note Alternative are set out in paragraph 4 of Part II of this document.

9. Can I appoint more than one proxy?

Scheme Shareholders and Cazenove Capital Shareholders are entitled to appoint more than one proxy. They are also entitled to appoint a proxy in respect of some or all of their Ordinary Shares.

If you wish to appoint multiple proxies in connection with the Court Meeting and/or the General Meeting you should:

- (a) photocopy the relevant Form(s) of Proxy, fill in each copy in respect of different shares and send the multiple forms together to Cazenove Capital's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
- (b) call Cazenove Capital's Registrar, Equiniti, on 0871 384 2891 (from within the UK) or +44 121 415 0090 (from outside the UK) who will then issue you with multiple Forms of Proxy.

In each case, please ensure that all of the multiple Forms of Proxy in respect of one registered holding are sent in the same envelope if possible.

The completion and return of the relevant Form of Proxy will not prevent you from attending and voting at the Court Meeting and/or the General Meeting or at any adjournment thereof, if you so wish and are entitled to do so.

10. Can Overseas Shareholders elect to receive Loan Notes under the Loan Note Alternative?

The Loan Note Alternative is subject to certain restrictions in relation to certain non-United Kingdom or non-Jersey resident Cazenove Capital Shareholders. Restricted Shareholders (i.e. those Cazenove Capital Shareholders who are resident in, or have a registered address in, Australia, Hong Kong, the United States or any Restricted Jurisdiction) will, under the Scheme, only be entitled to receive cash consideration for the Ordinary Shares they hold and will not have the option of taking Loan Notes under the Loan Note Alternative, unless Schroders otherwise agrees in writing. Any purported election for the Loan Note Alternative by such persons will be treated as invalid by Schroders. These restrictions are set out in more detail in paragraph 20 of Part II of this Document.

11. When and where is the Scheme Court Hearing and may I attend?

The Scheme requires the sanction of the Court at the Scheme Court Hearing, which is expected to be held on 1 July 2013 at the Royal Court of Jersey, Royal Square, St Helier, Jersey JE1 1JG. Any Cazenove Capital Shareholder may, if he or she wishes, attend the Scheme Court Hearing (in person or by counsel) to support or oppose the sanctioning of the Scheme. The expected date of the Scheme Court Hearing is indicative only and will depend, amongst other things, on the date of which the conditions to implementation of the Scheme have been satisfied or (if capable of waiver) waived. If it becomes necessary to hold the Scheme Court Hearing on an alternative date, Cazenove Capital Shareholders will be provided with at least 5 business days' notice of such alternative date by announcement made via a regulatory news service.

SHAREHOLDER HELPLINE

0871 384 2891

(+44 121 415 0090 if calling from outside the UK)

If you have not received all of the relevant documents or have any questions relating to this document, either of the Meetings, the completion and return of the Forms of Proxy, please call Cazenove Capital's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. on any Business Day.

Calls to the 0871 384 2891 number are charged at 8 pence per minute (excluding VAT), plus network extras. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that helpline operators cannot provide advice on the merits of the Scheme, the Acquisition or the Loan Notes or give any tax, financial, investment or legal advice.

PART IV

Important Notices

You should read the whole of this document and, if you are in any doubt as to the action you should take or about the contents of this document, you should consult an independent financial adviser or your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice. In making any investment decision, Cazenove Capital Shareholders must rely on their own examination of Cazenove Capital, Schroders and the terms of the Scheme and the Acquisition, including the merits and risks involved. The contents of this document are not to be construed as legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Cazenove Capital or Schroders.

Gleacher Shacklock, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Schroders and no one else in connection with the Acquisition and will not be responsible to anyone other than Schroders for providing the protections afforded to clients of Gleacher Shacklock nor for giving advice in relation to the Acquisition, the contents of this document or any matter or arrangement referred to in this document. Neither Gleacher Shacklock nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Gleacher Shacklock in connection with this document, any statement contained herein or otherwise.

Evercore Partners, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Cazenove Capital and no one else in connection with the Acquisition and will not be responsible to anyone other than Cazenove Capital for providing the protections afforded to clients of Evercore Partners nor for giving advice in relation to the Acquisition, the contents of this document or any matter or arrangement referred to in this document. Neither Evercore Partners nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evercore Partners in connection with this document, any statement contained herein or otherwise.

No person has been authorised to make any representations on behalf of Cazenove Capital or Schroders concerning the Acquisition or the Scheme which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

Overseas Shareholders

The release, publication or distribution of this document in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or Jersey or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements. This document does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to the document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. Please refer to paragraph 20 of Part II of this document for further details.

US investors

The Acquisition relates to the shares of a Jersey company and is being made by means of a scheme of arrangement provided for under Jersey company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in Jersey to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Schroders exercises the right to implement the Acquisition by way of a takeover offer and determines to extend the offer into the United States, then the Acquisition will be made in compliance with applicable United States laws and regulations. Financial information included in this document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom and/or Jersey that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

US holders of Ordinary Shares may not elect for the Loan Note Alternative. Neither the US Securities and Exchange Commission, nor any US state securities commission, has approved or disapproved of the Acquisition, passed upon the merits or fairness of the Acquisition or passed upon the adequacy or accuracy of the information contained in this announcement. Any representation to the contrary is an offence in the United States.

Cazenove Capital and Schroders are organised under the laws of Jersey and England, respectively. The officers and directors of Cazenove Capital and Schroders are residents of countries other than the United States. It may not be possible to sue Cazenove Capital or Schroders in a non-US court for violations of US securities laws. It may be difficult to compel Cazenove Capital, Schroders and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

Notice to US Shareholders

The Loan Notes which may be issued to certain Cazenove Capital Shareholders (other than Restricted Shareholders) pursuant to the Scheme have not been and will not be registered under the US Securities Act of 1933 (as amended) or

under the relevant securities laws of any state or territory or other jurisdiction of the United States. Accordingly, the Loan Notes are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly in or into the United States.

Notice to Hong Kong Shareholders

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in Hong Kong. Unless Schroders otherwise agrees, the Loan Notes available under the Loan Note Alternative have not been and will not be offered or sold by Schroders in Hong Kong.

Notice to Canadian Shareholders

This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein and any representation to the contrary is an offence.

The initial issuance of the Loan Notes in Canada to shareholders who elect to receive the Loan Note Alternative is exempt from the requirement that a prospectus be prepared and filed with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Loan Notes must be made in accordance with applicable securities laws which may require resales to be made in accordance with prospectus and dealer registration requirements or exemptions from the prospectus and dealer registration requirements. These resale restrictions may in some circumstances apply to resales of the Loan Notes outside of Canada. Canadian shareholders who elect to receive the Loan Note Alternative are advised to seek legal advice prior to any resale of the Loan Notes.

Notice to Australian Shareholders

This document does not constitute an offer to sell or the solicitation of an offer to buy, securities in Australia. Unless Schroders otherwise agrees, the Loan Notes available under the Loan Note Alternative have not been and will not be offered or sold by Schroders in Australia.

Disclosure requirements

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any paper offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of the offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by Cazenove Capital and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Forward-looking statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Cazenove Capital and Schroders and certain plans and objectives of Schroders with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by Cazenove Capital and/or Schroders in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Cazenove Capital nor Schroders assumes any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Publication and availability of this document

A copy of this document will be made available free of charge (subject to any applicable restrictions with respect to persons resident in Restricted Jurisdictions) on www.cazenovecapital.com and www.schroders.com by no later than noon (London time) on the day following the publication of this document.

Electronic communications

You may request a hard copy of any information incorporated by reference in this document by contacting Cazenove Capital's Registrar, Equiniti, during business hours on 0871 384 2891 (from within the UK) or +44 121 415 0090 (from outside the UK) or by submitting a request in writing to Cazenove Capital's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. It is important that you note that unless you make such a request, a hard copy of information incorporated by reference in this document will not be sent to you. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition are in hard copy form.

Calls to the 0871 384 2891 number are charged at 8 pence per minute (excluding VAT), plus network extras. Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that helpline operators cannot provide advice on the merits of the Scheme, the Acquisition or the Loan Notes nor give any tax, financial, investment or legal advice.

PART V

Conditions to and Further Terms of the Scheme

Part A: Conditions of the Scheme

The Acquisition is conditional upon the Scheme having become effective by no later than the Long Stop Date, or such later date (if any) as Schroders and Cazenove Capital may (with the consent of the Panel) agree and, if required, the Court may allow.

(A) Effectiveness of the Scheme is conditional upon:

- (i) its approval by a majority in number representing not less than three-fourths of the voting rights of the holders of Scheme Shares (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting on or before 1 July 2013, being the 45th day after the expected date of the Court Meeting, or such later date, if any, as Schroders and Cazenove Capital may agree and the Court may allow;
- (ii) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting on or before 1 July 2013, being the 45th day after the expected date of the Court Meeting, or such later date, if any, as Schroders and Cazenove Capital may agree and the Court may allow;
- (iii) the sanction of the Scheme by the Court with or without modification (subject to any such modification which is not of a minor, technical or administrative nature being on terms acceptable to both Schroders and Cazenove Capital); and
- (iv) the delivery of the Scheme Court Order to the Registrar of Companies for registration.

In addition, Schroders and Cazenove Capital have agreed that the Acquisition will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme become Effective will not be taken unless the following conditions (as amended if appropriate) have been satisfied or, where relevant, waived prior to the Scheme being sanctioned by the Court:

Approval or deemed approval under FSMA

- (B) in respect of each notice under section 178 of FSMA which Schroders is under a duty to give in connection with the Acquisition, the Appropriate Regulator:
- (i) having notified Schroders pursuant to section 189(4)(a) or 189(7) of FSMA that it has determined to approve the acquisition of control proposed by Schroders over each member of the Wider Cazenove Capital Group which is a UK authorised person (as that expression is defined in section 191G of FSMA) pursuant to section 185 of FSMA on terms satisfactory to Schroders (acting reasonably); or
 - (ii) having been treated, by virtue of section 189(6) of FSMA, as having approved each such acquisition of control;

Notification by the Jersey Financial Services Commission

- (C) the Jersey Financial Services Commission having notified Schroders that it has no objection to the acquisition of control by Schroders of Cazenove Capital Management Jersey Limited as required by Article 14(1)(b) of the Financial Services (Jersey) Law 1998, as amended;

Certain matters arising as a result of any arrangement agreement etc.

- (D) except as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Cazenove Capital Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Scheme or the Acquisition or otherwise, would or might reasonably be expected, to an extent which is material in the context of the Wider Cazenove Capital Group taken as a whole, to result in:
- (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date, or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action of an adverse nature being taken or arising thereunder;
 - (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged other than in the ordinary course of business;
 - (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;

- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the financial or trading position or prospects of any such member being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Cazenove Capital Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, is likely to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition to an extent which is material in the context of the Wider Cazenove Capital Group taken as a whole;

Certain matters arising as a result of Third Party proceedings, investigations etc.

- (E) no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each, a **"Third Party"**) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might be expected to:
 - (i) require the divestiture by any member of the Wider Schrodgers Group or by any member of the Wider Cazenove Capital Group of all or any portion of their respective businesses, assets or property or impose any material limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof to an extent which is material in the context of the Wider Schrodgers Group or the Wider Cazenove Capital Group (as the case may be), in each case taken as a whole and provided that in the case of any requirement affecting the Wider Schrodgers Group, such requirement is conditional on or related to the Acquisition;
 - (ii) require the divestiture by any member of the Wider Schrodgers Group of any shares or other securities in Cazenove Capital;
 - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Schrodgers Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership of shares or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Cazenove Capital Group or to exercise management control over any member of the Wider Cazenove Capital Group to an extent which is material in the context of the Wider Cazenove Capital Group taken as a whole;
 - (iv) otherwise materially and adversely affect the business, assets, profits or prospects of the Wider Schrodgers Group or the Wider Cazenove Capital Group taken as a whole (provided that in the case of any material adverse effect on the Wider Schrodgers Group, such material adverse effect is a result of the Acquisition);
 - (v) make the Scheme or its implementation or the Acquisition or the acquisition of control of Cazenove Capital void, illegal, and/or unenforceable, or otherwise directly or indirectly restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose material additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith to an extent which is material in the context of the Acquisition or the Wider Cazenove Capital Group;
 - (vi) require any member of the Wider Schrodgers Group or the Wider Cazenove Capital Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Cazenove Capital Group or the Wider Schrodgers Group owned by any third party;
 - (vii) impose any limitation on the ability of any member of the Wider Cazenove Capital Group to co-ordinate its business, or any part of it, with the businesses of any other members; or
 - (viii) save as a consequence of the Acquisition, result in any member of the Wider Cazenove Capital Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference having expired, lapsed or been terminated;

Notifications, waiting periods and authorisations

- (F) all necessary filings or applications having been made in connection with the Scheme and all appropriate waiting periods under any applicable statutory or regulatory obligations in any jurisdiction having expired, lapsed or been terminated in each case in respect of the Acquisition or the acquisition by Schrodgers Group of control of Cazenove Capital and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals (**"Authorisation"**) necessary or appropriate for or in respect of the Acquisition, or the acquisition of control of, Cazenove Capital by Schrodgers Group having been obtained in terms and in a form satisfactory to Schrodgers (acting reasonably) from all appropriate Third Parties or persons with whom any member of the Wider Cazenove Capital Group has entered into contractual arrangements and all such Authorisations together with all Authorisations necessary or appropriate to carry on the business of any member of the Wider

Cazenove Capital Group remaining in full force and effect and there being no notice of any intention to revoke or not to renew any of the same at the Effective Date and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

Certain events occurring since 31 December 2012

- (G) except as Disclosed, no member of the Wider Cazenove Capital Group having, since 31 December 2012:
- (i) save as between Cazenove Capital and wholly-owned subsidiaries of Cazenove Capital or for Ordinary Shares or Growth Shares issued pursuant to the granting of awards or the exercise of options granted under the Cazenove Capital Share Schemes, issued, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Cazenove Capital and wholly-owned subsidiaries of Cazenove Capital or for the grant of options or awards made under the Cazenove Capital Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the Cazenove Capital Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution, whether payable in cash or otherwise, save for the 2012 Dividend;
 - (iv) save for intra-Cazenove Capital Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and which is material in the context of the Cazenove Capital Group taken as a whole;
 - (v) save for intra-Cazenove Capital Group transactions, made or authorised or proposed or announced an intention to propose any material change in its loan capital;
 - (vi) issued, authorised or proposed the issue of any debentures or (save for intra-Cazenove Capital Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability which is material in the context of the Cazenove Capital Group taken as a whole;
 - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) or (ii) above, made any other change to any part of its share capital;
 - (viii) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or entered into or changed the terms of any service contract with any director or employee of Cazenove Capital, which is material in the context of the Cazenove Capital Group taken as a whole;
 - (ix) entered into or varied or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, onerous or unusual nature or magnitude or which is restrictive on the businesses of any member of the Wider Cazenove Capital Group taken as a whole;
 - (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction, or had any such person appointed;
 - (xi) waived or compromised any claim, which is material in the context of the Wider Cazenove Capital Group;
 - (xii) entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
 - (xiii) having made or agreed or consented to any change to:
 - (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Cazenove Capital Group for its directors, employees or their dependants;
 - (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;
 - (xiv) proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme provided by the Wider Cazenove Capital Group; or

- (xv) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Cazenove Capital Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code,

and, for the purposes of sub-paragraphs (iii), (iv), (v) and (vi) of this Condition, the term “Cazenove Capital Group” shall mean Cazenove Capital and its wholly-owned subsidiaries;

No adverse change, litigation, regulatory enquiry or similar

(H) except as disclosed in the accounts for the year then ended or Disclosed, since 31 December 2012:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Cazenove Capital Group which in any such case is material in the context of the Wider Cazenove Capital Group taken as a whole;
- (ii) no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider Cazenove Capital Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Cazenove Capital Group having been instituted, announced or threatened by or against or remaining outstanding which in any case would reasonably be expected to have a material adverse effect on the Wider Cazenove Capital Group taken as a whole;
- (iii) no contingent or other liability having arisen which would reasonably be expected to adversely affect any member of the Wider Cazenove Capital Group in a manner which is material in the context of the Wider Cazenove Capital Group taken as a whole; and
- (iv) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Cazenove Capital Group which is necessary for the proper carrying on of its business; and

No discovery of certain matters regarding information or liabilities

(I) save as Disclosed, Schroders not having discovered:

- (i) that any financial, business or other information concerning the Wider Cazenove Capital Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Cazenove Capital Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading; or
- (ii) that any member of the Wider Cazenove Capital Group is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Cazenove Capital for the year ended 31 December 2012 and which is material in the context of the Cazenove Capital Group taken as a whole.

