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**25 March 2013**

**RECOMMENDED OFFER  
for  
CAZENOVE CAPITAL HOLDINGS LIMITED  
by  
SCHRODERS PLC**

The boards of Schroders plc ("**Schroders**") and Cazenove Capital Holdings Limited ("**Cazenove Capital**") are pleased to announce that they have reached agreement on the terms of the recommended acquisition by Schroders of the entire issued and to be issued share capital of Cazenove Capital (the "**Acquisition**").

**Highlights of the Acquisition**

Under the terms of the Acquisition, Cazenove Capital Shareholders will be entitled to receive 135 pence in cash per Ordinary Share. The Acquisition values the fully diluted share capital of Cazenove Capital at approximately £424 million.

This Acquisition reflects Schroders' strategy of growing our Private Banking business and, in addition, it strengthens our position in UK Intermediary.

Commenting on the Acquisition, Michael Dobson, Chief Executive of Schroders, said:

"Cazenove Capital's culture of client focus and investment excellence are a strong fit with Schroders. This transaction creates a leading, independent Private Banking and Wealth Management business in the UK, and brings additional investment talent in complementary strategies across UK and European equities, multi-manager and fixed income to Asset Management. I am confident the transaction will create long-term value and benefits for clients, shareholders and employees."

Philip Mallinckrodt, Schroders Group Head of Private Banking, said:

"We believe the combination of our two businesses will bring significant benefits and enhanced opportunities for our clients. The complementary fit between our two firms, the strong shared service culture, long-term investment approach and established heritage of both businesses make this an ideal match."

David Mayhew, Chairman of Cazenove Capital, said:

"Since the demerger, Cazenove Capital has achieved success for its clients and has now become one of the leading private wealth managers in the UK with a distinctive proposition and a strong brand. In addition, over the past dozen years it has developed a highly regarded Investment Funds business with excellent performance."

The proposed combination with Schroders brings together two long-standing organisations with close cultural values. It will provide an enhanced proposition for our Private Wealth Management and Charities clients, a sound strategic fit for our Investment Funds business and attractive financial terms for our shareholders.

I and the Cazenove Capital board unanimously recommend the transaction to our shareholders.”

Andrew Ross, Chief Executive of Cazenove Capital, said:

“This is a very exciting development for Cazenove Capital. In combining with Schroders, we will create a pre-eminent independent private banking and charities business in the UK, with a broader capability covering investment management, financial planning, deposit-taking and lending services. This is also an excellent fit for our Wealth Management businesses in the Channel Islands and Asia.

Cazenove Capital has succeeded by putting the interests of its clients first and that will continue. Our charity and private clients will continue to be looked after by their existing teams whilst benefitting from a broader range of services and more extensive geographical investment expertise.

For our Investment Funds business, this represents an opportunity to continue our distinctive business cycle investment process while benefiting from the support of Schroders’ extensive distribution capabilities.

This is a transaction which delivers attractive value for our shareholders and, importantly, will also lead to clear benefits for our clients and improved opportunities for employees.”

The benefits of the transaction are:

#### *Private Banking*

- It materially expands Schroders Group’s scale and capabilities for private clients and charities with the formation of one of the leading independent Private Banking and Wealth Management businesses in the UK.
- Schroders will have a compelling service proposition covering investment management, financial planning, deposit-taking and lending services.
- It creates one of the UK market leaders in investment management services for charities.
- Combined pro-forma assets under management in Private Banking and Wealth Management as at 31 December 2012 were £28.4 billion.
- Schroders Group will continue to use the highly regarded Cazenove Capital names in its Private Banking business.
- Andrew Ross will be Head of UK Private Banking, reporting to Philip Mallinckrodt, Schroders Group Head of Private Banking.

### *UK Intermediary*

- It adds £5.1 billion of assets under management in Cazenove Capital's Investment Funds business, comprising specialist investment management, to Schroders' Intermediary business.
- Cazenove Capital's highly-rated portfolio managers in UK and European equities, fixed income, multi-manager and absolute return strategies, will join Schroders' existing strong investment team.

