



ST. JAMES'S PLACE plc

NOTICE OF ANNUAL  
GENERAL MEETING  
TO BE HELD ON  
14 MAY 2014

**This document is important and requires your immediate attention.**

If you are in any doubt as to the action you should take, you should consult your professional adviser immediately.

If you have sold or transferred all your shares in St. James's Place plc, please send this document and the accompanying form of proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



## ST. JAMES'S PLACE plc

1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP

Telephone 01285 640302 Facsimile 01285 640436

4 April 2014

Dear Shareholder

### **Annual General Meeting 2014**

I am pleased to invite you to the Annual General Meeting (the "AGM") of St. James's Place plc (the "Company"), which will be held at 11am on Wednesday 14 May 2014 at The Royal Aeronautical Society, 4 Hamilton Place, London, W1J 7BQ.

The Notice of AGM, which follows this letter, sets out the business to be considered at the meeting, together with Explanatory Notes which describe that business in more detail.

You will see that we have two new Non-executive Directors standing for election at this year's AGM, Simon Jeffreys and Roger Yates (Resolutions 11 and 12). In addition, in line with the UK Corporate Governance Code, all other Directors will be standing for re-election (Resolutions 3 to 10). The biographies of each director may be found on the Company's website and in the Annual Report and Accounts on pages 52 and 53.

A form of proxy for use by shareholders in connection with the AGM is enclosed. We would request that (whether or not you are able to attend the meeting), you complete the form of proxy and send it to the Company's Registrars as soon as possible and, in any event, so as to be received by no later than 11:00am on Monday 12 May 2014.

Further information on proxies is contained in the Explanatory Notes on pages 6 to 8 of this document. Submitting a form of proxy will ensure that your vote is recorded but will not prevent you from attending the meeting and voting in person, should you wish to do so.

The Board considers that all the proposed Resolutions set out in this Notice are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of each Resolution, as they themselves intend to do in respect of their own beneficial shareholdings in the Company.

Yours faithfully

Sarah Bates

*Chairman*

Registered office as above. Registered in England and Wales 3183415

## **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of St. James's Place plc (the "Company") will be held at The Royal Aeronautical Society, 4 Hamilton Place, London, W1J 7BQ on 14 May 2014 at 11:00am. The Annual General Meeting will be held for the following purposes:

### **ORDINARY BUSINESS**

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions:

#### **Resolution 1**

To receive the Company's annual accounts and reports of the Directors and auditors thereon for the year ended 31 December 2013.

#### **Resolution 2**

To declare a final dividend of 9.58 pence per ordinary share for the year ended 31 December 2013.

#### **Resolution 3**

To re-elect Sarah Bates as a Director.

#### **Resolution 4**

To re-elect Vivian Bazalgette as a Director.

#### **Resolution 5**

To re-elect David Bellamy as a Director.

#### **Resolution 6**

To re-elect Iain Cornish as a Director.

#### **Resolution 7**

To re-elect Andrew Croft as a Director.

#### **Resolution 8**

To re-elect Ian Gascoigne as a Director.

#### **Resolution 9**

To re-elect David Lamb as a Director.

#### **Resolution 10**

To re-elect Patience Wheatcroft as a Director.

#### **Resolution 11**

To elect Simon Jeffreys as a Director.

#### **Resolution 12**

To elect Roger Yates as a Director.

#### **Resolution 13**

To approve the Directors' remuneration report (excluding the Directors' remuneration policy set out on pages 70 to 78 of the report) for the year ended 31 December 2013.

**Resolution 14**

To approve the Directors' remuneration policy, the full text of which is set out on pages 70 to 78 of the Directors' Remuneration Report.

**Resolution 15**

To re-appoint PricewaterhouseCoopers LLP as the auditors of the Company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.

**Resolution 16**

To authorise the Directors to determine the remuneration of the auditors of the Company.