Schroders reserves the right to waive, in whole or in part, all or any of Conditions above, except for Conditions (A) to (C) (inclusive).

Conditions (A) to (C) (inclusive) must be fulfilled by, and Conditions (D) to (I) (inclusive) fulfilled or waived by, no later than 11.59 p.m. on the date immediately preceding the date of the Scheme Court Hearing, failing which the Scheme will lapse. Schroders shall be under no obligation to waive or treat as satisfied any of Conditions (D) to (I) (inclusive) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

If Schroders is required by the Panel to make an offer for Ordinary Shares under the provisions of Rule 9 of the City Code, Schroders may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

Save with the consent of the Panel, the Acquisition will lapse and the Scheme will not proceed if the Acquisition is referred to the Competition Commission before the time of the Court Meeting or, if Schroders elects to implement the Acquisition by way of the Offer, before 3.00 p.m. on the first closing date of the Offer or the date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

Schroders reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a takeover offer (as defined in Article 116 of the Companies (Jersey) Law 1991). In such event, such offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Acquisition, including (without limitation and subject to the consent of the Panel) an acceptance condition that is set by reference to shares carrying 90 per cent. (or such lower percentage as Schroders may decide or the Panel may require, being more than 50 per cent.) of the voting rights then exercisable at a general meeting of Cazenove Capital.

The availability of the Acquisition to persons not resident in the United Kingdom or Jersey may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom or Jersey should inform themselves about and observe any applicable requirements.

The Scheme will be governed by Jersey law and be subject to the jurisdiction of the Jersey courts, to the Conditions set out above and in this Scheme Document (provided that no modifications may be made to the Conditions set out above

without the consent of Cazenove Capital) and related Forms of Proxy and Loan Note Form of Election. The Acquisition will be subject to the applicable requirements of the City Code, the Panel and the applicable rules and regulations of the UK Listing Authority, the London Stock Exchange and any other applicable laws or regulations.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

Part B: Certain further terms of the Scheme

Ordinary Shares which will be acquired under the Scheme will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Announcement Date other than the 2012 Dividend.

PART VI

Scheme of Arrangement

ROYAL COURT OF JERSEY
SAMEDI DIVISION

File no: 2013/150

IN THE MATTER OF CAZENOVE CAPITAL HOLDINGS LIMITED

and

IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991

SCHEME OF ARRANGEMENT

(under Article 125 of the Companies (Jersey) Law 1991)

between

CAZENOVE CAPITAL HOLDINGS LIMITED

and

THE HOLDERS OF SCHEME SHARES

(as hereinafter defined)

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

“Cazenove Capital”	Cazenove Capital Holdings Limited, a company incorporated in Jersey with registered number 91495
“Cazenove EBT”	the Cazenove Capital Employee Benefit Trust
“Court”	the Royal Court of Jersey
“Court Meeting”	the meeting of the Ordinary Shareholders convened by order of the Court pursuant to Article 125 of the Companies (Jersey) Law 1991 for the purpose of considering and, if thought fit, approving this Scheme (with or without amendment) and any adjournment thereof
“Effective Date”	the date on which this Scheme becomes effective in accordance with its terms
“Election Return Date”	28 June 2013 or such later date(s) as may be announced by Cazenove Capital to a Regulatory Information Service, such announcement being made prior to a date that would, absent such an announcement, be an Election Return Date
“Excluded Shares”	any Ordinary Shares legally or beneficially owned by Schrodgers or any of its subsidiaries or subsidiary undertakings (such terms having the meanings given to them in the Companies Act 2006)
“Growth Shares”	the growth shares of no par value in the capital of Cazenove Capital
“Loan Note Alternative”	the facility provided for by clause 3 of this Scheme whereby Ordinary Shareholders (other than Restricted Shareholders) may elect to receive Loan Notes instead of some or all of the cash consideration to which they would otherwise be entitled under the Scheme
“Loan Note Elected Shares”	Scheme Shares in respect of which a valid election to participate in the Loan Note Alternative has been received
“Loan Note Form of Election”	the pink form of election to be sent to eligible Ordinary Shareholders by or on behalf of Cazenove Capital pursuant to which an eligible Ordinary Shareholder may make an election under the Loan Note Alternative in respect of some or all of his Scheme Shares

“Loan Note Instrument”	an instrument substantially in the form already prepared and initialled for the purpose of identification by Slaughter and May and Herbert Smith Freehills LLP for Schroders and Cazenove Capital respectively, with such modifications or additions, if any, as may be agreed between Schroders and Cazenove Capital prior to the execution thereof
“Loan Notes”	the unsecured floating rate loan notes of Schroders to be issued pursuant to the Loan Note Alternative
“Ordinary Shareholders”	holders of Ordinary Shares
“Ordinary Shares”	the ordinary shares of no par value in the capital of Cazenove Capital
“Panel”	the Panel on Takeovers and Mergers
“Registrar of Companies”	the Registrar of Companies for Jersey
“Regulatory Information Service”	a regulatory information service that is approved by the Financial Conduct Authority and that is on the list of regulatory information services maintained by the Financial Conduct Authority
“Restricted Shareholders”	any person in, or resident in, or any person whom Schroders reasonably believes to be a person in, or resident in, Australia, Hong Kong or the United States and for the purposes of this definition, a “person” includes an individual, a corporation, a partnership, an unincorporated syndicate, a limited liability company, an unincorporated organisation, a trust, a trustee, an executor, an administrator or other legal representative, provided that Schroders may, in its absolute discretion, decide that a person who would otherwise be regarded as a Restricted Shareholder shall not be regarded as a Restricted Shareholder
“Scheme”	the proposed scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Cazenove Capital and Schroders
“Scheme Court Hearing”	the hearing of the Court to sanction this Scheme
“Scheme Court Hearing Date”	the date of the Scheme Court Hearing
“Scheme Court Order”	the act of the Court sanctioning this Scheme
“Scheme Document”	the document to be dispatched to Ordinary Shareholders in which this Scheme is set out in Part VI
“Scheme Record Time”	6.00 p.m. on the Scheme Court Hearing Date
“Scheme Shareholders”	holders of Scheme Shares
“Scheme Shares”	<ol style="list-style-type: none"> 1. the Ordinary Shares in issue at the date of the Scheme Document; 2. any Ordinary Shares issued after the date of the Scheme Document and before the Voting Record Time; and 3. any Ordinary Shares issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by this Scheme, or shall by such time have agreed in writing to be bound by the Scheme, <p>other than any Excluded Shares</p>
“Schroders”	Schroders plc, a company incorporated in England and Wales with registered number 3909886
“T Share”	the T share of no par value in the capital of Cazenove Capital
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“Voting Record Time”	6.00 p.m. on the day which is two days before the date of the Court Meeting or any adjournment thereof (as the case may be)

and references to clauses and paragraphs are to clauses and paragraphs of this Scheme and references to time are to London time.

- (B) As at the close of business on 15 April 2013 (the latest practicable date prior to the date of this Scheme), 288,430,117 Ordinary Shares have been issued. Cazenove Capital also has in issue 42,623,997 Growth Shares and 1 T Share. The T Share exists only to facilitate conversions of Growth Shares and is held by the Cazenove EBT. The Growth Shares and the T Share do not carry any voting or distribution rights and are not subject to this Scheme.
- (C) As at the close of business on 15 April 2013 (the latest practicable date prior to the date of this Scheme), Schroders does not own any Ordinary Shares.
- (D) The purpose of this Scheme is to provide for the transfer of the Scheme Shares in consideration for the payment of 135 pence in cash for each Scheme Share to the holders of the Scheme Shares or for the issue of Loan Notes pursuant to the Loan Note Alternative.
- (E) Schroders has agreed to appear by counsel at the Scheme Court Hearing and to consent to this Scheme and has agreed to be bound by, and to undertake to the Court to be bound by the terms of this Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purposes of giving effect to this Scheme.

The Scheme

1. Transfer of Scheme Shares

1.1 On the Effective Date:

1.1.1 Schroders shall acquire all of the Scheme Shares other than the Loan Note Elected Shares; and

1.1.2 immediately following the completion of the acquisition of Scheme Shares referred to in paragraph 1.1.1 of this Scheme, Schroders shall acquire all of the Loan Note Elected Shares,

in each case fully paid, with full title guarantee, free from all liens, equities, charges, encumbrances and other interests and together with all rights at the date of this Scheme or thereafter attached thereto, including the right to receive and retain all dividends and other distributions declared or paid or made thereon.

- 1.2 For such purposes, the Scheme Shares shall be transferred to Schroders and/or its nominees and, to give effect to such transfer, any person may be appointed by Schroders to execute as transferor an instrument or instruction of transfer of the Scheme Shares and every instrument or instruction of transfer so executed shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred.

2. Consideration for the Scheme Shares

2.1 In consideration for the transfer of the Scheme Shares as provided in clause 1 of this Scheme, Schroders shall:

2.1.1 except in respect of Loan Note Elected Shares, pay to, or for the account of, each Scheme Shareholder (as appearing in the register of members at the Scheme Record Time) cash consideration on the following basis:

135 pence in cash for each Scheme Share held; and

2.1.2 in respect of Loan Note Elected Shares, issue Loan Notes to such Scheme Shareholders on the basis that, for every £1 of cash consideration otherwise receivable under this Scheme in respect of the Loan Note Elected Shares, such Scheme Shareholders shall receive £1 nominal value of Loan Notes rounded down to the nearest whole number of pounds. Fractions of Loan Notes shall be disregarded and the cash entitlement relating thereto shall be disregarded and not paid. The issue of Loan Notes shall be subject to the other terms of this Scheme.

3. Loan Note Alternative

3.1 An election will be accepted as valid under the Loan Note Alternative only in respect of a whole number of Scheme Shares.

3.2 Each election under the Loan Note Alternative shall be made by completion of a Loan Note Form of Election which shall be executed by the Scheme Shareholder (other than a Restricted Shareholder) or his duly authorised agent (or, in the case of a body corporate, executed by an authorised representative). To be effective, a Loan Note Form of Election must be completed and returned in accordance with the instructions printed thereon so as to be received by Equiniti (in its capacity as receiving agent) by no later than 11.00 a.m. on the Election Return Date.

3.3 If a Loan Note Form of Election is: (a) received by Equiniti Limited after 11.00 a.m. on the Election Return Date; or (b) is received by Equiniti Limited before such time but is not, or is deemed by Schroders at its discretion (acting reasonably) not to be, valid or complete in all respects at such time; or (c) is received from a Restricted Shareholder, then such election shall be void unless and to the extent that Schroders, in its absolute discretion, elects to treat as valid in whole or in part any such election.

3.4 Upon execution and delivery by a Scheme Shareholder of a valid Loan Note Form of Election, such holder shall be bound by the terms and provisions contained in the Loan Note Form of Election and by the terms of the Loan Note Instrument.

- 3.5** A Loan Note Form of Election duly completed and delivered may be withdrawn before 11.00 a.m. on the Election Return Date, by a notice in writing to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.
- 3.6** If a Scheme Shareholder delivers more than one Loan Note Form of Election in respect of his Scheme Shares and there is an inconsistency between such Loan Note Forms of Election, the last Loan Note Form of Election which is delivered by 11.00 a.m. on the Election Return Date shall prevail over any earlier Loan Note Form of Election. The delivery time for a Loan Note Form of Election shall be determined on the basis of which Loan Note Form of Election is last sent or, if Schroders is unable to determine which is last sent, is last received. Loan Note Forms of Election which are sent in one envelope shall be treated as having been sent and received at the same time, and, in that case, none of them shall be treated as valid (unless Schroders otherwise determines in its absolute discretion).
- 3.7** If issuing Loan Notes pursuant to valid elections under the Loan Note Alternative would result in the issue of less than £20 million nominal value of Loan Notes in aggregate, Schroders will not, unless it determines otherwise in its sole discretion, issue any Loan Notes. If no Loan Notes are issued as a result of this clause 3.7, Scheme Shareholders who have made a valid election under the Loan Note Alternative shall be treated as if such election had not been made and shall receive the cash to which they would otherwise have been entitled under this Scheme had such election under the Loan Note Alternative not been made.
- 3.8** The Loan Notes will be constituted by the Loan Note Instrument.
- 4. Settlement**
- 4.1** Subject to clause 4.2, as soon as reasonably practicable and no later than 14 days after the Effective Date (unless the Panel agrees otherwise), settlement of the cash consideration shall be effected by Schroders procuring that:
- (a) in relation to a Scheme Shareholder who has (prior to the Voting Record Time) notified Cazenove Capital that he wishes to receive remittances by way of electronic funds transfer to a nominated bank account, the cash consideration to which such Scheme Shareholder is entitled will be credited by way of electronic funds transfer to such Scheme Shareholder's nominated bank account. Schroders reserves the right to pay any cash consideration referred to in this sub-paragraph (a) in the manner referred to in sub-paragraph 4.1(b); or
 - (b) in all other circumstances, a cheque in respect of the cash consideration to which such Scheme Shareholder is entitled will be dispatched to such Scheme Shareholder in accordance with clause 4.3.
- 4.2** Where a Scheme Shareholder has validly elected to participate in the Loan Note Alternative in respect of all or part of his Scheme Shares, Schroders shall, as soon as reasonably practicable and no later than 14 days after the Effective Date (unless the Panel agrees otherwise), procure that the Loan Notes to which the Scheme Shareholder is entitled will be issued to such person in certificated form, with definitive certificates for Loan Notes to be dispatched in accordance with clause 4.3.
- 4.3** All deliveries of documents and cheques required to be made pursuant to this Scheme shall be effected by posting the same by first class post (or such other method as may be approved by the Panel) to the address appearing in respect of the relevant Scheme Shareholder in the register of members of Cazenove Capital at the Scheme Record Time (or, in the case of joint holders, to the address of that one of the joint holders whose name appears first in the register of members of Cazenove Capital in respect of such joint holding). All cheques shall be in sterling and drawn on a branch of a UK clearing bank.
- 4.4** Neither Schroders nor Cazenove Capital shall be responsible for any loss or delay in the transmission or delivery of any cheques or documents posted in accordance with clause 4.3, which shall be posted at the risk of the persons entitled thereto.
- 4.5** All cheques shall be made payable to the holder or, in the case of joint holders at Schroders' option, to the first named of such holders of the Scheme Shares concerned and the encashment of any such cheque or the creation of any assured payment obligation in accordance with clause 4.1(a) shall be a complete discharge of the obligations of Schroders, to pay the moneys represented thereby.
- 4.6** The provisions of this clause 4 shall be subject to any condition or prohibition imposed by law.
- 5. Dividend mandates**
- 5.1** Each mandate relating to the payment of dividends on any Scheme Shares and any other instructions given to Cazenove Capital by holders of Scheme Shares in force at the Scheme Record Time shall, as from the Effective Date, cease to be valid in respect of the Scheme Shares.
- 5.2** Each mandate relating to the payment of dividends on any Loan Note Elected Shares and other instructions to Cazenove Capital by holders of Loan Note Elected Shares in force at the Scheme Record Time shall, unless and until revoked or amended, including on the Loan Note Form of Election, be deemed as from the Effective Date to be valid and effective mandates in relation to the payment of interest and principal amounts by Schroders and/or any other principal debtor under the Loan Notes.