### *Group*

- Cazenove Capital is performing strongly and assets under management increased 15 per cent. in 2012, with significant growth in its Investment Funds business.
- Including Cazenove Capital's £17.2 billion of assets under management, as at 31 December 2012, Schroders' pro-forma assets under management were £229.2 billion.
- The Acquisition 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 Acquisition.

### **Overview of the Acquisition**

- Under the terms of the Acquisition, Cazenove Capital Shareholders will be entitled to receive:

**for each Ordinary Share:                      135 pence in cash**

- The Acquisition values Cazenove Capital's fully diluted share capital at approximately £424 million.
- Schroders will recognise £395 million as the acquisition cost and £29 million as the effective future cost of existing deferred share compensation arrangements for Cazenove Capital Group employees.
- 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.
- As part of the Acquisition, a full Loan Note Alternative will also be available to Cazenove Capital Shareholders (other than certain Overseas Shareholders), which will enable eligible Cazenove Capital Shareholders to elect to receive all or part of the cash consideration to which they would otherwise be entitled under the terms of the Acquisition in the form of Loan Notes.
- Schroders has undertaken to establish a unit trust, subject to receiving FSA approval, to be managed by the manager of Schroder Unit Trusts Limited's Income Fund. The New Unit

Trust will have an investment strategy and profile matching, in all material respects, Schroder Unit Trusts Limited's Income Fund. Subject to certain conditions, Schroders has undertaken to procure that the New Unit Trust offers Cazenove Capital Shareholders who participate in the Loan Note Alternative and who are resident in the UK an opportunity to exchange their Loan Notes for units in the New Unit Trust.

- 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. Accordingly, the Cazenove Capital Directors intend to 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 of 17,060,142 Ordinary Shares, which in aggregate represent approximately 5.9 per cent. of Cazenove Capital's issued ordinary share capital as at 22 March 2013 (being the last Business Day before the Announcement Date). Further details of these irrevocable undertakings are set out in Appendix 3 to the full announcement.
- Further details of the Acquisition and the Scheme will be contained in the Scheme Document that will be posted to Cazenove Capital Shareholders and, for information purposes only, to participants in the Cazenove Capital Share Schemes as soon as practicable.

**This summary should be read in conjunction with, and is subject to, the following full announcement and the Appendices.**

The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 to the full announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 to the full announcement contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings received by Schroders are set out in Appendix 3 to the full announcement. Certain terms used in this announcement are defined in Appendix 4 to the full announcement.

Schroders will hold a conference call and webcast for the investment community at 9 a.m. GMT on Monday, 25 March 2013. The conference call number is 0808 237 0030 (International: +44 20 3139 4830), participant code 88579140#. The webcast can be viewed live at [www.schroders.com/ir](http://www.schroders.com/ir) and [www.cantos.com](http://www.cantos.com). For individuals unable to participate in the conference call, a replay will be available from midday on Monday, 25 March 2013 on 0808 237 0026 (International: +44 20 3426 2807, PIN code 637973#).

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*This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document or, if applicable, the Offer Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document or, if applicable, the Offer Document.*

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom and Jersey may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom and Jersey should inform themselves about, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom or Jersey to vote their Ordinary Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. This announcement has been prepared for the purpose of complying with Jersey law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom or Jersey.*

*Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Notice to US investors in Cazenove Capital: 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, the Acquisition will be made in compliance with applicable United States laws and regulations. Financial information included in this announcement and the Scheme 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 Cazenove Capital 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 US.*

*Gleacher Shacklock, which is authorised and regulated in the United Kingdom by the FSA, 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 announcement or any matter or arrangement referred to in this announcement. 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 announcement, any statement contained herein or otherwise.*

*Evercore Partners, which is authorised and regulated in the United Kingdom by the FSA, 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 announcement or any matter or arrangement referred to in this announcement. 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 announcement, any statement contained herein or otherwise.*