**SPECIAL BUSINESS**

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 20 and 22 will be proposed as Ordinary Resolutions and Resolutions 17, 18, 19 and 21 will be proposed as Special Resolutions:

**Resolution 17**

THAT, in substitution for all existing authorities, the authority and power conferred on the Directors by Article 9.2 of the Company's Articles of Association be hereby renewed so that the prescribed period shall end on the date of the Annual General Meeting in 2015 (or, if earlier, 15 months after the date on which this Resolution is passed) and for such period the Section 551 Amount shall be £25,621,018, provided that the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority hereby conferred had not expired.

**Resolution 18**

THAT, in substitution for all existing authorities and subject to the passing of Resolution 17 set out in this notice of Annual General Meeting, the authority and power conferred on the Directors by Article 9.3 of the Company's Articles of Association be hereby renewed so that the prescribed period shall end on the date of the Annual General Meeting in 2015 (or, if earlier, 15 months after the date on which this Resolution is passed) and for such period the Section 561 Amount shall be £3,881,972, provided that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority hereby conferred had not expired.

This power shall also apply to a sale of treasury shares which is an allotment of equity securities by virtue of section 560(2) of the Companies Act 2006 as if in the first paragraph of this Resolution the words "and subject to the passing of Resolution 17 set out in this notice of Annual General Meeting" were omitted.

### **Resolution 19**

THAT the Company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of 15p each in the capital of the Company provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be acquired is 51,759,632, representing 10 per cent. of the Company's issued ordinary share capital;
- (b) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 15p;
- (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share is the higher of:
  - (A) an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the daily official list of the London Stock Exchange for the five business days immediately preceding the day on which the purchase is made; and
  - (B) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003;
- (d) this authority will (unless previously revoked, varied or renewed) expire at the conclusion of the next Annual General Meeting of the Company held after the date on which this Resolution is passed or, if earlier, 18 months after the date on which this Resolution is passed; and
- (e) the Company may make a contract or contracts to purchase ordinary shares under this authority before this authority expires which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract as if the authority conferred hereby had not expired.

### **Resolution 20**

THAT the Company and those companies which are subsidiaries of the Company at any time during the period for which this Resolution has effect be generally and unconditionally authorised for the purposes of section 366 of the Companies Act 2006 to:

- (a) make political donations to political parties or independent election candidates not exceeding £50,000 in total;
- (b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
- (c) incur political expenditure not exceeding £50,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £50,000 during the period beginning with the date of the passing of this Resolution and ending on the date of the Annual General Meeting in 2015. For the purpose of this Resolution, the terms 'political donations', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings set out in sections 363 to 365 of the Companies Act 2006.

**Resolution 21**

THAT a General Meeting of the Company, other than an Annual General Meeting of the Company, may be called on not less than 14 clear days' notice.

**Resolution 22**

THAT:

- (a) the SJP 2014 Performance Share Plan, a copy of the rules of which have been produced to the meeting and signed by the Chairman for the purposes of identification, and a summary of the main provisions of which is set out on pages 12 to 15 of the Explanatory Notes accompanying this Notice of Annual General Meeting, be and is hereby approved; and
- (b) the Directors be and are hereby authorised to do all such acts and things as it may consider necessary or desirable to give effect to the SJP 2014 Performance Share Plan including the establishment of other employees' share schemes for the benefit of employees located outside the UK based on the SJP 2014 Performance Share Plan but modified to take account of local tax, exchange control or securities laws in overseas territories provided that any shares made available under any such further schemes are treated as counting against the limits on individual or overall participation in the said SJP 2014 Performance Share Plan.

By Order of the Board

H J Gladman

Company Secretary

St. James's Place House

1 Tetbury Road

Cirencester

Gloucestershire

GL7 1FP

4 April 2014

## EXPLANATORY NOTES

The following notes explain your rights as a shareholder and your right to attend and vote at the Annual General Meeting, or to appoint someone else to vote on your behalf.