6. Restricted Shareholders

The provisions of clauses 1, 3 and 4 shall be subject to any prohibition or condition imposed by law. If in the case of any Scheme Shareholder, Schroders believes that the issue of Loan Notes pursuant to this Scheme would or may infringe the law of a country or territory outside Jersey or the United Kingdom or would or may require compliance by Cazenove Capital or Schroders (as the case may be) with any governmental or other consent or any registration, filing or other formality with which Cazenove Capital or Schroders (as the case may be) is unable to comply or which Cazenove Capital or Schroders (as the case may be) in its absolute discretion regards as unduly onerous, then any election under the Loan Note Alternative made by such Scheme Shareholder shall be of no effect. No Loan Notes shall be issued to any such Scheme Shareholder and the Scheme Shareholder shall instead receive cash consideration in accordance with clause 4.1 of this Scheme.

7. Share certificates

With effect from and including the Effective Date, all existing certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares represented thereby and every holder of Scheme Shares shall be bound at the request of Cazenove Capital to deliver up the same to Cazenove Capital or to destroy the same.

8. The Effective Date

8.1 The Scheme shall become effective in accordance with its terms as soon as the Scheme Court Order has been delivered to the Registrar of Companies for registration.

8.2 Unless this Scheme shall have become effective on or before the close of business on 31 October 2013, or such later date (if any) as Cazenove Capital and Schroders may agree and the Court may approve, this Scheme shall never become effective.

9. Modification

Cazenove Capital and Schroders may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may think fit to approve or impose.

10. Governing Law

This Scheme is governed by Jersey law and is subject to the jurisdiction of the courts of Jersey.

Dated 19 April 2013

PART VII

Financial Information on the Schroders Group

Financial Information incorporated by reference

The following table sets out financial information in respect of the Schroders Group as required by Rule 24.3 of the City Code.

The documents referred to in the table, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into the document by reference pursuant to Rule 24.15 of the City Code.

City Code Reference	Financial information	Reference
24.3(a)(iii)	Audited consolidated accounts for the last two financial years	<p>http://www.schroders.com/global/investor-relations/results?style=tabbed</p> <p>Click "Download the latest annual report and accounts"</p> <p>The audited consolidated accounts of Schroders Group for the year ended 31 December 2012 are set out in pages 79 to 139 (inclusive) in Schroders Group's annual report for the year ended 31 December 2012.</p> <p>Click "Annual Report 2011" under the heading "Results, Reports, webcasts and presentations".</p> <p>The audited consolidated accounts of Schroders Group for the year ended 31 December 2011 are set out in pages 77 to 136 (inclusive) in Schroders Group's annual report for the year ended 31 December 2011.</p>

To obtain a hard copy of any of the information listed above as having been incorporated by reference into this document, contact Cazenove Capital's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephoning 0871 384 2891 (from within the UK) or +44 121 415 0090 (for overseas callers). You will not receive a hard copy of this information unless you so request.

PART VIII

Financial Information on the Cazenove Capital Group

The following table sets out financial information in respect of Cazenove Capital as required by Rule 24.3 of the City Code.

The documents referred to in the table, the contents of which are available on Cazenove Capital's website, are incorporated into this document by reference pursuant to Rule 24.15 of the City Code.

Financial Information incorporated by reference

City Code Reference	Financial information	Reference
24.3(a)(iii)	Audited consolidated accounts for the last two financial years	<p>http://www.cazenovecapital.com/Microsites/ir/Financials/Report-and-accounts</p> <p>Click on the link "Annual Report 31 December 2012" under the heading "Year Ended 31 December 2012".</p> <p>The audited consolidated accounts of Cazenove Capital for the year ended 31 December 2012 are set out on pages 30 to 69 (both inclusive) in Cazenove Capital's annual report for the year ended 31 December 2012.</p> <p>Click on the link "Annual Report 31 December 2011" under the heading "Year Ended 31 December 2011".</p> <p>The audited consolidated accounts of Cazenove Capital for the year ended 31 December 2011 are set out on pages 29 to 69 (both inclusive) in Cazenove Capital's annual report for the year ended 31 December 2011.</p>

To obtain a hard copy of any of the information listed above as having been incorporated by reference into this document, contact Cazenove Capital's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephoning 0871 384 2891 (from within the UK) or +44 121 415 0090 (for overseas callers). You will not receive a hard copy of this information unless you so request.

PART IX

United Kingdom Taxation

The following summary is intended as a general guide only and relates solely to certain UK tax considerations relating to Cazenove Capital Ordinary Shares held as investment assets by UK resident individuals or companies within the charge to corporation tax. It does not constitute, and is not intended to be used as, advice for Cazenove Capital Shareholders or any other person and, as such, is not a full description of all relevant tax considerations. It is based on UK law and HMRC practice currently in force, both of which are subject to change, possibly with retroactive effect. This summary may not apply to certain special categories of shareholder, such as dealers in securities or those who have (or are deemed to have) acquired their Cazenove Capital Ordinary Shares by virtue of or in connection with an office or employment.

Holders of Cazenove Capital Ordinary Shares who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, are strongly advised to consult an appropriate professional independent tax adviser.

1. UK resident individuals

1.1 Receipt of cash as consideration

The transfer of the Cazenove Capital Ordinary Shares by Cazenove Capital Shareholders for cash payable under the terms of the Scheme will constitute a disposal for the purposes of capital gains tax. Such disposal may give rise to a chargeable gain or allowable loss, depending on the Cazenove Capital Shareholder's circumstances and subject to any available exemption or relief.

1.2 Election for the Loan Note Alternative with no election for the Unit Trust Rollover

Cazenove Capital Shareholders who are not 5% Interestholders in Cazenove Capital and who elect for the Loan Note Alternative are not expected to trigger any capital gains tax on the exchange of Cazenove Capital Ordinary Shares for Loan Notes.

Cazenove Capital Shareholders who are 5% Interestholders in Cazenove Capital are advised that they will be eligible for the treatment described above only if the Acquisition is a Bona Fide Transaction. Cazenove Capital Shareholders are advised that an application will be made to HMRC under Section 138 TCGA to the effect that the Acquisition should be regarded as a Bona Fide Transaction.

A subsequent disposal of any of the Loan Notes may, depending on the particular circumstances of the Cazenove Capital Shareholder, give rise to a liability to capital gains tax. The Loan Notes will not be "qualifying corporate bonds" for the purposes of capital gains tax. This means that any chargeable gain or allowable loss on disposal of the Loan Notes (including redemption or repayment) should be calculated by taking into account the Cazenove Capital Shareholder's acquisition cost in his Cazenove Capital Ordinary Shares.

1.3 Election for the Loan Note Alternative and election for the Unit Trust Rollover

Where the holders of Loan Notes acquire their units in the relevant New Unit Trust by way of the Direct Transfer Method:

- (a) Cazenove Capital Shareholders who are not 5% Interestholders in Cazenove Capital are not expected to trigger any capital gains tax on the exchange of Cazenove Capital Ordinary Shares for Loan Notes;
- (b) holders of Loan Notes who are not 5% Interestholders in the relevant NewCo are not expected to trigger any capital gains tax on the exchange of the Loan Notes for units in the relevant New Unit Trust;
- (c) as a result of (a) and (b) above, for such Cazenove Capital Shareholders, the units in the relevant New Unit Trust are expected to be treated as the same asset as the Cazenove Capital Ordinary Shares which were exchanged for the Loan Notes that were exchanged for the units;
- (d) Cazenove Capital Shareholders who are 5% Interestholders in Cazenove Capital are advised that they will be eligible for the treatment in (a) above only if the Acquisition is a Bona Fide Transaction;
- (e) similarly, holders of Loan Notes who are 5% Interestholders in the relevant NewCo will be eligible for the treatment in (b) above only if the exchange of their Loan Notes for units in the relevant New Unit Trust is a Bona Fide Transaction; and
- (f) Cazenove Capital Shareholders are advised that an application will be made to HMRC under Section 138 TCGA to the effect that both the Acquisition and the subsequent exchange of Loan Notes for units in one or both of the New Unit Trusts should be regarded as Bona Fide Transactions.

If holders of Loan Notes acquire their units in the relevant New Unit Trust by way of the Distribution Method instead of the Direct Transfer Method, then paragraphs (b) and (e) above should also be read as applying to the giving up of A Shares in return for units in the relevant New Unit Trust in the same way as they do to the exchange of Loan Notes for units in the relevant New Unit Trust as long as the Distribution Method comprises a "reconstruction" for the purposes of Section 136 TCGA. Cazenove Capital Shareholders are advised that an application to that effect will be made to HMRC.

2. Companies within the charge to corporation tax

2.1 Receipt of cash as consideration

The transfer of the Cazenove Capital Ordinary Shares by Cazenove Capital Shareholders for cash payable under the terms of the Scheme will constitute a disposal for the purposes of corporation tax on chargeable gains. Such disposal may give rise to a chargeable gain or allowable loss, depending on the Cazenove Capital Shareholder's circumstances and subject to any available exemption or relief.

2.2 Election for the Loan Note Alternative

Cazenove Capital Shareholders who are not 5% Interestholders in Cazenove Capital and who elect for the Loan Note Alternative are not expected to trigger any corporation tax on chargeable gains on the exchange of Cazenove Capital Ordinary Shares for Loan Notes.

Cazenove Capital Shareholders who are 5% Interestholders in Cazenove Capital are advised that they will be eligible for the treatment described above only if the Acquisition is a Bona Fide Transaction. Cazenove Capital Shareholders are advised that an application will be made to HMRC under Section 138 TCGA to the effect that the Acquisition should be regarded as a Bona Fide Transaction.

The Loan Notes will be "qualifying corporate bonds" for the purposes of corporation tax on chargeable gains. This means that any gain or loss which would otherwise have arisen on a disposal of the Cazenove Capital Ordinary Shares will be "held over" and deemed to accrue on a subsequent disposal (including redemption or repayment) of the Loan Notes. No indexation allowance will be available for the period of ownership of the Loan Notes and no chargeable gain or allowable loss will arise on the disposal of the Loan Notes, except to the extent of the held-over gain or loss described above. All profits, gains and losses arising in respect of the Loan Notes (other than the held-over gain referred to above) will be taxed or relieved under the loan relationship rules.

It should be noted in particular that, in the case of Cazenove Capital Shareholders who elect to participate in the Unit Trust Rollover, any held-over gain will be brought into charge upon the exchange of Loan Notes for units in the relevant New Unit Trust (where the Direct Transfer Method is adopted) or upon the conversion of Loan Notes into A Shares (where the Distribution Method is adopted).

In circumstances where a Cazenove Capital Shareholder elects to participate in the Unit Trust Rollover and the Direct Transfer Method is adopted, no chargeable gain or allowable loss will arise on the disposal of Loan Notes, except to the extent of the held-over gain or loss described above. The Cazenove Capital Shareholder should obtain a base cost in its units in the relevant New Unit Trust which is equal to the market value of the units at the time of the exchange.

In the circumstances where a Cazenove Capital Shareholder elects to participate in the Unit Trust Rollover and the Distribution Method is adopted:

- (a) no chargeable gain or allowable loss will arise on the conversion of the Loan Notes into the A Shares, except to the extent of the held-over gain or loss described above;
- (b) a holder of A Shares who is not a 5% Interestholder in the relevant NewCo following the conversion:
 - (i) will not be treated as making a disposal of its A Shares for the purposes of corporation tax on chargeable gains when it gives up its A Shares in return for units in the relevant New Unit Trust; and
 - (ii) will obtain a base cost in its units in the relevant New Unit Trust which is equal to the market value of the A Shares at the time when the Loan Notes are converted into the A Shares,in each case only if the Distribution Method comprises a "reconstruction" for the purposes of Section 136 TCGA. Cazenove Capital Shareholders are advised that an application to that effect will be made to HMRC; and
- (c) a holder of A Shares who is a 5% Interestholder in the relevant NewCo will be subject to the treatment described in paragraph (b) above only if the giving up of its A Shares in return for units in the relevant New Unit Trust is a Bona Fide Transaction. Cazenove Capital Shareholders are advised that an application will be made to HMRC under Section 138 TCGA to the effect that the giving up of A Shares in return for units in the relevant New Unit Trust should be regarded as a Bona Fide Transaction.

3. Stamp duty and stamp duty reserve tax

No ad valorem stamp duty or stamp duty reserve tax ("SDRT") should be payable by Cazenove Capital Shareholders as a result of the implementation of the Scheme or in relation to the implementation of the Unit Trust Rollover.

Transfers of the units in a New Unit Trust will attract ad valorem stamp duty, generally at the rate of 0.5 per cent. of the consideration for the transfer (rounded up to the nearest £5). Stamp duty is generally paid by the transferee.

Agreements for the transfer of units in a New Unit Trust will be subject to SDRT, generally at the rate of 0.5 per cent. of the consideration for the transfer. SDRT is generally payable by the purchaser. If an instrument of transfer completing an agreement to transfer units in a New Unit Trust is duly stamped within six years of the date on which the agreement is made (or, if it is conditional, the date on which it becomes unconditional) then the charge to SDRT is cancelled and any SDRT paid will generally be repayable.