### **Cautionary note regarding forward-looking statements**

*This announcement 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.*

#### **Dealing and Opening Position 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 pm (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> 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 1% 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 pm (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 an 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 the offeree company 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 Takeover Panel's website at [www.thetakeoverpanel.org.uk](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.*

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**25 March 2013**

**RECOMMENDED OFFER  
for  
CAZENOVE CAPITAL HOLDINGS LIMITED  
by  
SCHRODERS PLC**

**1. Introduction**

The boards of Schrodgers plc ("**Schrodgers**") and Cazenove Capital Holdings Limited ("**Cazenove Capital**") are pleased to announce that they have reached agreement on the terms of the recommended acquisition by Schrodgers of the entire issued and to be issued share capital of Cazenove Capital (the "**Acquisition**").

**2. The Acquisition**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991. The purpose of the Scheme is to enable Schrodgers to acquire the whole of the issued and to be issued ordinary share capital of Cazenove Capital. Under the terms of the Scheme, which will be subject to the Conditions and other terms set out in this announcement and to further terms to be set out in the Scheme Document, Cazenove Capital Shareholders will be entitled to receive:

**for each Ordinary Share:                      135 pence in cash**

The Acquisition values Cazenove Capital's fully diluted share capital at approximately £424 million. Schrodgers will recognise £395 million as the acquisition cost and £29 million as the effective future cost of existing deferred share compensation arrangements for Cazenove Capital Group employees.

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.

If the Acquisition is implemented by way of an Offer, the Ordinary Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

**3. 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.

Accordingly, the Cazenove Capital Directors intend to recommend unanimously that Cazenove Capital Shareholders vote in favour of the resolutions relating to the Acquisition at the Meetings (or if the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer) as they have irrevocably undertaken to do or procure in respect of their own beneficial (or otherwise controlled) holdings of 17,060,142 Ordinary Shares, which in aggregate represent approximately 5.9 per cent. of Cazenove Capital's issued ordinary share capital as at 22 March 2013 (being the last Business Day before the Announcement Date).

It is also the intention of the Cazenove Capital Directors to grant the approval required from them under Cazenove Capital's articles of association to the transfer of shares to Schroders pursuant to the Acquisition.

#### **4. Background to and reasons for the recommendation**

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

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

##### *Strong strategic rationale*

For Cazenove'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, which will include deposit-taking and lending services in addition to investment management and financial planning.
- 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.
- Offers the benefits of Schroders' extensive distribution and research capabilities.

##### *Schroders as a partner*

- 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.

#### *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 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).
- The Cazenove Capital Directors believe that the value attributable to the fully diluted share capital of Cazenove Capital under the Acquisition of £424 million is attractive in the context of Cazenove Capital's profit after tax of £16.7 million for the financial year ended 31 December 2012.
- The Acquisition provides value certainty for Cazenove Capital Shareholders. The Cazenove Capital Directors are mindful of potential industry challenges including pressure on fees, the requirement for ongoing investment in technology and infrastructure, the competitive environment for specialist and private client fund managers, the need for further economies of scale to improve profit margins materially and the impact of a changing regulatory environment.
- Cazenove Capital Shareholders on the register of members as at 22 March 2013 will also receive the 2012 Dividend of 4.75 pence in cash per Ordinary Share, which will be paid on 3 May 2013.
- 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 for units in the New Unit Trust. Further details in relation to the Loan Note Alternative and the Unit Trust Rollover are set out in sections 9 and 10, respectively, below.

Following careful consideration of the factors above, and taking into account their commercial assessments, 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.

#### **5. Background to and reasons for the Acquisition**

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.
- Broadens Schrodgers' 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 Schrodgers' UK Intermediary business, with strength in specialist equities, multi-manager and absolute return strategies, and good investment performance.
- Enhances Schrodgers' existing investment capabilities with the addition of Cazenove Capital's highly-rated portfolio managers, including additional capability in absolute return strategies.
- Will provide economies of scale, principally in UK funds distribution and infrastructure, which Schrodgers 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 Acquisition.