1. Any member entitled to attend and vote at the meeting convened by the notice set out above may appoint a proxy or proxies to attend, speak and vote (on both a show of hands and on a poll) at that meeting instead of him. You may appoint more than one proxy provided that each proxy is appointed to exercise rights attached to different shares. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending the meeting and voting in person. Proxies may be appointed by:
  - completing and returning the proxy form enclosed with this notice;
  - going to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy); and
  - (if you are a CREST member) having an appropriate CREST message transmitted via the CREST system.
2. To be effective, a proxy form must be completed in accordance with the instructions printed thereon and received by the Company's Registrars no later than 48 hours before the time appointed for holding the meeting or an adjourned meeting.
3. Electronic proxies. You may, if you wish, appoint your proxy electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). You will need your Shareholder Reference Number and PIN Number. Full instructions are given on the website. The proxy appointment and instructions should reach Computershare not less than 48 hours before the time appointed for the holding of the meeting or an adjourned meeting. Please note that any electronic communication found to contain a computer virus will not be accepted.
4. CREST proxy voting service. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on Wednesday 14 May 2014 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) no later than 48 hours before the time appointed for holding the meeting or an adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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

5. The Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of calculating how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company by not later than close of business on Monday 12 May 2014 or, if the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting. Changes to entries on the register after this time shall be disregarded in determining the rights of any person to attend or vote at this meeting.
6. Copies of the following documents are available for inspection at the registered office of the Company and at Spencer House, 27 St. James's Place, London SW1A 1NR, during normal business hours on any weekday (Saturdays and Bank Holidays excepted) until the conclusion of the meeting:
  - the service contracts of the Company's executive Directors;
  - the terms and conditions of appointment of the Company's non-executive Directors;
  - the Company's articles of association;
  - the Terms of Reference of the Company's Audit, Remuneration, Nomination, Risk and Investment Committees;
  - the SJP 2014 Performance Share Plan.

These documents will also be available for inspection at the place of the meeting from 10:45am until its conclusion.

7. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of the same powers as the corporation could exercise if it were an individual member provided that they do not do so in relation to the same shares.
8. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may,

under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

9. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
10. All shareholders and their proxies will have the opportunity to ask questions at the meeting. When invited by the Chairman, if you wish to ask a question, please wait for a Company representative to bring you a microphone. It would be helpful if you could state your name before you ask your question. Questions may not be answered at the meeting if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company, or would not be to the good order of the meeting. The Chairman may also nominate a Company representative to answer a specific question after the meeting or refer the response to the Company's website.
11. It is possible that, pursuant to requests made by members of the Company under section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter in relation to: (i) the audit of the Company's accounts (including the audit report and the conduct of the audit) that are to be laid before the meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
12. As at 25 March 2014, (being the latest practicable date prior to the publication of this Notice), the Company's issued share capital comprised 517,596,319 ordinary shares of 15p each. Each ordinary share carries the right to one vote at a General Meeting and, therefore, the total number of voting rights in the Company as at the above date is 517,596,319.
13. Shareholders are advised that, unless otherwise stated, any telephone number, website and e-mail address set out in this Notice of Meeting, the Proxy Form or the Chairman's letter (or any related documents) should not be used for the purposes of serving information on the Company (including the service of documents or information relating to the proceedings at the Company's Annual General Meeting).
14. A copy of this Notice, and other information required by section 311A of the Companies Act 2006 can be found at [www.sjp.co.uk](http://www.sjp.co.uk)

## EXPLANATORY NOTES TO THE RESOLUTIONS

### **Resolution 1 : To Receive the Company's Annual Accounts**

The Directors present the Company's annual accounts and the reports of the Directors and auditors thereon for the year ended 31 December 2013.

### **Resolution 2 : Declaration of Final Dividend**

A final dividend can only be paid after the shareholders have approved it at a General Meeting. The Board recommends payment of a final dividend of 9.58 pence per ordinary share on 16 May 2014 to shareholders on the register at the close of business on 11 April 2014.

### **Resolutions 3 to 10: Re-Election of Directors**

In accordance with the UK Corporate Governance Code, all Directors will retire and stand for re-election at the Annual General Meeting. Biographical details of all Directors are set out on pages 52 to 53 of the Company's Annual Report and Accounts.