Clearance Services and Depositary Receipt Systems

Following the ECJ decision in *C-569/07 HSBC Holdings Plc, Vidacos Nominees Limited v The Commissioners of Her Majesty's Revenue & Customs* and the First-tier Tax Tribunal decision in *HSBC Holdings Plc and The Bank of New York Mellon Corporation v The Commissioners of Her Majesty's Revenue & Customs*, HMRC has confirmed that the 1.5 per cent. SDRT charge is no longer payable when new securities are issued to a clearance service or depositary receipt system.

Where units in a New Unit Trust are transferred (a) to, or to a nominee or an agent for, a person whose business is or includes the provision of clearance services or (b) to, or to a nominee or an agent for, a person whose business is or includes issuing depositary receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration given or, in certain circumstances, the value of the units.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or an agent for, a clearance service where the clearance service has made and maintained an election under sub-section 97A(1) of the Finance Act 1986, which has been approved by HMRC. In these circumstances, SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer will instead arise on subsequent agreements to transfer such units within such clearance service.

Any liability for stamp duty or SDRT which arises in respect of a transfer into a clearance service or depositary receipt system will generally be paid by the clearance service or depositary receipt system operator or its nominee, as the case may be, but will, in practice, be borne by the relevant participants in the clearance service or depositary receipt system.

PART X

Additional Information

1. Responsibility

- (a) The Cazenove Capital Directors, whose names are set out in paragraph 2(a) below, accept responsibility for the information contained in this document, other than information for which responsibility is taken by others pursuant to paragraph 1(b) of this Part X. To the best of the knowledge and belief of the Cazenove Capital Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The directors of Schroders, whose names are set out in paragraph 2(c) below, accept responsibility for the information contained in this document relating to the Schroders Group, the directors of Schroders, their close relatives and related trusts. To the best of the knowledge and belief of the directors of Schroders (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they take responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors and registered offices

- (a) The Cazenove Capital Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
David Mayhew	Chairman
Marcus Gregson	Non-executive Director
Sir Roger Hurn	Non-executive Director
Richard Jeffrey	Chief Investment Officer
Michael Power	Non-executive Director
Andrew Ross	Chief Executive
Carolyn Sims	Chief Financial Officer
Rupert Tyer	Non-executive Director

- (b) The business address of each of the Cazenove Capital Directors is 12 Moorgate, London EC2R 6DA.
The registered office of Cazenove Capital is at Ogier House, The Esplanade, St Helier, Jersey JE4 9WG.
- (c) The Schroders Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Andrew Beeson	Chairman
Michael Dobson	Chief Executive
Kevin Parry	Chief Financial Officer
Massimo Tosato	Executive Vice-Chairman and Global Head of Distribution
Philip Mallinckrodt	Group Head of Private Banking
Ashley Almanza	Independent non-executive Director
Luc Bertrand	Senior Independent Director
Robin Buchanan	Independent non-executive Director
Lord Howard of Penrith	Independent non-executive Director
Merlyn Lowther	Independent non-executive Director
Nichola Pease	Independent non-executive Director
Bruno Schroder	Non-executive Director

- (d) Schroders is a public company incorporated under the laws of England and Wales.
The registered office of Schroders is at 31 Gresham Street, London EC2V 7QA.

3. Middle Market Quotation for Cazenove Capital Ordinary Shares

The Ordinary Shares have not been actively traded in the preceding six months before the date of the Scheme Document.

Cazenove Capital's internal share dealing facility will not be operated at any time after the Effective Date.

4. Interests and dealings in shares and persons acting in concert

- (a) *Definitions and references*

For the purposes of this Part X:

- (i) "acting in concert" with Schroders (or Cazenove Capital) means any such person acting or deemed to be acting in concert with Schroders (or Cazenove Capital as the case may be) for the purposes of the City Code;
- (ii) "arrangement" includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing, details of which (if any) are set out in paragraph 4(e) below;

- (iii) “dealing” or “dealt” includes the following:
- (aa) the acquisition or disposal of securities;
 - (bb) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option, (including a traded option contract) in respect of any securities;
 - (cc) subscribing or agreeing to subscribe for securities;
 - (dd) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
 - (ee) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
 - (ff) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
 - (gg) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (iv) “derivative” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (v) “disclosure period” means the period commencing on 22 March 2012 (being the date 12 months prior to the commencement of the Offer Period) and ending on 15 April 2013 (being the latest practicable date prior to the publication of this document);
- (vi) “interested” in securities includes if a person:
- (aa) owns them;
 - (bb) has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
 - (cc) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery; or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
 - (dd) is party to any derivative whose value is determined by reference to their price; and which results, or may result, in his having a long position in them; or
 - (ee) has long economic exposure, whether absolute or conditional to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);
- (vii) “relevant securities” includes:
- (aa) Ordinary Shares and any other securities of Cazenove Capital conferring voting rights;
 - (bb) equity share capital of Cazenove Capital; and
 - (cc) any securities convertible into, or rights to subscribe for the securities of Cazenove Capital, described in sub-paragraphs (aa) and (bb) above; and
- (viii) ownership or control of 20 per cent. or more of the equity share capital of a company is regarded as the test of associated company status and “control” means an interest or interests in shares carrying in aggregate 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give *de facto* control.

(b) *Interests and dealings in Ordinary Shares in Cazenove Capital*

- (i) As at the close of business on 15 April 2013 (being the latest practicable date prior to the publication of this document), the Cazenove Capital Directors, their close relatives and related trusts in relevant securities of Cazenove Capital were interested in or had a right to subscribe for the following securities of Cazenove Capital:

Director	Number of Ordinary Shares in Cazenove Capital		Number of Restricted Ordinary Shares in Cazenove Capital		Number of Growth Shares in Cazenove Capital	
	Own name	Nominees	Own name	Nominees	Own name	Nominees
David Mayhew	4,131,292					
Michael Power	2,133,629	17,221				
Andrew Ross	21,000	4,571,000 ¹		3,219,000 ³		4,292,000 ³
Richard Jeffrey		600,000 ²		922,000 ³		1,229,333 ³
Carolyn Sims		400,000		1,045,000 ³		1,393,333 ³

Notes:

1 Of these Ordinary Shares, 3,600,000 Ordinary Shares are beneficially owned by Elizabeth Ross and 971,000 Ordinary Shares are beneficially owned by Andrew Ross.

2 Marion Jeffrey is the beneficial owner of these Ordinary Shares.

3 These shares are held by the Cazenove Nominee beneficially on behalf of the respective Cazenove Capital Director on the terms of the Cazenove Capital Restricted and Growth Share Plan. These shares cease to be subject to restrictions in respect of one-third of the stated number of shares on each of 31.08.2014, 31.08.2015 and 31.03.2016.

- (ii) As at the close of business on 15 April 2013 (being the latest practicable date prior to the publication of this document), the following options and awards over relevant securities of Cazenove Capital had been granted to the Cazenove Capital Directors under the following Cazenove Capital Share Schemes:

Cazenove Capital 2009 Conditional Share Plan

<i>Director</i>	<i>Vesting date</i>	<i>Amount payable (p)</i>	<i>Number of Ordinary Shares subject to awards</i>
Andrew Ross	31.12.2013	Nil	295,000
Carolyn Sims	31.12.2013	Nil	155,500
Richard Jeffrey	31.12.2013	Nil	94,500

Cazenove Capital Share Option Plan

<i>Director</i>	<i>Exercise period</i>	<i>Exercise price (p)</i>	<i>Number of Ordinary Shares under option</i>
Andrew Ross	Exercisable until 08.08.2016	35	1,554,762
Carolyn Sims	Exercisable until 11.07.2017	35	500,000

Cazenove Capital Sharesave Scheme

<i>Director</i>	<i>Exercise period</i>	<i>Exercise price (p)</i>	<i>Number of Ordinary Shares under option</i>
Andrew Ross	01.07.2015–31.12.2015	83	10,843
Carolyn Sims	01.07.2013–31.12.2013	61	14,877
Richard Jeffrey	01.07.2013–31.12.2013	61	14,877

- (iii) At the close of business on 15 April 2013 (being the latest practicable date prior to the publication of this document), no persons acting in concert with Cazenove Capital were interested in or had rights to subscribe for relevant securities of Cazenove Capital.
- (iv) No dealings in relevant securities of Cazenove Capital (including the exercise of options under the Cazenove Capital Share Schemes) by the Cazenove Capital Directors, their close relatives and related trusts have taken place between 22 March 2013 and 15 April 2013 (being the latest practicable date prior to the publication of this document).
- (v) No dealings in relevant securities of Cazenove Capital by persons acting in concert with Cazenove Capital have taken place between 22 March 2013 (being the date of commencement of the Offer Period) and 15 April 2013 (being the latest practicable date prior to the publication of this document).
- (vi) No dealings in relevant securities by persons with whom Cazenove Capital or a person acting in concert with Cazenove Capital has an arrangement, have taken place between 22 March 2013 and 15 April 2013 (being the latest practicable date prior to the publication of this document).
- (vii) At the close of business on 15 April 2013 (being the latest practicable date prior to the publication of this document), Schroders, the directors of Schroders and their close relatives and related trusts were not interested in and did not have a right to subscribe for relevant securities of Cazenove Capital.
- (viii) At the close of business on 15 April 2013 (being the latest practicable date prior to the publication of this document), no persons acting in concert with Schroders were interested in or had a right to subscribe for relevant securities of Cazenove Capital.
- (ix) No dealings in relevant securities of Cazenove Capital by Schroders, directors of Schroders, their close relatives and related trusts, persons acting in concert with Schroders and/or persons with whom Schroders or persons acting in concert with Schroders have an arrangement, have taken place during the disclosure period.
- (x) Save as disclosed in this paragraph 4(b), no Cazenove Capital Director or their close relatives or related trusts are interested in or have a right to subscribe for any relevant securities of Cazenove Capital and no such person has dealt therein in the period commencing on 22 March 2013 (the commencement of the Offer Period) and ending on 15 April 2013 (being the latest practicable date prior to the publication of this document).
- (xi) Save as disclosed in this paragraph 4(b), no persons acting in concert with Cazenove Capital and no person with whom Cazenove Capital or a person acting in concert with Cazenove Capital has an arrangement is interested in or has a right to subscribe for any relevant securities of Cazenove Capital and no such person has dealt therein in the period commencing on 22 March 2013 (the date of commencement of the Offer Period) and ending on 15 April 2013 (being the latest practicable date prior to the publication of this document).
- (xii) Neither Schroders nor any person acting in concert with Schroders, nor Cazenove Capital, nor any person acting in concert with Cazenove Capital has borrowed or lent any relevant securities of Cazenove Capital.
- (xiii) During the disclosure period, Cazenove Capital has redeemed or purchased 6,110,345 Cazenove Capital securities as follows:

<i>Date</i>	<i>Number of relevant Cazenove Capital securities redeemed</i>	<i>Number of relevant Cazenove Capital securities purchased</i>	<i>Price</i>	<i>Cancelled Treasury Shares</i>
10.04.2012	–	1,092,383	£0.83	–
20.04.2012	–	2,762,117	£0.83	–
27.04.2012	–	305,839	£0.83	–
22.05.2012	–	261,885	£0.83	–
03.09.2012	–	409,777	£0.85	–
07.09.2012	–	185,468	£0.85	–
14.09.2012	–	444,934	£0.85	–
21.09.2012	–	647,942	£0.85	–

(c) *Interests and dealings in Schroders Shares*

- (i) At the close of business on 15 April 2013 (being the latest practicable date prior to the publication of this document) Cazenove Capital, the Cazenove Capital Directors, their close relatives and related trusts were not interested in, and did not have any rights to subscribe for, relevant securities of Schroders.
- (ii) No dealings in relevant securities of Schroders by Cazenove Capital, the Cazenove Capital Directors and their close relatives and related trusts have taken place between 22 March 2013 and 15 April 2013 (being the latest practicable date prior to the publication of this document).
- (iii) Neither Cazenove Capital, nor any Cazenove Capital Director or their close relatives and related trusts are interested in or have any rights to subscribe for any relevant securities of Schroders and no such person has dealt therein in the period commencing on 22 March 2013 (the commencement of the Offer Period) and ending on 15 April 2013 (being the latest practicable date prior to the publication of this document).

(d) *Irrevocable undertakings*

- (i) Irrevocable undertakings in favour of Schroders to vote in favour of the Scheme have been received by Schroders from the following persons in respect of the following holdings of Ordinary Shares in Cazenove Capital:

<i>Director</i>	<i>Number of Ordinary Shares in Cazenove Capital</i>		<i>Number of Restricted Ordinary Shares in Cazenove Capital</i>		<i>% of Cazenove Capital Ordinary Shares</i>
	<i>Own name</i>	<i>Nominees</i>	<i>Own name</i>	<i>Nominees</i>	
David Mayhew	4,131,292				1.4
Michael Power	2,133,629	17,221			0.7
Andrew Ross	21,000	4,571,000	3,219,000		2.7
Richard Jeffrey		600,000	922,000		0.5
Carolyn Sims		400,000	1,045,000		0.5

- (ii) The undertakings shall cease to have any effect on the earlier of: (A) the Long Stop Date; or (B) the date on which the Scheme or Offer lapses in accordance with its terms, provided that this paragraph (B) shall not apply where the Scheme has lapsed but Schroders has switched to an Offer in accordance with the City Code.

(e) *General*

- (i) Neither Cazenove Capital nor any person acting in concert with Cazenove Capital has any arrangement with any person relating to relevant securities of Cazenove Capital.
- (ii) Neither Schroders nor any person acting in concert with Schroders has any arrangement with any person relating to relevant securities of Cazenove Capital.

(f) *Persons acting in concert*

- (i) In addition to the directors of Schroders, members of the Schroders Group and associated companies of Schroders, the following persons are acting in concert (as defined in paragraph 4(a)(i)) with Schroders:

<i>Name</i>	<i>Entity Type</i>	<i>Registered Office</i>	<i>Relationship with Schroders</i>
Gleacher Shacklock LLP	LLP	Cleveland House 33 King Street London SW1Y 6RJ	Financial adviser

- (ii) The following persons are acting in concert (as defined in paragraph 4(a)(i)) with Cazenove Capital:

<i>Name</i>	<i>Entity Type</i>	<i>Registered Office</i>	<i>Relationship with Cazenove Capital</i>
Evercore Partners International LLP	LLP	15 Stanhope Gate, London W1K 1LN	Financial adviser
Cazenove Capital Management Pension Trustee Limited	Limited	12 Moorgate, London, EC2R 6DA	Acting in its capacity as trustee of the Cazenove Capital Management Pension Scheme

5. Material contracts

- (a) The Co-operation Agreement (details of which are set out in paragraph 6(a) below) is the only material contract which has been entered into by any member of the Schroders Group otherwise than in the ordinary course of business since 22 March 2011 (the date two years prior to the commencement of the Offer Period).
- (b) The Co-operation Agreement (details of which are set out in paragraph 6(a) below) is the only material contract which has been entered into by any member of the Cazenove Capital Group otherwise than in the ordinary course of business since 22 March 2011 (the date two years prior to the commencement of the Offer Period).