## **6. Information relating to Cazenove Capital**

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 has £5.1 billion of assets under management. 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.

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 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.

## **7. Information relating to Schroders**

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.

## **8. 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 confirms that it 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 also confirms that where appropriate it will seek to harmonise the terms and conditions of Cazenove Capital and Schroders employees.

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.

## **9. Loan Note Alternative**

A Loan Note Alternative will be made available to Cazenove Capital Shareholders (other than certain Overseas 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 will be made 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.

The Loan Notes will be governed by English law and will be issued, credited as fully paid, in integral multiples of £1 nominal value. Fractional entitlements to the Loan Notes will be disregarded and will not be issued. The Loan Notes will be non-transferable 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 tax on chargeable gains.

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., and (ii) where LIBOR for the interest period is at or above 300 basis points, 2.5 per cent., with the margin below LIBOR increasing 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 on 30 June and 31 December each year. 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 twelve months and one day from the date of issue and thereafter on 30 June and 31 December in each year. In certain circumstances, Schroders will have the right to redeem all of the Loan Notes. If not previously redeemed, the final redemption date will be the fifth anniversary of the issue of the Loan Notes (subject to extension at Schroders' election).

The Loan Note Alternative will be conditional upon the Acquisition becoming effective. Full details of the Loan Note Alternative will be contained in the Scheme Document or, as the case may be, the Offer Document and the Loan Note Form of Election. The Loan Notes are not being offered to persons in the United States or in, or to, or for the account or benefit of any person located in, any other jurisdiction where the sale, issue or transfer of the Loan Notes would be a contravention of applicable law.

## **10. Unit Trust Rollover**

Schroders has undertaken to establish a unit trust, subject to receiving FSA approval, to be managed by the manager of Schroder Unit Trusts Limited's Income Fund. The New Unit Trust will have an investment strategy and profile matching, in all material respects, Schroder Unit Trusts Limited's Income Fund. Subject to certain conditions, Schroders has undertaken to procure that the New Unit Trust offers Cazenove Capital Shareholders who participate in the Loan Note Alternative and who are resident in the UK an opportunity to exchange their Loan Notes for units in the New Unit Trust. Further details of, and the terms and conditions applicable to, the Unit Trust Rollover will be set out in the Scheme Document.

## **11. Cazenove Capital Share Schemes**

Participants in the Cazenove Capital Share Schemes, including holders of Growth Shares, will be contacted regarding the effect of the Acquisition on their rights under these schemes and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document or, as the case may be, the Offer Document and in separate letters to be sent to participants in the Cazenove Capital Share Schemes.

## **12. Financing of the Acquisition**

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.

## **13. Co-operation Agreement**

Pursuant to the Co-operation Agreement: (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 the Scheme Document and to otherwise assist with the preparation of the Scheme 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 exchange their Loan Notes for units in the New Unit Trust 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.

## **14. Disclosure of interests in relevant Cazenove Capital securities**

On the Announcement Date, Schroders will make a public Opening Position Disclosure setting out details of its interests in any relevant securities of Cazenove Capital.

Cazenove Capital will make a public Opening Position Disclosure setting out details of its and the Cazenove Capital Directors' interests or short positions in, or rights to subscribe for, any relevant securities of Cazenove Capital.

In the interests of maintaining secrecy prior to this announcement, Cazenove Capital has yet to complete its enquiries in respect of the matters referred to in this paragraph of certain parties deemed to be acting in concert with them for the purposes of the Acquisition. Enquiries of such parties will be completed as soon as practicable following the Announcement Date and in accordance with Note 2(a)(i) to Rule 8 of the City Code, further disclosures, if any, required in respect of such parties will be made as soon as possible and in any event by no later than noon (London time) on 10 April 2013.

## **15. Scheme of arrangement**

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Cazenove Capital and the Scheme Shareholders under Article 125 of the Companies (Jersey) Law 1991. The purpose of the Scheme is to provide for Schroders to become owner of the whole of the issued and to be issued ordinary share capital of Cazenove Capital.