Following the formal performance evaluation referred to on page 58 of the Company's Annual Report and Accounts, which included an assessment of the performance of each individual Director (other than Simon Jeffreys and Roger Yates who each joined the Board on 1 January 2014), the Board considers that the performance of each Director continues to be effective and demonstrates the commitment required to continue in their present role.

The Board accordingly recommends each Director's re-election.

### **Resolutions 11 and 12: Election of Directors**

Simon Jeffreys and Roger Yates were each appointed as independent non-executive Directors on 1 January 2014. Accordingly, in accordance with the Company's Articles of Association and the UK Corporate Governance Code, they are seeking election at this year's Annual General Meeting. Biographical details of Messrs Jeffreys and Yates are set out on pages 52 to 53 of the Company's Annual Report and Accounts.

### **Resolution 13 To Approve the Directors' Remuneration Report**

Pursuant to section 439 of the Companies Act 2006 the Board proposes a Resolution approving the Directors' remuneration report (excluding the part containing the Directors' remuneration policy) for the financial year ended 31 December 2013. The full text of the Directors' remuneration report is contained on pages 68 to 92 of the Company's Annual Report and Accounts. Shareholders will note that the format of the Remuneration Report has been amended this year following the changes which the Government brought into force in 2013, including the adoption of a policy section (subject to approval in accordance with Resolution 14 below) and an implementation section within the Report.

### **Resolution 14 To Approve the Directors' Remuneration Policy**

Shareholders are asked to approve the Directors' remuneration policy which is set out on pages 70 to 78 of the Directors' Remuneration Report. Once the Directors' remuneration policy is approved, the Company will not be able to make a remuneration payment to a current or prospective Director, or a payment for loss of office to a current or past Director, unless that payment is consistent with the policy or has been approved by a resolution of the members of the Company.

### **Resolution 15: Re-Appointment of Auditors**

It is proposed that PricewaterhouseCoopers LLP be re-appointed as auditors to the Company. The Company is required to appoint auditors at each General Meeting at which accounts are laid to hold office until the conclusion of the next such meeting.

**Resolution 16: Remuneration of Auditors**

In accordance with standard practice, this Resolution authorises the Directors to determine the remuneration of the auditors of the Company.

**Resolution 17: Authority to Allot Shares**

Section 551 of the Companies Act 2006 requires that the authority of the Directors to allot relevant securities shall be subject to the approval of shareholders in a General Meeting.

Accordingly, shareholders are being asked to renew, until the Annual General Meeting in 2015, the Directors' authorisation to allot the Company's unissued shares up to a nominal amount of £25,621,018 (which represents 170,806,785 ordinary shares and, as at 25 March 2014 (being the latest practicable date prior to publication of this document), approximately 33 per cent. of the issued ordinary share capital of the Company (excluding treasury shares)). The Directors have no present intention of allotting shares pursuant to this authority except in relation to the issue of shares in relation to share schemes and other incentive arrangements operated by the Company and its subsidiaries. The Company does not hold any treasury shares at 25 March 2014 (being the latest practicable date prior to publication of this document). If the Resolution is passed, the authority will expire on the earlier of 15 months from the date this Resolution is passed and the end of the Annual General Meeting in 2015.