6. Offer related arrangements

- (a) Co-operation Agreement

On 25 March 2013, Cazenove Capital and Schroders entered into the Co-operation Agreement. The Co-operation Agreement was amended on 19 April 2013 to provide for the establishment of the second of the two New Unit Trusts. Pursuant to the Co-operation Agreement (as amended): (i) Cazenove Capital has agreed to co-operate with Schroders to ensure the satisfaction of certain regulatory conditions, and Cazenove Capital and Schroders have entered into mutual commitments in relation to the process for obtaining regulatory clearances; (ii) Schroders has agreed to provide Cazenove Capital with certain information for the purposes of, and to otherwise assist with, the preparation of this document; (iii) Schroders has agreed, subject to certain conditions, to procure that those Cazenove Capital Shareholders who participate in the Loan Note Alternative have the opportunity to give up their Loan Notes in return for units in one or both of the New Unit Trusts as soon as practicable upon the Scheme becoming effective; (iv) Schroders has agreed to certain provisions relating to the Acquisition if it proceeds by way of an Offer; and (v) each of Cazenove Capital and Schroders has agreed to take any action necessary to implement certain proposals in relation to the Cazenove Capital Share Schemes.

Schroders has (subject to certain conditions) undertaken to establish two New Unit Trusts as soon as possible, and in any event by 25 September 2013. One of the New Unit Trusts will have an investment strategy and profile matching, in all material respects, and will be managed by the manager from time to time of, Schroder Unit Trusts Limited's Income Fund. The other New Unit Trust will have an investment strategy and profile matching, in all material respects, and will be managed by the manager from time to time of, Cazenove Investment Fund Management Limited's Cazenove Diversity Income Fund.

Also under the terms of the Co-operation Agreement, Schroders has undertaken to procure, subject to certain conditions (including the Acquisition becoming Effective and the New Unit Trusts being approved by the FCA), that: (i) Eligible Noteholders will be offered an opportunity during a 30 day period to elect whether to participate in the Unit Trust Rollover in respect of one or both of the two New Unit Trusts; and (ii) the New Unit Trusts perform their respective obligations in respect of the Unit Trust Rollover.

- (b) Confidentiality Agreement

Cazenove Capital and Schroders agreed certain provisions in relation to confidentiality on 13 December 2012. Specifically, Cazenove Capital and Schroders have agreed to keep confidential information about the other party and not to disclose it to third parties (other than permitted recipients) unless required by law or regulation. These confidentiality obligations apply for a period of two years from the later of: (i) 13 December 2012, or (ii) in relation to documents identified as "confidential" or "sensitive" and dated, the date of such document.

- (c) Non-solicitation Agreement

Cazenove Capital and Schroders entered into a non-solicitation agreement on 1 February 2013. Under the agreement Cazenove Capital and Schroders have each undertaken until 21 January 2014 (or the date 24 months after either party serves notice on the other terminating discussions), not to (and procure that its subsidiaries do not) solicit any: (i) employee or contractor with total annual compensation of £100,000 or more, or (ii) any employee with whom Cazenove Capital or Schroders has held discussions or about which they have received certain information (each a "**Relevant Employee**"), subject to exceptions for general advertisements and unsolicited approaches from Relevant Employees.

In addition, Cazenove Capital and Schroders have agreed that, while discussions in respect of a transaction continue and for a period of 12 months after termination of such discussions, they shall not (and shall procure that their respective subsidiaries and employees do not) employ or engage any Relevant Employee, unless discussions commenced, or an offer of employment was made, prior to the date of the agreement.

7. Service contracts and compensation of the Cazenove Capital Directors

(a) Cazenove Capital executive directors' service contracts

The following executive directors of Cazenove Capital have entered into service contracts with CCML, except for Andrew Ross who has entered into his service contract with Cazenove Service Company.

<i>Name</i>	<i>Commencement date</i>	<i>Salary per annum (£)</i>	<i>Term</i>	<i>Notice period (company and executive)</i>
Andrew Ross	1 November 2001	158,000	Until Andrew Ross' 60th birthday	Not less than 3 months
Carolyn Sims	14 May 2007	154,000	Until Carolyn Sims' 65th birthday	Not less than 6 months
Richard Jeffrey	1 August 2008	154,000	Until Richard Jeffrey's 65th birthday	Not less than 3 months

The executive directors' service contracts also contain confidentiality obligations which apply during and after employment.

(b) Cazenove Capital non-executive directors' letters of appointment

The non-executive directors of Cazenove Capital do not have service contracts but are appointed by letters of appointment. Details of the relevant terms of their letters of appointment are set out below.

<i>Name</i>	<i>Commencement date</i>	<i>Date of expiry of current term</i>	<i>Current fee per annum (£)</i>	<i>Notice period (company and non-executive)</i>
Marcus Gregson	29 July 2009	29 July 2015	25,000	1 month
Michael Power	1 July 2010	1 July 2013	25,000	1 month
Rupert Tyer	1 January 2011	1 January 2014	25,000	1 month

David Mayhew and Sir Roger Hurn do not have service contracts or letters of appointment. However, they currently receive £25,000 per annum and are entitled to the same benefits as the other non-executive directors.

(c) Benefits – Cazenove Capital executive directors

The executive directors of Cazenove Capital are entitled to receive the following benefits:

- (i) CCML, in the case of Carolyn Sims and Richard Jeffrey, and Cazenove Service Company, in the case of Andrew Ross, may terminate the relevant service contract by giving the executive director written notice and paying them basic salary in lieu of their notice period. Such payment will be in full and final settlement of any claims they may have against any group company or director, employee or agent of any group company.
- (ii) Andrew Ross' salary will be subject to upward reviews by the board of Cazenove Capital at yearly intervals provided that the increase (if any) of such salary will be a matter to be decided at the board's absolute discretion.
- (iii) Carolyn Sims, Richard Jeffrey and Andrew Ross may be allowed to participate in such profit share schemes and, in the case of Carolyn Sims and Richard Jeffrey only, bonus schemes, as CCML, in the case of Carolyn Sims and Richard Jeffrey, or Cazenove Service Company, in the case of Andrew Ross, operate for executives of comparable status.
- (iv) Carolyn Sims, Richard Jeffrey and Andrew Ross are entitled to reimbursement of all out of pocket expenses reasonably and properly incurred by them in the performance of their duties under their service contracts on hotel, travelling, entertainment and other similar items provided that they comply with guidelines relating to expenses and produce satisfactory evidence of expenditure.
- (v) Carolyn Sims and Richard Jeffrey are entitled to become a member of the Cazenove Capital Management Limited Defined Contribution Pension Plan and Andrew Ross is entitled to become a member of the Cazenove Capital Management Pension Scheme (which is now closed to future accrual).
- (vi) Carolyn Sims and Richard Jeffrey are entitled to participate at CCML's expense in: (a) CCML's life insurance scheme; (b) CCML's private medical expenses insurance scheme for their benefit and the benefit of their spouses and all dependent children under the age of 21; and (iii) CCML's permanent health insurance scheme.
- (vii) Andrew Ross is entitled to participate in the following at Cazenove Service Company's expense: (a) the Pension Trustees' life insurance scheme up to four times his pensionable salary, subject to any earnings cap imposed on his salary for this purpose pursuant to clause 590C of the Income and Corporation Taxes Act 1988, and additional insurance in respect of pensionable salary in excess of the earnings cap may be available subject to satisfactory medical underwriting; (b) Cazenove Service Company's private medical expenses insurance scheme for the benefit of himself, his wife/partner and all dependent children under the age of 18; and (c) Cazenove Service Company's permanent health insurance scheme.

- (viii) Carolyn Sims, Richard Jeffrey and Andrew Ross are entitled to 30 working days' paid holiday. Carolyn Sims was entitled to 19 working days' paid holiday from 14 May 2007 until 31 December 2007. Richard Jeffrey was entitled to 12.5 working days' paid holiday from 1 August 2008 until 31 December 2008. Andrew Ross was entitled to 10 working days' paid holiday from 1 November 2001 until 31 December 2001.
- (ix) Carolyn Sims' and Andrew Ross' entitlement to paid holiday in the holiday year in which their employment terminates is 2.5 days for each completed calendar month in that year. Richard Jeffrey's entitlement to paid holiday in the holiday year in which his employment terminates will be 2.5 days for each completed calendar month in that year rounded up to the nearest half day. Where Carolyn Sims, Andrew Ross and Richard Jeffrey have taken more or less than their holiday entitlement in the year their employment terminates, a proportionate adjustment will be made by way of addition to or deduction from (as appropriate) their final gross pay calculated on a pro-rata basis.
- (x) Subject to certain conditions, Carolyn Sims, Richard Jeffrey and Andrew Ross are entitled to payment of their basic salary at the full rate and enjoy their benefits under their service contracts. For Carolyn Sims this applies if she is absent from her duties as a result of illness or injury for 30 working days and, at the discretion of CCML, up to a total of 26 weeks. For Richard Jeffrey this applies if he is absent from his duties as a result of illness or injury for 30 working days in any period of 12 consecutive months whether the absence is interim or continuous and any further payment for more than 30 days in any period of 12 consecutive months is at the discretion of CCML. For Andrew Ross this applies in respect of such illness or injury for a period (in total) of up to 26 weeks in any period of 12 months (whether the absence is intermittent or continuous).
- (xi) During any period of exclusion under Andrew Ross' service contract, he may be entitled to accrue profit share at the absolute discretion of the board of Cazenove Capital.
- (xii) At the expense and request of CCML, in respect of Carolyn Sims and Richard Jeffrey, and Cazenove Service Company, in respect of Andrew Ross, and in any event on termination of Carolyn Sims', Richard Jeffrey's and Andrew Ross' employment, each executive director will transfer or procure the transfer of all shares held by them in trust or as a nominee by virtue of their employment to such person or persons as CCML or Cazenove Service Company, as the case may be, may direct.
- (xiii) Carolyn Sims, Richard Jeffrey and Andrew Ross are subject to post-termination obligations for a period of six months from the earlier of (i) the date of termination of employment and (ii) the date during any notice of termination of their employment on which any period of suspension or garden leave (if any) commences pursuant to their service contracts. For each of Carolyn Sims, Richard Jeffrey and Andrew Ross, such post-termination obligations relate to the non-solicitation of clients, the non-solicitation of employees and non-employment of key personnel. For Carolyn Sims and Andrew Ross, such post-termination obligations also relate to the non-dealing with clients.

Save as disclosed above, there are no existing or proposed service contracts between any Cazenove Capital Director and any member of the Cazenove Capital Group and no such contract has been entered into or amended within the six months preceding the date of this document.

- (d) Benefits – Cazenove Capital non-executive directors
 - (i) The non-executive directors of Cazenove Capital are not entitled to participate in any of Cazenove Capital's bonus, commission or pension schemes or profit sharing arrangements.
 - (ii) On termination of appointment, each non-executive director is only entitled to accrued fees as at the date of termination together with reimbursement of any expenses properly incurred prior to that date.
 - (iii) Cazenove Capital will reimburse each non-executive director for all the reasonable and properly documented expenses that they incur in the performing of duties of their office.
 - (iv) Cazenove Capital will reimburse each non-executive director for the full cost of expenditure on professional advice in the furtherance of their duties as directors, provided that the prior written consent of the chairman to the incurring of such expense is received.
 - (v) Other than the changes described in paragraphs 7(b) and 7(d) of this Part X, there have been no changes to the letters of appointment of any non-executive directors of Cazenove Capital in the six months before the date of this document.
 - (vi) None of the non-executive directors of Cazenove Capital occupy other positions in Cazenove Capital for which they receive a proportion of the fees detailed in that paragraph.
 - (vii) Marcus Gregson's and Rupert Tyer's appointments are for an initial term of three years. Michael Power's appointment is for a rolling period of one year. Non-executive directors are typically expected to serve two three-year terms, although the board of Cazenove Capital may invite them to serve for an additional period.
- (e) Directors' and Officers' insurance

Cazenove Capital maintains appropriate directors' and officers' liability insurance for the benefit of each executive and non-executive director of Cazenove Capital and maintains such cover for any claims that might be lawfully brought against Cazenove Capital Directors during the policy period (including after they have ceased to be an executive or a non-executive director of Cazenove Capital, as the case may be).

8. Financing

The cash consideration payable to Cazenove Capital Shareholders pursuant to the Acquisition will be funded from Schroders' existing resources of cash deposits and liquid securities.

Gleacher Shacklock is satisfied that sufficient resources are available to Schroders to satisfy in full the cash consideration payable pursuant to the Acquisition.

9. Effect of completion of the Acquisition

The effect of full acceptance of the offer on Schroders' earnings and assets and liabilities is such that Schroders expects the Acquisition to be earnings enhancing after amortisation of intangible assets in the first full financial year after completion of the Acquisition¹⁰.

As a result of and following completion of the Acquisition, Schroders expects to consolidate Cazenove Capital's assets and liabilities. As at 31 December 2012, Cazenove Capital's gross assets were £185.9 million, including net tangible assets of £90.4 million. As at 31 December 2012, Cazenove Capital's minimum regulatory capital requirement (calculated in accordance with the FCA's BIPRU and GENPRU sourcebooks) was approximately £26 million.

A fair value assessment of Cazenove Capital's assets, liabilities and business will be required to be carried out under Schroders' accounting policies following completion of the Acquisition to determine the on-going tangible and intangible carrying values at which the Cazenove Capital business will be carried within Schroders' statement of financial position.

10. Ratings and outlooks – Schroders

Standard & Poor's Ratings Services stated on 27 March 2013 that the ratings and outlook on Schroders (A/Positive/A-1) were unaffected by the Announcement.

Fitch Ratings, in January 2012, affirmed Schroders' Long-Term Issuer Default Rating (IDR) at 'A+' and Short-Term IDR at 'F1'. The Outlook for the Long-Term IDR was Stable. Schroders' individual rating as at January 2012 was affirmed at 'B'. Fitch Ratings stated on 28 March 2013 that the acquisition of Cazenove Capital by Schroders is unlikely, in isolation, to impact Schroders Investment Management's 'M1' Asset Manager rating and Schroders' 'A+' Long Term Issuer Default Rating (IDR).

11. Ratings and outlooks – Cazenove Capital

There are no current ratings and outlooks publicly accorded to Cazenove Capital.

12. Fees and expenses

The aggregate fees and expenses which are expected to be incurred by Cazenove Capital in connection with the Acquisition are estimated to amount to £4,775,000 (excluding applicable VAT).

This aggregate number consists of the following categories (all excluding applicable VAT):

- (i) financial advice: £3,300,000;
- (ii) legal advice: £1,450,000; and
- (iii) other costs/expenses: £25,000.

The aggregate fees and expenses which are expected to be incurred by Schroders in connection with the Acquisition are estimated to amount to between £4,350,000 and £4,600,000 (excluding applicable VAT).

This aggregate number consists of the following categories (all excluding applicable VAT):

- (i) financial advice: £1,670,000 to £1,920,000¹¹;
- (ii) legal advice: £1,580,000;
- (iii) other professional services: £600,000; and
- (iv) other costs/expenses: £500,000.