Under the Scheme, the Acquisition is to be principally achieved by:

- the transfer of the Scheme Shares held by Scheme Shareholders to Schroders; and

- amending Cazenove Capital's articles of association to ensure that any Ordinary Shares issued after the Scheme Record Time will automatically be acquired by Schroders.

The implementation of the Scheme will be subject to the Conditions and further terms set out in Appendix 1 and to be set out in the Scheme Document. The Scheme will become effective only if, among other things, on or before the 45<sup>th</sup> day after the expected date of the Meetings to be set out in the Scheme Document in due course (or such later date, if any, as Schroders and Cazenove Capital may agree and the Court may allow), the following events occur:

- a resolution to approve the Scheme is passed by a majority in number representing at least 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;
- the Special Resolution necessary to implement the Scheme is passed by Cazenove Capital Shareholders representing at least two-thirds of the votes cast (either in person or by proxy) at the General Meeting.

The Scheme must be sanctioned by the Court and will become effective in accordance with its terms only on delivery of the Scheme Court Order to the Registrar of Companies.

Upon the Scheme becoming effective, it will be binding on all Cazenove Capital Shareholders, irrespective of whether or not they attended or voted at the Meetings and the cash consideration and certificates in respect of the Loan Notes will be dispatched by Schroders to Scheme Shareholders no later than 14 days after the Effective Date.

The Scheme will contain a provision for Schroders and Cazenove Capital jointly to consent, on behalf of all persons concerned, to any modification of or addition to the Scheme or to any condition that the Court may approve or impose.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders. The Scheme Document (which will include notices of the Meetings) will be sent to Cazenove Capital Shareholders as soon as reasonably practicable. Subject to satisfaction of the Conditions, it is expected that the Scheme will become effective in the second quarter of 2013.

The Scheme will be governed by Jersey law. 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.

## **16. Regulatory clearances**

The Acquisition is conditional upon obtaining regulatory clearances from the FSA and the Jersey Financial Services Commission.

## **17. Irrevocable undertakings**

The Cazenove Capital Directors have irrevocably undertaken to Schroders to vote in favour of the Scheme (or, where applicable, procure that votes are cast in favour of the Scheme) in respect of their own beneficial (or otherwise controlled) holdings of 17,060,142 Ordinary Shares

which in aggregate represent approximately 5.9 per cent. of Cazenove Capital's issued ordinary share capital as at 22 March 2013 (being the last Business Day before the Announcement Date).

Further details of these irrevocable undertakings are set out in Appendix 3.

## **18. Overseas Cazenove Capital Shareholders**

The distribution of this announcement to, and the availability of the Acquisition 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. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

### *Scheme Shareholders in the US*

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 announcement 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 US.

US holders of Cazenove Capital 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 US.

US holders of Cazenove Capital Shares may not elect for the Loan Note Alternative.

## **19. Documents on display**

A copy of this announcement and the following documents will by no later than 12 noon on the Business Day following the Announcement Date be published on [www.schroders.com](http://www.schroders.com) and [www.cazenovecapital.com](http://www.cazenovecapital.com) until the end of the Offer Period:

- (a) The irrevocable undertakings listed in Appendix 3.
- (b) The Co-operation Agreement.

Neither the contents of the Schroders website, the contents of the Cazenove Capital website, nor the content of any website accessible from hyperlinks on either the Schroders or Cazenove Capital website, is incorporated into or forms part of this announcement.

## 20. General

Schroders reserves the right to elect to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of Cazenove Capital not already held by Schroders as an alternative to the Scheme. In such an event, an Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme but with an acceptance condition which will be set at 90 per cent. (or such lower percentage as Schroders may decide or the Panel may require) as referred to in Part A of Appendix 1 to this announcement.