**Resolution 18: Disapplication of Pre-Emption Rights**

Section 561 of the Companies Act 2006 contains pre-emption rules by which, unless the shareholders determine otherwise by Special Resolution, ordinary shares to be issued for cash must first be offered to shareholders in proportion to their existing holdings. In practice, it is desirable to modify these pre-emption rules to a limited extent, for example so as to allow rights issues to existing shareholders in the conventional form (rather than the form which would be required by the Companies Act 2006) and to avoid infringement of overseas securities laws where some shareholders are resident overseas. It is proposed to renew the Directors' power under the Company's Articles of Association to allot equity securities otherwise than in accordance with these pre-emption rules for a period to expire on the date of the Annual General Meeting in 2015 (or, if earlier, 15 months after the date on which this Resolution is passed), provided that any equity securities allotted for cash pursuant to such power be limited to a nominal amount of £3,881,972 (which represents 25,879,816 ordinary shares and, as at 25 March 2014 (being the latest practicable date prior to publication of this document), five per cent. of the Company's issued ordinary share capital of the Company). The Directors have no present intention of allotting shares pursuant to this authority, except in relation to share schemes and other incentive arrangements operated by the Company and its subsidiaries. No more than 7.5 per cent. of the issued share capital will be issued on a non pre-emptive basis in any three-year period. Shareholders will note that this Resolution also relates to treasury shares (if any).

**Resolution 19: Purchase of Own Shares**

Under section 701 of the Companies Act 2006, the Company requires the authority of shareholders in a General Meeting to renew its authority to purchase its own shares. Resolution 19 specifies the maximum number of shares that may be purchased (approximately 10 per cent. of the Company's issued share capital) and the maximum and minimum prices which may be paid. The authority will expire at the end of the next Annual General Meeting, or 18 months from the date of the Resolution, whichever is the earlier.

The Directors have no present intention for the Company to purchase its own shares and will exercise this authority only when to do so would be in the best interests of the shareholders generally and where, in the light of prevailing market conditions, they consider it will result in an increase in earnings per ordinary share.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange. Should the Directors exercise such authority, any shares so purchased may be placed into treasury and subsequently transferred to satisfy awards arising under the Company's employee share schemes, or issued for cash as provided for by the Companies Act 2006. Any shares purchased otherwise than in accordance with the preceding sentence will be cancelled and the number of shares in issue will be reduced accordingly.

On 25 March 2014 (being the latest practicable date prior to publication of this document), there were options or awards outstanding over 12,246,665 new ordinary shares, representing 2.37 per cent. of the Company's issued share capital (excluding treasury shares). If the authority given by Resolution 19 were to be fully used, these would represent 2.63 per cent. of the Company's ordinary issued share capital (excluding treasury shares). The Company has no warrants in relation to its shares.

#### **Resolution 20: Political Donations**

Part 14 of the Companies Act 2006, amongst other things, prohibits the Company and its subsidiaries (the "SJP Group") from making political donations or from incurring political expenditure in respect of a political party or other political organisation, or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the SJP Group of £5,000 or less in any 12-month period will not be prohibited. The SJP Group has no intention of making any political donation or incurring any political expenditure. However, the Companies Act 2006 defines 'political party', 'political organisation', 'political donation' and 'political expenditure' widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the SJP Group may see benefit in supporting, may be included in these definitions. Accordingly, the SJP Group wishes to ensure that it does not inadvertently commit any breaches of the Companies Act 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred. The authority for this Resolution will begin with the passing of the Resolution at the Annual General Meeting and end on the date of the Annual General Meeting in 2015. It is the Company's intention to seek shareholder authority on an annual basis at each Annual General Meeting.

#### **Resolution 21: Notice of Meetings**

Pursuant to the Shareholders' Rights Regulations the notice period for General Meetings of a company has been extended to 21 clear days unless certain requirements are satisfied. In line with the Resolution passed at the Annual General Meeting in 2013, the Directors believe it is in the best interests of the shareholders for the Company to preserve the shorter notice period and accordingly are putting this Resolution to the meeting to continue to allow the Company to call meetings (other than Annual General Meetings) on 14 clear days' notice. It is intended that this flexibility will only be used for non-routine business and, where merited, in the interests of shareholders as a whole.

The approval will be effective until the Company's Annual General Meeting in 2015, when it is expected a similar Resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a General Meeting on 14 clear days' notice.