13. Other information

- (a) Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Schroders or any party acting in concert with Schroders and any of the directors, recent directors, shareholders or recent shareholders of Cazenove Capital which has any connection with, or dependence on, or which is conditional upon the outcome of, the Acquisition.
- (b) There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Ordinary Shares to be acquired pursuant to the Acquisition will be transferred to any person.

¹⁰ This statement should not be construed as a profit forecast or be interpreted to mean that the future earnings per share, profits, margins or cash flows of Schroders will necessarily be greater or less than the historical published earnings per share, profits, margins or cash flows of Schroders.

¹¹ Range due to discretionary element.

- (c) There have been no significant changes in the financial or trading position of the Cazenove Capital Group since the annual results for the year ended 31 December 2012.
- (d) Evercore Partners has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- (e) Gleacher Shacklock has given and has not withdrawn its written consent to the publication of this document with the inclusion of the references to its name in the form and context in which they appear.
- (f) Save with the consent of the Panel, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Schroders may otherwise be, or claim to be, entitled as against such Scheme Shareholder.
- (g) As at 15 April 2013 (being the latest practicable date prior to the publication of this document), Cazenove Capital held no Ordinary Shares as Treasury Shares.
- (h) None of the information in this document constitutes a material change to any information contained in the Announcement.

14. Calculations and sources of information

- (a) Unless otherwise stated:
 - (i) financial information relating to the Schroders Group has been extracted or derived (without any adjustment, save for rounding) from the audited annual report and accounts for Schroders for the year ended 31 December 2012;
 - (ii) financial information relating to the Cazenove Capital Group has been extracted or derived (without any adjustment, save for rounding) from the audited annual report and accounts for Cazenove Capital for the year ended 31 December 2012; and
 - (iii) all information regarding assets under management is stated as at 31 December 2012.
- (b) The value of the Acquisition is calculated on the basis of the fully diluted share capital of Cazenove Capital as set out in paragraph (d) below.
- (c) As at 15 April 2013 (being the latest practicable date prior to the publication of this document), Cazenove Capital had in issue 288,430,117 Ordinary Shares, 42,623,997 Growth Shares and 1 T Share. The T Share exists only to facilitate conversions of Growth Shares and is held by the Cazenove Capital Management Employee Benefit Trust. The T Share does not carry any voting or distribution rights and is not subject to the Acquisition.
- (d) The fully diluted share capital of Cazenove Capital (being 314,230,044 Ordinary Shares)¹² is calculated on the basis of:
 - (i) the number of issued Ordinary Shares referred to in paragraph (c) above;
 - (ii) any further Ordinary Shares which may be issued on or after the Announcement Date on the exercise of options or vesting of awards under the Cazenove Capital Share Schemes, amounting in aggregate to 14,181,549 Ordinary Shares (calculated on a net treasury basis);
 - (iii) 11,745,888 Ordinary Shares held by the Cazenove Capital Management Employee Benefit Trust which will be used to satisfy the settlement of options under the Cazenove Capital Share Schemes;
 - (iv) The diluted number of Growth Shares (including an additional 1,366,667 Growth Shares under option) converting into Ordinary Shares is determined by the formula:

$$(B - A) / B$$
 where B is the current price for an Ordinary Share and A is 61 pence. This is equivalent to 23,364,266 Ordinary Shares at the price for the Acquisition of 135 pence per Ordinary Share.
- (e) The closing price of 85 pence per share from Cazenove Capital's internal dealing facility (which closed on 14 September 2012) has been extracted from the audited annual report and accounts for Cazenove Capital for the year ended 31 December 2012.
- (f) Total shareholder return represents the total return from 30 December 2005 (being the date of the demerger) to 22 March 2013 (being the last business day prior to Announcement), including dividends paid during the period and assuming the reinvestment of dividends. Data for Rathbone Brothers Plc, Brewin Dolphin Holdings PLC and the FTSE All Share has been sourced from FactSet. Total shareholder return for Cazenove Capital has been calculated on the same basis and assumes that dividends paid since 30 December 2005 (including the 2012 Dividend) were re-invested at the next available liquidity window (in the internal dealing facility) at the then prevailing price.

¹² Figures for the fully diluted share capital and the number of Ordinary Shares which may be issued, each calculated on a net treasury basis, differ from the corresponding figures in the Announcement. The inconsistency is due to option exercise requests that were being processed at the time the figures in the Announcement were calculated not becoming effective.

- (g) As at 31 December 2012, Cazenove Capital's minimum regulatory capital requirement (calculated in accordance with the FCA's BIPRU and GENPRU sourcebooks) was approximately £26 million. As at the same date, Cazenove Capital had net tangible assets of approximately £90.4 million. Cazenove Capital's estimated surplus capital position as at 31 December 2012 is shown after adjustment for the 2012 Dividend of approximately £13.6 million and total transaction fees of approximately £4.8 million.
- (h) The Board estimates the cost of upgrading its technology platform to be in the region of £15 million over the next three years.

15. Documents available on websites

- (a) Copies of the following documents are available on www.schroders.com during the Offer Period:
 - (i) the articles of association of Schroders;
 - (ii) the audited consolidated accounts of Schroders for the two financial years ended 31 December 2011 and 31 December 2012;
 - (iii) the contracts referred to in paragraph 6 above which have been entered into in connection with the Acquisition;
 - (iv) the written consents referred to in paragraph 13(d) and 13(e) above;
 - (v) the irrevocable undertakings referred to in paragraph 4(d) above;
 - (vi) the agreed form Loan Note Instrument and the valuation of the Loan Notes by Gleacher Shacklock dated 15 April 2013; and
 - (vii) this document and the accompanying Forms of Proxy and Loan Note Form of Election.
- (b) Copies of the following documents are available on www.cazenovecapital.com during the Offer Period:
 - (i) the memorandum and articles of association of Cazenove Capital;
 - (ii) the audited consolidated accounts of Cazenove Capital for the two financial years ended 31 December 2011 and 31 December 2012; and
 - (iii) this document and the accompanying Forms of Proxy and Loan Note Form of Election.

19 April 2013

PART XI

Summary of Principal Loan Note Terms

The Floating Rate Unsecured Loan Notes of Schroders will be created by a resolution of the board of directors of Schroders or a duly authorised committee thereof and will be constituted by the Loan Note Instrument. The issue of the Loan Notes will be conditional on the Scheme becoming effective. The Loan Note Instrument will contain provisions, inter alia, to the effect set out below.

- (a) The Loan Notes will be issued by Schroders in amounts or integral multiples of one pound (£1) in nominal amount and will constitute unsecured obligations of Schroders. The Loan Note Instrument will not contain any restrictions on borrowing, disposals or charging of assets by Schroders.
- (b) Until such time as the Loan Notes are repaid in full, interest will be payable by Schroders on the outstanding principal amount of the Loan Notes (subject to any requirement to deduct or withhold tax therefrom) semi-annually in arrear on 30 June and 31 December in each year or, if such a day is not a Business Day, on the next succeeding Business Day (each an **"Interest Payment Date"**) in respect of the six month Interest Period (as defined below) then ending at a rate calculated as provided in paragraph (c)(i) below, except that the first payment of interest on the Loan Notes will be made on 31 December 2013 in respect of the period from and including the date of issue of the relevant Loan Notes up to but excluding 31 December 2013. The periods from (and including) the first date of issue of any Loan Notes up to (but excluding) 31 December 2013 or, for any subsequent interest periods, the period from and including the last preceding Interest Payment Date up to (but excluding) the next succeeding Interest Payment Date, are hereinafter referred to as an **"Interest Period"**.
- (c)
 - (i) The Loan Notes will bear interest from the date of issue at a rate of (i) where LIBOR for the Interest Period is at or below 50 basis points, LIBOR less 25 basis points, subject to a minimum of zero per cent., (ii) where LIBOR for the Interest Period is at or above 300 basis points, 2.5 per cent., (iii) where LIBOR for the Interest Period is between 50 and 300 basis points, LIBOR less a margin where the margin is determined by increasing the margin below LIBOR on a straight line basis from 25 basis points where LIBOR is at 50 basis points to a margin below LIBOR of 50 basis points where LIBOR is at 300 basis points.
 - (ii) If LIBOR cannot be established for an Interest Period, the Reserve Interest Rate shall apply. The Reserve Interest Rate is the rate of interest that Schroders shall determine on the basis of the average (rounded down where necessary to the nearest whole multiple of one-sixteenth of 1.0 per cent.) of the respective rates per annum at which any two London clearing banks selected by Schroders are prepared to offer sterling deposits of £1,000,000 for a period equal to, or as nearly as possible, the Interest Period to leading banks in the London inter-bank market at or about 11.00 a.m. (London time) on the first Business Day of the relevant Interest Period.
 - (iii) Interest shall accrue from day to day and each instalment of interest shall be calculated on the basis of a 365 day year.
 - (iv) A certificate in writing by an authorised official of Schroders shall be conclusive evidence of the Reserve Interest Rate.
 - (v) All payments of interest or principal in respect of Loan Notes will be made subject to deduction of any tax required to be deducted or withheld. No additional amount shall be required to be paid as a result of or in connection with any withholding or deduction.
- (d) A holder of Loan Notes (a **"Noteholder"**) shall be entitled to require Schroders to repay the whole (whatever the amount) or any part (being a minimum amount of £100 nominal or any integral multiple thereof) of the principal amount of his holding of Loan Notes at par, together with accrued interest (subject to any requirement to deduct or withhold tax) up to but excluding the date of repayment, on the date falling 12 months and one day after the date of issue of the Loan Notes and thereafter on 30 June and 31 December in each year (each such date being a **"Redemption Date"**) on giving not less than three months' prior notice in writing to Schroders (or any registrar appointed by Schroders) to expire on or before the relevant Redemption Date accompanied by the certificate(s) for all the Loan Notes to be repaid and a notice of redemption (duly completed) provided that no such notice may be given in respect of any Loan Notes in respect of which notice of redemption has previously been given by Schroders in accordance with paragraph (e) below.
- (e) If at any time from or after the date falling 12 months and one day after the date of issue of the Loan Notes the principal amount of all Loan Notes outstanding equals or is below £2,000,000, Schroders shall have the right on giving the remaining Noteholders not less than 30 days' notice in writing, to redeem all (but not some only) of the outstanding Loan Notes at par together with accrued interest (subject to any requirement to deduct or withhold tax therefrom) up to but excluding the date of payment.
- (f) Except as set out in paragraph (g) below, any Loan Notes not previously repaid, redeemed or purchased and cancelled will be repaid in full at par on the fifth anniversary of the date of issue of the Loan Notes together with accrued interest thereon (subject to any requirement to deduct or withhold tax therefrom) up to but excluding that date.
- (g) Schroders may, on serving at least 30 days' notice to the Noteholders, elect to extend the term of the Loan Notes for a period of up to 12 months. During any such extension period, and any subsequent extension period, Schroders

may elect, on serving at least 30 days' notice to the Noteholders, to extend the term of the Loan Notes for a further period of up to 12 months.

- (h) Payments of interest or repayments of principal may be effected by issuing a cheque or by means of bank transfer or Bankers Automated Clearing System.
- (i) Any Loan Notes repaid, redeemed or purchased will be cancelled and shall not be available for re-issue.
- (j) The Noteholders will have power by special resolution of the Noteholders passed in accordance with the provisions of the Loan Note Instrument or by resolution in writing signed by holders of not less than 75 per cent. of the outstanding Loan Notes, inter alia, to sanction any modification, abrogation, compromise or release of the provisions of the Loan Note Instrument by Schroders. Schroders may, with the consent of its financial advisers, amend the provisions of the Loan Note Instrument, without such sanction or consent, if such amendment: (i) in the written opinion of the financial adviser, is of a formal, minor or technical nature or to correct a manifest error or (ii) is considered by Schroders (acting reasonably) to be necessary or appropriate for the purposes of the efficient administration of the Loan Notes including (without limitation) in response to circumstances which have arisen since the date of the Loan Note Instrument, and in the written opinion of the financial adviser, such amendment would not be materially prejudicial to the interests of the Noteholders, provided that certain key provisions of the Loan Note Instrument may not be amended under the power set out in this paragraph (ii).
- (k) Schroders has the right on a redemption by it on the fifth anniversary of the date of issue of the Loan Notes, by not less than three months' notice in writing to Noteholders, to pay each Noteholder in lieu and in satisfaction of the principal amount in sterling to be redeemed, an amount in US dollars equal to the amount in US dollars that the sterling amount equal to the principal amount of such Loan Notes to be redeemed could have purchased on the fifth Business Day before the date of such notice from Schroders at the spot rate for the purchase of US dollars with sterling certified by Schroders as prevailing at 11.00 a.m. (London time) on that day and, if such day is not a Business Day the next following Business Day or as soon as practicable thereafter, provided that such amount shall be not less than 99.5 per cent. or more than 100.5 per cent. of the amount in US dollars that the sterling principal amount of the Loan Notes to be redeemed could have purchased at the spot rate on the fifth anniversary of the date of issue of the Loan Notes.
- (l) Each Noteholder shall have the right on any Redemption Date falling on or after the date falling 12 months and a day after the date of issue of the Loan Notes, by giving no less than three and no more than four months' written notice to Schroders ending on such Redemption Date, to require Schroders to pay, on a redemption of the whole (whatever the amount) or any part (being £100 in nominal amount or any integral multiple thereof) of the principal amount of his holding of Loan Notes, in lieu and in satisfaction of the principal amount in sterling of the Loan Notes to be redeemed, an amount in US dollars equal to the amount in US dollars that the sterling amount equal to the principal amount of the Loan Notes held by such Noteholder to be redeemed could have purchased on the fifth Business Day before the date of such notice at the spot rate for the purchase of US dollars with sterling certified by Schroders as prevailing at 11.00 a.m. (London time) on that day and, if such day is not a Business Day, the next following Business Day or as soon as practicable thereafter, provided that such amount shall be no less than 99.5 per cent. or more than 100.5 per cent. of the amount in US dollars that the sterling principal amount of the Loan Notes to be redeemed could have purchased at the spot rate on such Redemption Date.
- (m) Each Noteholder shall be entitled by notice in writing to Schroders to require all or part (being £1 nominal amount or an integral multiple thereof) of the aggregate principal moneys of the Loan Notes held by him to be repaid together with accrued interest (subject to any requirement to deduct or withhold tax therefrom) if:
 - (i) any principal or interest payable on any of the Loan Notes held by that Noteholder shall fail to be paid in full by Schroders within 30 days after the due date for payment thereof; or
 - (ii) an order is made or an effective resolution is passed for the winding up or dissolution of Schroders or any directly analogous proceedings occurring in a relevant jurisdiction (other than (a) a voluntary winding-up for the purposes of amalgamation, reorganisation, merger, reconstruction or liquidation under, or in connection with, which a successor or successors undertake(s), or by operation of law will be bound by, the obligations of Schroders under the Loan Notes or (b) a member's voluntary winding-up, in each case on terms previously approved by special resolution of the Noteholders); or
 - (iii) an encumbrancer takes possession of, or a trustee, receiver, administrator or similar officer is appointed or an administration order is made in respect of, Schroders or the whole or substantially the whole of the property or undertaking of Schroders and such person has not been paid out or discharged within 30 days; or
 - (iv) Schroders proposes, makes or is subject to an arrangement or composition with its creditors generally, an application to a court of competent jurisdiction for protection from its creditors generally or a scheme of arrangement under Part 26 of the Companies Act 2006 (other than a scheme or arrangement for the purpose of a solvent voluntary reconstruction or amalgamation).
- (n) Schroders shall be entitled at any time to purchase any Loan Notes at any price by tender, private treaty or otherwise by agreement with the relevant Noteholder(s).
- (o) The Loan Notes will be evidenced by certificates and will be registered and transferable only in amounts or integral multiples of £100 in nominal amount (or amounts equal to the entire holding, whatever the amount), provided that

transfers of Loan Notes will not be registered during the 14 days immediately preceding an Interest Payment Date or while the register of Noteholders is closed.