If the Acquisition is effected by way of an Offer and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Schroders intends to exercise its rights, to the extent applicable, to apply the provisions of Articles 116 to 118 and Article 121 of the Companies (Jersey) Law 1991 to acquire compulsorily the remaining Ordinary Shares in respect of which the Offer has not been accepted.

The bases and sources of certain information contained in this announcement are set out in Appendix 2. Certain terms used in this announcement are defined in Appendix 4.

*This announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document or, if applicable, the Offer Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document or, if applicable, the Offer Document.*

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom and Jersey may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom and Jersey should inform themselves about, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom or Jersey to vote their Ordinary Shares with respect to the Scheme at the Court Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. This announcement has been prepared for the purpose of complying with Jersey law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom or Jersey.*

*Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities*

exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

*Notice to US investors in Cazenove Capital: 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, the Acquisition will be made in compliance with applicable United States laws and regulations. Financial information included in this announcement and the Scheme 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 Cazenove Capital 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 US.*

*Gleacher Shacklock, which is authorised and regulated in the United Kingdom by the FSA, 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 announcement or any matter or arrangement referred to in this announcement. 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 announcement, any statement contained herein or otherwise.*

*Evercore Partners, which is authorised and regulated in the United Kingdom by the FSA, 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 announcement or any matter or arrangement referred to in this announcement. 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 announcement, any statement contained herein or otherwise.*

### **Cautionary note regarding forward-looking statements**

*This announcement 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.

### **Dealing and Opening Position 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 pm (London time) on the 10<sup>th</sup> business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> 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 1% 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 pm (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 an 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 the offeree company 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 Takeover Panel's website at [www.thetakeoverpanel.org.uk](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.*

## APPENDIX 1

### CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### Part A: Conditions of the Scheme

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

- (A) The Scheme will be 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 the 45<sup>th</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Schrodgers 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 the 45<sup>th</sup> day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Schrodgers and Cazenove Capital may agree and the Court may allow);
  - (iii) the sanction of the Scheme 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 Schrodgers and Cazenove Capital); and
  - (iv) the delivery of the Scheme Court Order to the Registrar of Companies for registration.

In addition, Schrodgers and Cazenove Capital have agreed that the Acquisition will be conditional upon the following conditions and, accordingly, the Scheme shall not become Effective unless the following conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

- (B) in respect of each notice under section 178 of FSMA which Schrodgers is under a duty to give in connection with the Acquisition, the FSA:
- (i) having notified Schrodgers pursuant to section 189(4)(a) or 189(7) of FSMA that it has determined to approve the acquisition of control proposed by Schrodgers 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;
- (C) the Jersey Financial Services Commission having notified Schroders that it has no objection to the acquisition of control by Schroders of Cazenove Capital Jersey Limited as required by Article 14(1)(b) of the Financial Services (Jersey) Law 1998, as amended;
- (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;

(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 Schroders 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 Schroders 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;

- (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 Schroders 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 Schroders Group having been obtained in terms and in a form satisfactory to Schroders (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;
- (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 on 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;
- (xiv) 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;
- (xv) proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme provided by the Wider Cazenove Capital Group; or
- (xvi) 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 paragraphs (iii), (iv), (v) and (vi) of this Condition, the term "**Cazenove Capital Group**" shall mean Cazenove Capital and its wholly-owned subsidiaries;

- (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
- (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 references 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 the formal 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.

## APPENDIX 2

### SOURCES OF INFORMATION AND BASES OF CALCULATION

In this announcement:

1. Unless otherwise stated:
  - 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;
  - 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
  - all information regarding assets under management is stated as at 31 December 2012.
2. The value of the Acquisition is calculated on the basis of the fully diluted share capital of Cazenove Capital as set out in paragraph 4 below.
3. As at the close of business on 22 March 2013, being the last Business Day before the Announcement Date, Cazenove Capital had in issue 288,430,117 Ordinary Shares, 41,257,331 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.
4. The fully diluted share capital of Cazenove Capital (being 314,415,111 Ordinary Shares) is calculated on the basis of:
  - the number of issued Ordinary Shares referred to in paragraph 3 above;
  - 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 13,653,044 Ordinary Shares (calculated on a net treasury basis);
  - 11,032,316 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;
  - 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.