## **Resolution 22: Summary of the principal provisions of the SJP 2014 Performance Share Plan (“the Plan”)**

### **Introduction**

The Plan is broadly similar to, and is based upon, the Company’s existing executive long-term share incentive plan approved by shareholders in 2005, and which expires on 12 May 2015. If the Plan is approved, no further awards will be made under the existing plan from 2015. The Plan authorises the Board, and in the case of an award to a director, the Remuneration Committee of the Board (“**the Committee**”), to make incentive awards to selected employees of the Company and of other members of the SJP group of companies (“**the Group**”) in the form of:

- (i) nil-cost options to acquire ordinary shares in the Company (“**shares**”); or
- (ii) contingent rights to receive shares.

Award shares will vest only if and insofar as targets relating to the performance of the Company over a minimum 3-year period are, or are deemed to be, met and vested shares will not normally be transferred, nor nil-cost options to acquire vested award shares normally be capable of exercise, before the third anniversary of the date of award. The Company is not planning to make awards under the Plan until 2015. Details of the performance targets to be set in relation to awards to be made under the Plan in 2015 will be set out in the 2014 Annual Report on Remuneration as contained in the 2014 Directors' Remuneration Report. The Committee is proposing that two-thirds of an award will be subject to growth in earnings per share targets to be set at the time awards are made. The remaining third of an award will be subject to growth in the Company’s total shareholder return (“TSR”) over the performance period relative to that of the FTSE 51 to 150 (excluding investment trusts and companies in the oil, gas producers and mining sectors). Vesting for threshold performance will be for 25% of each part of the award. Under the relative TSR measure, threshold vesting will occur for median ranking rising in a straight line to 100% vesting for upper quartile ranking and above.

The operation of the Plan will be overseen by the Committee who will regularly review its implementation and effectiveness.

### **Individual limits**

The maximum number of shares in respect of which awards may be made to a participant in any financial year will be limited so that the market value of such shares on the date of award will not exceed 250 per cent of basic salary. However, the Committee does not intend to make awards in excess of 200% of basic salary without prior consultation with the Company's major shareholders.

Exceptionally, the Remuneration Committee may make awards outside the limits referred to above, for new executives joining the Group, to replace LTI or other deferred pay they have forfeited on leaving their previous employer. In this case, awards to replace deferred pay forfeited would take account of the nature of awards forfeited, vesting time horizons, the award value and performance conditions.

### **Grant of share awards**

Awards may only be granted during the period of six weeks following the announcement of the Company’s results for any period, within 28 days of a person first joining the Group or being promoted to a higher grade or, exceptionally, and subject to the Model Code requirements of the Listing Rules and other relevant restrictions on dealings in shares, on any other day on which the Committee determines that exceptional circumstances exist. No awards may be made more than ten years after the adoption of the Plan. No payment will be required for the grant of an award.

An award is not transferable and may only be exercised by the participant or his or her personal representatives.

### **Dilution limit**

The number of shares issued or in respect of which rights to subscribe for new shares may be granted pursuant to all of the Company's executive and employee share schemes and pursuant to the St. James's Place plc Partners Performance Share Plan 2008 and any new Partners' share incentive plan in any period of 10 years will not exceed 10 per cent of the ordinary share capital of the Company in issue from time to time. The number of shares issued or in respect of which rights to subscribe for new shares may be granted pursuant to all of the Company's executive share schemes in any period of 10 years will not exceed 5 per cent of the ordinary share capital of the Company in issue from time to time.

If an award is to be satisfied by a transfer of existing shares, the percentage limit stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by the Association of British Insurers, the percentage limits will apply to awards satisfied by the transfer of treasury shares.

### **Vesting or release of awards**

The vesting or release of awards to Executive Directors will be subject to the attainment of performance targets set by the Committee at the time the awards are made. Performance targets will relate to the performance of the Company over a fixed period of normally not less than three financial years beginning not earlier than that in which the award is made. Once set, performance targets may be varied by the Committee, but only if the Committee reasonably considers it to be necessary to ensure that the effectiveness of the award as an incentive is not undermined. Amended performance targets will not be materially less challenging in all the circumstances than the original performance targets when first set.