- (p) A Noteholder may transfer his entire holding of Loan Notes (whatever the amount) or may transfer Loan Notes in amounts or integral multiples of £100 (or amounts equal to the entire holding of the relevant Noteholder) but only to certain permitted transferees (as defined in the Loan Note Instrument), including certain close relatives, family trusts and both of the New Unit Trusts.
- (q) Amounts due in respect of interest on any Loan Notes which remain unclaimed by the relevant Noteholder for a period of five years and amounts due in respect of principal which remain unclaimed for a period of 10 years by the relevant Noteholder, in each case, from the date on which the relevant payment first becomes due will revert to Schroders and the relevant Noteholder will cease to be entitled thereto.
- (r) No application has been made or is intended to be made to any stock exchange or other dealing service for the Loan Notes to be listed or otherwise traded.
- (s) The Loan Notes, the Loan Note Instrument and any dispute or claim arising out of or in connection with them or their subject matter (including any non-contractual obligations, disputes or claims) will be governed by and construed in accordance with English law.
- (t) The Loan Notes will contain provisions entitling Schroders (subject to certain conditions) to substitute, wholly or partly, any other member of the Schroders Group, any Unit Trust Company or any other company as the principal debtor under the Loan Note Instrument in respect of some or all of the Loan Notes or after 30 September 2013 to require all or any of the Noteholders to exchange their Loan Notes for loan notes of the same principal value issued on the same terms mutatis mutandis by any other member of the Schroders Group, any Unit Trust Company or any other company. References to Schroders in this summary shall be construed accordingly. The obligations of any substituted or new principal debtor will be guaranteed by Schroders. Any guarantee or guarantees given in respect of any Unit Trust Company or subsidiary of Schroders, in each case where the relevant Unit Trust Company or subsidiary of Schroders becomes a substituted company or a new principal debtor in connection with the Unit Trust Rollover, may be limited to such an amount as Schroders may lawfully agree to guarantee without obtaining the approval of its shareholders pursuant to Chapter 10 of the Listing Rules.
- (u) The Loan Notes have not been nor will be registered under the United States Securities Act of 1933 (as amended), or under any of the relevant securities laws of any State of the United States, and no steps have been taken to enable the Loan Notes to be offered in compliance with applicable securities laws of any other jurisdiction where to do so would constitute a violation of the relevant laws and regulations of that jurisdiction. The Loan Notes may not be offered, sold, resold, delivered or distributed directly or indirectly, in or into, or by use of the mail or any means of instrumentality (including without limitation, facsimile transmission, telex or telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States or in or into any other jurisdiction where to do so would constitute a violation of the relevant laws and regulations of that jurisdiction.

PART XII

Implementation of the Unit Trust Rollover

In accordance with the terms of the Co-operation Agreement, it is expected that, subject to certain conditions, the Unit Trust Rollover will be implemented in each case using either the **“Direct Transfer Method”** or the **“Distribution Method”**, each of which is summarised below. The Unit Trust Rollover will be implemented only in relation to those Loan Notes in respect of which an eligible Rollover Form of Election has been received (the **“Elected Loan Notes”**).

In respect of each of the New Unit Trusts, both the Direct Transfer Method and the Distribution Method will involve a newly incorporated company (**“NewCo”**) being substituted as the debtor under the Elected Loan Notes in accordance with the terms of the Loan Notes.

Under the Direct Transfer Method, the relevant New Unit Trust will own more than 25 per cent. of the ordinary share capital of the relevant NewCo. Eligible holders of Elected Loan Notes will then transfer their Elected Loan Notes to the relevant New Unit Trust in exchange for the issue to them of units in the relevant New Unit Trust.

Under the Distribution Method, the Elected Loan Notes will be converted into A ordinary shares in the capital of the relevant NewCo (**“A Shares”**). The relevant NewCo will purchase securities and investments matching the investment profile or strategy of the relevant New Unit Trust, with a market value at the date of their acquisition equal, in aggregate, to the principal amount of the Elected Loan Notes together with any accrued interest, plus or minus any broken funding benefits or costs at the time when the relevant NewCo was established as the debtor under the relevant Elected Loan Notes. It is intended that the relevant NewCo will continue to carry on its business for a period. The relevant NewCo will then be liquidated and, in connection with its liquidation, will transfer its securities and other investments to the relevant New Unit Trust in exchange for the issue of units in the relevant New Unit Trust to the holders of A Shares (being those persons who held the relevant Elected Loan Notes prior to their conversion to A Shares).

Regardless of whether the Direct Transfer Method or the Distribution Method is used, immediately after the Unit Trust Rollover has been implemented eligible holders of the relevant Elected Loan Notes will hold units in the relevant New Unit Trust pro rata to their holdings of the relevant Elected Loan Notes.

Any participation in the Unit Trust Rollover will be subject to the receipt of a valid Rollover Form of Election from the relevant eligible holder of Loan Notes. The Rollover Form of Election will, among other things:

- (a) authorise the relevant New Unit Trust (and others) to take or procure the taking of such actions as are considered necessary to implement the Unit Trust Rollover;
- (b) contain such other terms as are customary for forms of election in respect of securities and forms of application in respect of investments in a unit trust, including (without limitation) warranties from the holder of the relevant Loan Notes as to his/her title to the relevant Loan Notes and his/her residence in the United Kingdom; and
- (c) contain an acknowledgement from the holder of the relevant Loan Notes that his/her participation in the Unit Trust Rollover is subject to, and will be in accordance with, the terms and conditions applicable to holders of units in the relevant New Unit Trust, and that the holder of the relevant Loan Notes will hold units in the relevant New Unit Trust subject to, and in accordance with, such terms and conditions (in each case save for the terms relating to a minimum initial investment and minimum holding).

PART XIII

Definitions

"2012 Dividend"	the dividend of 4.75 pence per Ordinary Share for the financial year ended 31 December 2012
"5% Interestholder"	in relation to a company, a person who, either alone or together with persons connected with him, holds more than 5% of, or of any class of, the shares in or debentures of the company in question
"Acquisition"	the proposed acquisition of the entire issued and to be issued ordinary share capital of Cazenove Capital (other than the Excluded Shares) by Schroders to be effected by the Scheme as described in this document
"Announcement"	the announcement in relation to the Acquisition made by Schroders on 25 March 2013, pursuant to Rule 2.7 of the City Code
"Announcement Date"	25 March 2013
"Appropriate Regulator"	the FCA or the PRA (as the case may be)
"associated undertaking"	has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 other than paragraph 19(1)(b) of Schedule 6 to those Regulations which shall be excluded for this purpose
"Australia"	the Commonwealth of Australia, its territories and possessions
"Bona Fide Transaction"	a transaction which is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is the avoidance of liability to capital gains tax or corporation tax
"Business Day"	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and Jersey
"Cazenove Capital"	Cazenove Capital Holdings Limited, a company incorporated in Jersey with registered number 91495
"Cazenove Capital Directors" or "Board"	the directors of Cazenove Capital
"Cazenove Capital Group"	Cazenove Capital and its subsidiaries and subsidiary undertakings from time to time
"Cazenove Capital Shareholders" or "Ordinary Shareholders"	the holders of Ordinary Shares
"Cazenove Capital Share Schemes"	the Cazenove Capital 2009 Conditional Share Plan, the Cazenove Capital Share Option Plan, the Cazenove Capital Sharesave Scheme and the Cazenove Capital Restricted and Growth Share Plan
"Cazenove Capital's Registrar"	Equiniti
"Cazenove EBT"	the Cazenove Capital Employee Benefit Trust
"Cazenove Nominee"	Lerisson Nominees Limited, the nominee company holding Ordinary Shares and Growth Shares beneficially on behalf of participants on the terms of the Cazenove Capital Restricted and Growth Share Plan from time to time
"Cazenove Service Company"	Cazenove Service Company of 12 Tokenhouse Yard, London EC2R 7AN
"CCML"	Cazenove Capital Management Limited of 12 Moorgate, London EC2R 6DA
"City Code"	the City Code on Takeovers and Mergers
"Conditions"	the conditions of the Acquisition set out in Part V of this Scheme Document or, if applicable, the Offer Document, and "Condition" means any of them

“Co-operation Agreement”	the co-operation agreement entered into between Schroders and Cazenove Capital on the Announcement Date in connection with the Acquisition and amended on 19 April 2013
“Court”	the Royal Court of Jersey
“Court Meeting”	the meeting of the Ordinary Shareholders convened by order of the Court pursuant to Article 125 of the Companies (Jersey) Law 1991 for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof
“Dealing Disclosure”	has the meaning given to it in the City Code
“Direct Transfer Method” or “Distribution Method”	have the meanings given to such terms in Part XII of this document
“Disclosed”	fairly disclosed in writing by or on behalf of Cazenove Capital to Schroders or its professional advisers before the Announcement Date in connection with the Acquisition
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms
“Elected Loan Notes”	Loan Notes in respect of which an eligible Rollover Form of Election has been received
“Eligible Noteholders”	Cazenove Capital Shareholders who elect to participate in the Loan Note Alternative and who are resident in the United Kingdom
“Evercore Partners”	Evercore Partners International LLP
“Excluded Shares”	any Ordinary Shares legally or beneficially owned by Schroders or any of its subsidiaries or subsidiary undertakings
“FCA”	the Financial Conduct Authority or any successor authority or authorities
“Forms of Proxy”	the forms of proxy for use at the Court Meeting and/or the General Meeting
“FSMA”	the Financial Services and Markets Act 2000 (as it may have been, or may from time to time be, amended, modified, re-enacted or replaced)
“General Meeting”	the extraordinary general meeting of Cazenove Capital Shareholders to be convened to consider and if thought fit pass the Special Resolution
“Gleacher Shacklock”	Gleacher Shacklock LLP
“Growth Shares”	the growth shares of no par value in the capital of Cazenove Capital
“HMRC”	H.M. Revenue & Customs
“Jersey”	the Bailiwick of Jersey, Channel Islands
“LIBOR”	in respect of an interest period, the rate per annum which is the offered rate for six months sterling deposits which appears on: <ol style="list-style-type: none"> 1. Reuters screen page LIBOR01; or 2. if that page is replaced or if that service ceases to display such information, such page as displays such information on such equivalent service, at or about 11.00 a.m. on the first Business Day of the relevant interest period
“Listing Rules”	the listing rules contained in the FCA Handbook
“Loan Note Alternative”	the option whereby Cazenove Capital Shareholders (other than Restricted Shareholders) may elect to receive Loan Notes instead of some or all of the cash consideration to which they would otherwise be entitled under the Acquisition
“Loan Note Form of Election”	the pink form of election to be sent to eligible Ordinary Shareholders by or on behalf of Cazenove Capital pursuant to which an eligible Ordinary Shareholder may make an election under the Loan Note Alternative in respect of some or all of his Scheme Shares

“Loan Note Instrument”	an instrument substantially in the form already prepared and initialled for the purpose of identification by Slaughter and May and Herbert Smith Freehills LLP for Schroders and Cazenove Capital respectively, with such modifications or additions, if any, as may be agreed between Schroders and Cazenove Capital prior to the execution thereof
“Loan Notes”	the unsecured floating rate loan notes of Schroders to be issued pursuant to the Loan Note Alternative
“London Stock Exchange”	London Stock Exchange plc
“Long Stop Date”	31 October 2013
“Meetings”	the Court Meeting and the General Meeting (each a “Meeting”)
“New Unit Trusts”	the authorised unit trust schemes proposed to be established in connection with the Unit Trust Rollover
“NewCo”	has the meaning given to it in Part XII of this document
“Offer”	should the Acquisition be implemented by way of a takeover offer (as defined in Article 116 of the Companies (Jersey) Law 1991), the takeover offer to be made by or on behalf of Schroders to acquire the entire issued and to be issued ordinary share capital of Cazenove Capital and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
“Offer Document”	should the Acquisition be implemented by means of the Offer, the document to be sent to Cazenove Capital Shareholders which will contain, inter alia, the terms and conditions of the Offer
“Offer Period”	the period commencing on 22 March 2013 and ending on the earlier of the date on which the Scheme becomes effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide)
“Opening Position Disclosure”	has the meaning given to it in the City Code
“Ordinary Shareholders” or “Cazenove Capital Shareholders”	holders of Ordinary Shares
“Ordinary Shares”	the ordinary shares of no par value in the capital of Cazenove Capital
“Overseas Shareholders”	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or Jersey
“Panel”	the Panel on Takeovers and Mergers
“PRA”	the Prudential Regulation Authority or any successor authority or authorities
“Registrar of Companies”	the Registrar of Companies for Jersey
“Regulatory Information Service”	a regulatory information service that is approved by the Financial Conduct Authority and that is on the list of regulatory information services maintained by the Financial Conduct Authority
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Cazenove Capital Shareholders in that jurisdiction
“Restricted Ordinary Shares”	certain Ordinary Shares subject to the Cazenove Capital Restricted and Growth Share Plan
“Restricted Shareholder”	any person in, or resident in, or any person whom Schroders reasonably believes to be a person in, or resident in, Australia, Hong Kong or the United States and for the purposes of this definition, a “person” includes an individual, a corporation, a partnership, an unincorporated syndicate, a limited liability company, an unincorporated organisation, a trust, a trustee, an executor, an administrator or other legal representative, provided that Schroders may, in its absolute discretion, decide that a person who would otherwise be regarded as a Restricted Shareholder shall not be regarded as a Restricted Shareholder