5. 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.

### APPENDIX 3

#### DETAILS OF IRREVOCABLE UNDERTAKINGS

Name of Cazenove Capital Director	Number of Ordinary Shares (including beneficial holdings and holdings otherwise controlled)	Number of Restricted Ordinary Shares (including beneficial holdings and holdings otherwise controlled)	Percentage of Cazenove Capital ordinary issued share capital
David Mayhew	4,131,292	-	1.4 per cent.
Michael Power	2,150,850	-	0.7 per cent.
Andrew Ross	4,592,000	3,219,000	2.7 per cent.
Richard Jeffrey	600,000	922,000	0.5 per cent.
Carolyn Sims	400,000	1,045,000	0.5 per cent.

These irrevocable undertakings cease to be binding only on the earlier of (i) the Long Stop Date and (ii) the date on which the Scheme or Offer lapses in accordance with its terms, save where the Scheme has lapsed but Schroders has switched to an Offer in accordance with the City Code.

## APPENDIX 4

### DEFINITIONS

<b>“2012 Dividend”</b>	the dividend of 4.75 pence per Ordinary Share for the financial year ended 31 December 2012
<b>“Acquisition”</b>	the proposed acquisition of the entire issued and to be issued share capital of Cazenove Capital by Schroders, to be effected by the Scheme as described in this announcement (or by the Offer under certain circumstances described in this announcement)
<b>“Announcement Date”</b>	25 March 2013
<b>“associated undertaking”</b>	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
<b>“Business Day”</b>	a day (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and Jersey
<b>“Cazenove Capital”</b>	Cazenove Capital Holdings Limited, incorporated in Jersey with registered number 91495
<b>“Cazenove Capital Directors”</b>	the directors of Cazenove Capital
<b>“Cazenove Capital Group”</b>	Cazenove Capital and its subsidiaries and subsidiary undertakings
<b>“Cazenove Capital Shareholders”</b>	the holders of Ordinary Shares
<b>“Cazenove Capital Share Schemes”</b>	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
<b>“City Code”</b>	the City Code on Takeovers and Mergers
<b>“Conditions”</b>	the conditions of the Acquisition set out in Appendix 1 to this announcement and to be set out in the Scheme Document or, if applicable, the Offer Document, and <b>“Condition”</b> means any of them
<b>“Co-operation Agreement”</b>	the co-operation agreement entered into between Schroders and Cazenove Capital on the

	Announcement Date in connection with the Acquisition
<b>“Court”</b>	the Royal Court of Jersey
<b>“Court Meeting”</b>	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
<b>“Dealing Disclosure”</b>	has the meaning given to it in the City Code
<b>“Disclosed”</b>	fairly disclosed in writing by or on behalf of Cazenove Capital to Schrodgers or its professional advisers before the Announcement Date in connection with the Acquisition
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms
<b>“Evercore Partners”</b>	Evercore Partners International LLP
<b>“Excluded Shares”</b>	any Ordinary Shares legally or beneficially owned by Schrodgers or any of its subsidiaries or subsidiary undertakings
<b>“Forms of Proxy”</b>	the forms of proxy for use at the Court Meeting and/or the General Meeting
<b>“FSA”</b>	the Financial Services Authority or any successor authority or authorities, including without limitation the Prudential Regulation Authority and/or the Financial Conduct Authority, as relevant and as the context requires, having regard to the duties and functions of each of those successor authorities
<b>“FSMA”</b>	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)
<b>“General Meeting”</b>	the extraordinary general meeting of Cazenove Capital Shareholders to be convened to consider and if thought fit pass, among other things, the Special Resolution
<b>“Gleacher Shacklock”</b>	Gleacher Shacklock LLP
<b>“Growth Shares”</b>	means growth shares of no par value in the capital of Cazenove Capital