If a participant leaves the SJP group, any unvested portion of his award will normally be forfeited. If the reason for leaving is death, injury, disability, ill-health, redundancy, retirement, the sale of the employing business or company, the Directors (or, in the case of an Executive Director, the Committee) may determine either:

- (i) that the award may be retained on the basis that it may only ever be exercised, within a limited period after the end of the 3-year vesting date, in respect of a time-apportioned proportion of the award shares which become vested (or such greater proportion as the Directors or the Committee, as appropriate, may determine); or
- (ii) that the award may be exercised, within a limited period after the participant leaves, in respect of a time-apportioned proportion of such of the award shares which are deemed to have become vested at the time of leaving, having regard to the extent to which the performance targets are likely to be met (or such greater proportion as the Directors or the Committee, as appropriate, may determine).

If the participant leaves for any other reason, the Directors (or, in the case of an Executive Director, the Committee) may determine the extent (if any) to which an award may be retained and on what terms (having due regard to the extent to which the performance target is likely to be met) and the proportion of the 3-year performance period as has elapsed at the time of leaving.

In the event of a takeover, merger, reconstruction upon a change of control, amalgamation, demerger or voluntary winding-up of the Company, awards may be exercised in respect of a time-apportioned proportion (or such greater proportion as the Committee may determine) of such of the award shares which are then deemed by the

Committee to become vested, having regard to the extent to which the Company was on track to meet the performance targets.

### **Post-vesting sale restriction (holding) period**

The Committee may apply a post-vesting holding period, in accordance with the Directors' Remuneration Policy approved by Shareholders from time to time.

### **Dividends on awards shares**

The Directors (or, as appropriate, the Committee) may determine when an award is made that a participant to whom a nil-cost option or a contingent share award is made may, if and when vested award shares are acquired, be entitled to receive an additional amount in cash and/ or shares equal to the dividends on such shares paid in the period beginning with the date of award and ending no later than the end of the post-vesting holding period as set out in the Directors' Remuneration Policy and approved by shareholders from time to time. This amount may assume the reinvestment of dividends. Alternatively, a participant may acquire an additional number of shares calculated on the basis that dividends paid on vested award shares in such period had been reinvested in further shares.

### **Adjustment of share awards**

If there is a rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the Company's ordinary share capital, or the implementation by the Company of a demerger or payment of a special dividend which would otherwise materially affect the value of a share award, the Committee may adjust the number of shares subject to share awards.

### **Malus and clawback provisions**

All awards will be subject to "malus" and clawback provisions under which the number of award shares may be reduced and/or vested award shares forfeited if the Committee becomes aware of any material misstatement or inaccuracy in the accounts or the basis of calculation of vested award shares or such reduction or forfeiture is justified by the awardholder's conduct. Such provisions will apply both before, and throughout the period of 3 years after, award shares become vested.

### **Non-pensionable**

Benefits under the Plan will not be pensionable.

### **Rights attaching to shares**

Shares allotted or transferred under the Plan will rank alongside shares of the same class then in issue. The company will apply to the UK Listing Authority for the listing of any newly issued shares.

Awards will not confer any shareholder rights until awards have vested or options exercised and participants have received shares.

### **Amendment**

The Committee may amend the Plan. However, the provisions governing eligibility requirements, equity dilution, individual participation limits, the basis for determining the rights of participants to acquire shares and the adjustments that may be made following a rights issue or any other variation of capital cannot be altered to the advantage of existing or new participants without the prior approval of the Company's shareholders in general meeting. There is an exception for minor amendments to benefit the administration of the Plan, to take account of a change in legislation or developments in

the law affecting the Plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the Plan or for any member of the Group. Amendments to performance targets will not require prior shareholder approval.

**This summary does not form part of the rules of the Plan and should not be taken as affecting the interpretation of its detailed terms and conditions. The Board reserves the right, up to the time of the Annual General Meeting, to make such amendments and additions to the Plan as may be necessary to take account of comments of institutional shareholders and otherwise, provided that such amendments do not conflict in any material respect with this summary.**