“Rollover Form of Election”	the form of election expected to be sent to Eligible Noteholders in relation to the Unit Trust Rollover
“Scheme”	the proposed scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991 between Cazenove Capital and Scheme Shareholders to implement the Acquisition, set out in Part VI of this document
“Scheme Court Hearing”	the hearing of the Court to sanction the Scheme
“Scheme Court Hearing Date”	the date of the Scheme Court Hearing
“Scheme Court Order”	the act of the Court sanctioning the Scheme
“Scheme Document”	this document
“Scheme Record Time”	6.00 p.m. on the Scheme Court Hearing Date
“Scheme Shareholders”	holders of Scheme Shares
“Scheme Shares”	<ol style="list-style-type: none"> 1. the Ordinary Shares in issue at the date of the Scheme Document; 2. any Ordinary Shares issued after the date of the Scheme Document and before the Voting Record Time; and 3. any Ordinary Shares issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, <p>other than any Excluded Shares</p>
“Schroders”	Schroders plc, a company incorporated in England and Wales with registered number 3909886
“Schroders Group”	Schroders and its subsidiaries and subsidiary undertakings from time to time
“Schroders Non-Voting Shares”	non-voting ordinary shares of £1 each in the capital of Schroders
“Schroders Voting Shares”	voting ordinary shares of £1 each in the capital of Schroders
“Special Resolution”	the special resolution to be considered at the General Meeting in relation to, among other things, the alteration of Cazenove Capital’s articles of association and such other matters as may be necessary to implement the Scheme
“subsidiary”	has the meaning given in section 1159 of the Companies Act 2006
“subsidiary undertaking”	has the meaning given in the Companies Act 2006
“T Share”	the T share with no par value in the capital of Cazenove Capital
“TCGA”	the Taxation of Chargeable Gains Act 1992
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FCA is referred to as the UK Listing Authority when it is exercising its powers under Part 6 of FSMA
“Unit Trust Company”	any company whose shares are held wholly or partly by or for the account of a New Unit Trust (or any other collective investment scheme in respect of which any member of the Schroders Group is the manager, authorised company director or equivalent)
“Unit Trust Rollover”	the opportunity for holders of Loan Notes to exchange their Loan Notes for units in one or both of the New Unit Trusts, as described in Part XII of this document
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended

"Voting Record Time"	6.00 p.m. on the day which is two days before the date of the Court Meeting or any adjournment thereof (as the case may be)
"Wider Cazenove Capital Group"	Cazenove Capital and its subsidiary undertakings, associated undertakings and any other undertaking in which Cazenove Capital and/or such undertakings (aggregating their interests) have a significant interest
"Wider Schroders Group"	Schroders and its subsidiary undertakings, associated undertakings and any other undertaking in which Schroders and/or such undertakings (aggregating their interests) have a significant interest

PART XIV

Notice of Court Meeting

IN THE ROYAL COURT OF JERSEY
SAMEDI DIVISION

File no. 2013/150

IN THE MATTER OF
CAZENOVE CAPITAL HOLDINGS LIMITED

and

IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991

NOTICE IS HEREBY GIVEN that, by an order dated 16 April 2013 made in the above matters, the Court has directed a meeting (the **"Court Meeting"**) of the holders of Cazenove Capital Holdings Limited ordinary shares of no par value (**"Ordinary Shares"**) to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to Article 125 of the Companies (Jersey) Law 1991 dated 19 April 2013 (the **"Scheme of Arrangement"**) proposed to be made between Cazenove Capital Holdings Limited (the **"Company"**) and the holders of Scheme Shares (as defined in the Scheme of Arrangement) and that such meeting will be held at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED on 17 May 2013 at 11.00 a.m., at which place and time all holders of Ordinary Shares are requested to attend either in person or by proxy.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to Article 126 of the Companies (Jersey) Law 1991 in relation to the Scheme of Arrangement are incorporated in the document of which this notice forms part.

Holders of Ordinary Shares entitled to attend and vote at the Court Meeting may vote in person at the said Court Meeting or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies to attend, speak and vote in their stead. A blue form of proxy ("Blue Form of Proxy") for voting at the said Court Meeting is enclosed with this notice.

Holders of Ordinary Shares are entitled to appoint a proxy in respect of some or all of their shares. A holder of Ordinary Shares is also entitled to appoint more than one proxy in relation to the Court Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the Blue Form of Proxy to allow holders of Ordinary Shares to specify the number of shares in respect of which that proxy is appointed. Holders of the Ordinary Shares who return the Blue Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all of their shares.

Holders of Ordinary Shares who wish to appoint more than one proxy in respect of their shareholding should contact the Company's registrar, Equiniti, on the number shown below for further Blue Forms of Proxy or photocopy the Blue Forms of Proxy as required. Such holders should also read the section entitled "Can I appoint more than one proxy?" set out on page 22 of the document of which this notice forms part.

If you have not received all of the relevant documents or have any questions relating to this document, the Court Meeting, the completion and return of the Blue Form of Proxy or appointing a proxy, please call Equiniti on 0871 384 2891 (from within the UK) or +44 121 415 0090 (from outside the UK). Calls to the 0871 384 2891 number cost 8 pence per minute (excluding VAT), plus network extras. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (except UK public holidays). Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or the Acquisition nor give any financial, legal, investment or tax advice.

Completion and return of the Blue Form of Proxy will not preclude a holder of Ordinary Shares from attending and voting in person at the Court Meeting, or any adjournment thereof.

To be valid the Blue Form of Proxy should be completed in accordance with the instructions printed on it and be signed and lodged (together with any power of attorney or other authority under which it is signed, or a duly certified copy of such power of attorney or other authority) with the Company's registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 11.00 a.m. on 15 May 2013, or in the case of an adjourned meeting, not less than 48 hours before the time appointed for the said meeting, but if Blue Forms of Proxy are not so lodged or submitted, they may be handed to Equiniti (on behalf of the Chairman of the Court Meeting) or the Chairman of the Company at the start of the Court Meeting.

In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

The Court has specified that only those shareholders registered in the register of members of the Company as at 6.00 p.m. on 15 May 2013 or, in the event that the Court Meeting is adjourned, at 6.00 p.m. on the date two days before such adjourned meeting, shall be entitled to attend or vote in respect of the number of shares registered in their name at that specified time. Changes to the entries on the register of members after that specified time will be disregarded in determining the right of any person to attend and vote at the Court Meeting, including the number of votes which may be cast thereat.

Voting at the Court Meeting will be conducted on a poll rather than a show of hands.

By the said order, the Court has appointed David Mayhew or failing him any director of the Company to act as chairman of the Court Meeting and has directed the chairman to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 19 April 2013

Ogier
Ogier House
The Esplanade
St Helier
Jersey JE4 9WG

Advocates and Solicitors to the Company

PART XV

Notice of Extraordinary General Meeting

Cazenove Capital Holdings Limited

(Registered in Jersey No. 91495)

(the “Company”)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**General Meeting**”) of the Company will be held on 17 May 2013 at the Institute of Directors, 116 Pall Mall, London SW1Y 5ED at 11.15 a.m. (or, if later, as soon thereafter as the meeting of the holders of ordinary shares in the Company convened by the direction of the Royal Court of Jersey (the “**Court**”) for 11.00 a.m. on the same day and at the same place shall have concluded or been adjourned) to consider and, if thought fit, pass the following as a special resolution:

Special Resolution

THAT:

for the purpose of giving effect to the Scheme of Arrangement dated 19 April 2013 (the “**Scheme**”) between the Company and holders of Scheme Shares (as defined in the Scheme) a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman of the meeting, in its original form in the circular sent to shareholders of the Company dated 19 April 2013 or with or subject to any modification, addition or condition agreed by the Company and Schroders plc (“**Schroders**”) and approved or imposed by the Court;

- (A) the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- (B) forthwith upon the passing of this special resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 128:

“128. Scheme of Arrangement

- (1) In this article 128, references to the “Scheme” are to the scheme of arrangement dated 19 April 2013 under Article 125 of the Companies (Jersey) Law 1991 between the Company and the holders of the Scheme Shares (as defined in the Scheme), as it may be modified or amended in accordance with its terms, and expressions defined in the Scheme or (if not so defined in the Scheme) defined in the circular dated 19 April 2013 circulated with the Scheme containing the explanatory statement required pursuant to Article 126 of the Companies (Jersey) Law 1991, shall have the same meanings where used in this article.
- (2) Notwithstanding any other provision of these articles, if the Company issues any ordinary shares (other than to Schroders or any person identified by Schroders as its nominee(s) and/or designated subsidiary) at any time on or after the adoption of this article and prior to the Scheme Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holder or holders of such shares shall be bound by the Scheme accordingly.
- (3) Notwithstanding any other provision of these articles, if, at any time on or after the Scheme Record Time (as defined in the Scheme), any ordinary shares (for the purposes of this article 128, “**New Cazenove Capital Shares**”) are issued or are to be issued to any person (a “**New Member**”) other than Schroders or any person identified by written notice to the Company by Schroders as its nominee(s) and/or designated subsidiary, provided that the Scheme has become effective, such New Cazenove Capital Shares shall be transferred immediately after the time at which the Scheme becomes effective or, if later, upon the issue of the New Cazenove Capital Shares, free of all encumbrances, to Schroders (or as Schroders may direct by notice in writing to the Company) in consideration for, and conditionally upon, the payment to the New Member of the same cash consideration per ordinary share in the capital of the Company as the New Member would have been entitled to receive if the New Cazenove Capital Shares transferred hereunder had been Scheme Shares and the New Member had been the holder thereof at the Scheme Record Time and the New Member had not elected for the Loan Note Alternative.
- (4) On any reorganisation of, or material alteration to, the share capital of the Company (including without limitation, any subdivision and/or consolidation), the value of the consideration per ordinary share to be paid under article 128(3) shall be adjusted by the directors of the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration.
- (5) To give effect to any such transfer required by article 128(3), the Company may appoint (and, separately, to the extent necessary, each New Member shall therefore also appoint) any person as the Company may determine as attorney (under the Powers of Attorney (Jersey) Law 1995 and such appointment shall be irrevocable for a period of one year from the date upon which such New Member is issued the relevant New Cazenove Capital Shares for that New Member) for the New Member to transfer the New Cazenove Capital Shares to Schroders and/or its nominees and to do such other things and to execute and deliver a form of transfer on behalf of the New Member in favour of Schroders (or as directed by Schroders) and to agree for and on behalf of the New Member to become a member of Schroders. Pending the registration of Schroders (or its designated subsidiary and/or nominee(s)) as the holder of any share to be transferred pursuant to this

article 128, such attorney shall act in accordance with such directions as Schroders may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such share shall exercise all rights attaching thereto in accordance with the directions of Schroders but not otherwise. The attorney shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of Schroders (or as directed by Schroders) and the Company may give a good receipt for the consideration for the New Cazenove Capital Shares and may register Schroders (or its designated subsidiary and/or nominees) as holder thereof and issue to it certificates for the same. Schroders shall send a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such New Cazenove Capital Shares within 14 days of the issue of the New Cazenove Capital Shares to the New Member. The Company shall not be obliged to issue a certificate to the New Member for the New Cazenove Capital Shares.

- (6) If the Scheme shall not have become effective by 31 October 2013 (or such later date (if any) as the Company and Schroders may agree and the Court may approve), this article 128 shall be of no effect.”; and
- (C) with effect from the date on which the Court issues the Scheme Court Order (as defined in the Scheme), the articles of association of the Company be amended by: (i) the deletion of the word “or” at the end of Article 16(A)(viii); (ii) the deletion of the full stop at the end of Article 16(A)(ix); (iii) the addition of a semi-colon followed by the word “or” at the end of Article 16(A)(ix); and (iv) the adoption and inclusion of a new sub-paragraph (x) at the end of Article 16(A) as follows:
- “(x) pursuant to the scheme of arrangement (the “**Scheme**”) dated 19 April 2013 under Article 125 of the Companies (Jersey) Law 1991 between the Company and the holders of the Scheme Shares (as defined in the Scheme).”

BY ORDER OF THE BOARD

Helena Harvey
Company Secretary

Cazenove Capital Holdings Limited
Ogier House
The Esplanade
St Helier
Jersey JE4 9WG

19 April 2013

NOTES TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING

1. In order to satisfy the voting requirements of the Companies (Jersey) Law 1991 at the meeting of the shareholders of the Company convened by the Court (the “**Court Meeting**”), it is necessary for voting at the Court Meeting to be conducted by way of poll. Given the significance of the matters being considered at the General Meeting and in order to best represent the interests of shareholders when voting on the special resolution to be considered at the General Meeting, the usual method of voting by poll as specified in the articles of association of the Company (the “**Articles of Association**”) will be adopted.

Voting by way of poll means that shareholder votes are counted according to the number of shares held. The Chairman will decide how the poll will be taken. In addition, the Chairman of the General Meeting will cast the votes for which he has been appointed as proxy.

2. Only those shareholders registered in the register of members of the Company at 6.00 p.m. on 15 May 2013 shall be entitled to attend and vote at this General Meeting in respect of the number of shares registered in their name at that time. 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 General Meeting. If the General Meeting is adjourned, only shareholders entered on the Company's register of members at 6.00 p.m. two days before the time fixed for the adjourned General Meeting shall be entitled to attend and vote at the adjourned General Meeting.
3. A member entitled to attend and vote at this General Meeting may appoint one or more person(s) (who need not be members of the Company) to exercise all or any of his rights to attend and vote at the General Meeting. A member can appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. Completion and submission of the white Form of Proxy (as defined in the Scheme) will not preclude the member from attending and voting at the General Meeting or any adjournment thereof. If a member attends the General Meeting in person, the authority of the proxy or proxies will automatically be terminated.
4. A white Form of Proxy is enclosed for use in respect of the General Meeting. White Forms of Proxy must be received by the Company's registrars, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA at least 48 hours before the General Meeting.
5. Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company's registrars, Equiniti, on the number below for further white Forms of Proxy or photocopy the white Form of Proxy as required. Such holders should also read the section entitled “Can I appoint more than one proxy?” set out on page 22 of the document of which this notice forms part.
6. If you have not received all of the relevant documents or have any questions relating to this document, the General Meeting or the completion and return of the Forms of Proxy, please call the Company's registrars, Equiniti on 0871 384 2891 (from within the UK) or +44 121 415 0090 (from outside the UK). Calls to the 0871 384 2891 number cost 8 pence per minute (excluding VAT), plus network extras. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (except UK public holidays). Calls to the shareholder helpline from outside the United Kingdom will be charged at the applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme, the Acquisition or the Loan Notes or give any financial, legal, investment or tax advice.
7. Any or all joint holders of shares may attend the General Meeting, although only one holder may vote in person or by proxy. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members of the Company in respect of the joint holding (the first named being the most senior).
8. A member of the Company which is a corporation and which wishes to be represented at the meeting by a person with authority to speak and vote (a “**corporate representative**”) must appoint such a person by resolution of its directors or other governing body. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it was an individual member of the Company. Under Jersey law it is not possible for a body corporate to appoint more than one corporate representative to vote on its behalf at the meeting. A member of the Company which is a corporation which wishes to appoint more than one person to vote on its behalf at the meeting may appoint more than one proxy in respect of their shareholding in accordance with paragraph 5 above.
9. The Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General Meeting which is put by a member attending the General Meeting, except (i) if to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) if the answer has already been given on a website in the form of an answer to a question, or (iii) if it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.
10. The contents of this notice of General Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the General Meeting, details of the totals of the voting rights that members are entitled to exercise at the General Meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website: www.cazenovecapital.com.