<b>“Jersey”</b>	the Bailiwick of Jersey, Channel Islands
<b>“LIBOR”</b>	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"> <li>1. Telerate Page 3750 or Telerate Page 3740 (as appropriate); or</li> <li>2. an equivalent page on Bloomberg or Reuters,</li> </ol> at or about 11.00 a.m. on the first Business Day of the relevant interest period
<b>“Loan Note Alternative”</b>	the option whereby Cazenove Capital Shareholders (other than certain Overseas 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
<b>“Loan Note Form of Election”</b>	the form of election in relation to the Loan Notes which will accompany the Scheme Document
<b>“Loan Notes”</b>	the loan notes of Schrodgers to be issued pursuant to the Loan Note Alternative
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Long Stop Date”</b>	31 October 2013
<b>“Meetings”</b>	the Court Meeting and the General Meeting
<b>“New Unit Trust”</b>	the unit trust scheme proposed to be established in connection with the Unit Trust Rollover
<b>“Offer”</b>	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 Schrodgers to acquire the entire issued and to be issued share capital of Cazenove Capital and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>“Offer Document”</b>	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

<b>“Offer Period”</b>	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)
<b>“Opening Position Disclosure”</b>	has the meaning given to it in the City Code
<b>“Ordinary Shares”</b>	the ordinary shares of no par value in the capital of Cazenove Capital
<b>“Overseas Shareholders”</b>	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or Jersey
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“Registrar of Companies”</b>	the registrar of companies for Jersey
<b>“Restricted Jurisdiction”</b>	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
<b>“Restricted Ordinary Shares”</b>	certain Ordinary Shares subject to the Cazenove Capital Restricted and Growth Share Plan
<b>“Scheme”</b>	the proposed scheme of arrangement under Article 125 of the Companies (Jersey) Law 1991 between Cazenove Capital and Cazenove Capital Shareholders to implement the Acquisition
<b>“Scheme Court Hearing”</b>	the hearing of the Court to sanction the Scheme
<b>“Scheme Court Order”</b>	the order of the Court sanctioning the Scheme
<b>“Scheme Document”</b>	the document to be dispatched to Cazenove Capital Shareholders in respect of the Scheme
<b>“Scheme Record Time”</b>	6.00 p.m. on the Business Day before the date on which the Scheme Court Order is made
<b>“Scheme Shareholders”</b>	holders of Scheme Shares
<b>“Scheme Shares”</b>	<ol style="list-style-type: none"> <li>1. the Ordinary Shares in issue at the date of the Scheme Document;</li> <li>2. any Ordinary Shares issued after the date of the Scheme Document and before the Voting</li> </ol>

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,

other than the Excluded Shares

<b>“Schroders”</b>	Schroders plc, incorporated in England and Wales with registered number 3909886
<b>“Schroders Group”</b>	Schroders and its subsidiaries and subsidiary undertakings
<b>“significant interest”</b>	a direct or indirect interest in ten per cent. or more of the equity share capital (as defined in the Companies Act 2006)
<b>“Special Resolution”</b>	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
<b>“subsidiary”</b>	has the meaning given in section 1159 of the Companies Act 2006
<b>“subsidiary undertaking”</b>	has the meaning given by the Companies Act 2006
<b>“T Shares”</b>	T shares with no par value in the capital of Cazenove Capital
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“UK Listing Authority”</b>	the FSA acting in its capacity as the competent authority for listing in the United Kingdom for the purposes of Part VI of FSMA
<b>“Unit Trust Rollover”</b>	the opportunity for holders of Loan Notes to exchange their Loan Notes for units in the New Unit Trust, as described in paragraph 10 of this announcement
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

<b>“US Exchange Act”</b>	the United States Securities Exchange Act of 1934
<b>“Voting Record Time”</b>	6.00 p.m. on the day before the day immediately before the Court Meeting or any adjournment thereof (as the case may be)
<b>“Wider Cazenove Capital Group”</b>	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
<b>“Wider Schroders Group”</b>	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