

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN ACCORDANCE WITH SECTION 897 OF THE COMPANIES ACT 2006.

This document contains a proposal which, if implemented, will result in the cancellation of the listing of Charles Stanley Shares on the Official List and of the admission to trading of Charles Stanley Shares on the London Stock Exchange's Main Market for listed securities.

If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your Charles Stanley Shares, please send this document together with the accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted (in whole or in part) in or into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.

If you sell or have sold or otherwise transferred only part of your holding of Charles Stanley Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired Charles Stanley Shares, notwithstanding receipt of this document and any accompanying documents from the transferor, you should contact Charles Stanley's registrar, Link Group, on the telephone number set out below to obtain personalised Forms of Proxy.

The release, publication or distribution of this document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession these documents come should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, Charles Stanley and Bidco disclaim any responsibility or liability for the violation of such restrictions by such persons.

Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Acquisition or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus or prospectus exempted document.

Recommended Acquisition of

CHARLES STANLEY GROUP PLC (“Charles Stanley”)

by

RAYMOND JAMES UK WEALTH MANAGEMENT HOLDINGS LIMITED (“Bidco”)

a wholly-owned subsidiary of Raymond James Financial, Inc.

to be effected by means of a Scheme of Arrangement
under Part 26 of the Companies Act 2006

This document (including all information incorporated into this document by reference to another source) should be read as a whole and in conjunction with the Forms of Proxy and Loan Note Form of Election. Your attention is drawn to Part 1 (*Letter from the Chairman of Charles Stanley*) of this document, which contains the unanimous recommendation of the Charles Stanley Directors that you vote in favour of the Scheme at the Court Meeting and the special resolutions to be proposed at the General Meeting. A letter from Rothschild & Co explaining the Scheme is set out in Part 2 (*Explanatory Statement*) of this document.

Action to be taken by Charles Stanley Shareholders in respect of the Court Meeting and the General Meeting is set out on pages 10 and in section 23 of Part 2 (*Explanatory Statement*). Whether or not you intend to attend the Court Meeting and/or the General Meeting, please complete and sign both Forms of Proxy accompanying this document, blue for the Court Meeting and yellow for the General Meeting, in accordance with the instructions set out in this document and return them to Charles Stanley's registrar, Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible and in any event so as to be received not later than 48 hours before the relevant Meeting (excluding any part of such 48-hour period falling on a non-working day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting). Alternatively, Forms of Proxy for the Court Meeting (but not the General Meeting) may be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) prior to the start of the Court Meeting. You can also submit your proxy electronically at www.signalshares.com so as to be received by not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the relevant Meeting. You will need to accept relevant terms and conditions and enter the Investor Code (IVC) provided on the Forms of Proxy. Charles Stanley Shareholders who hold Charles Stanley Shares in CREST may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on page 12 of this document. The return of a completed Form of Proxy, the online appointment of a proxy or the submission of a proxy electronically via CREST will not prevent you from attending the Court Meeting and/or the General Meeting and voting and speaking at the relevant Meeting, or any adjournment thereof, in person or via the Virtual Meeting Platform if you so wish and if you are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you

choose to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

Scheme Shareholders who hold their Scheme Shares in certificated form and who wish to make an election under the Loan Note Alternative should also complete, sign and return the Loan Note Form of Election in accordance with the instructions contained in Part 6 (*How to make a Loan Note Election*) of this document. If you hold your shares in uncertificated form and wish to make an election for the Loan Note Alternative, you must do so electronically via the procedure set out in Part 6 (*How to make a Loan Note Election*) of this document. The Loan Notes will not be issued to any Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders.

Notices of the Court Meeting and the General Meeting, each of which will be held at 55 Bishopsgate, London, EC2N 3AS on 16 September 2021, are set out in pages 97 to 107 of this document. The Court Meeting will start at 10.00 a.m. on that date and the General Meeting at 10.15 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned.

Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and Charles Stanley Shareholders before the Meetings through Charles Stanley's website www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and by announcement through a Regulatory Information Service.

Instructions for accessing the Virtual Meeting Platform

Scheme Shareholders and Charles Stanley Shareholders will be given the opportunity to remotely attend, submit questions and vote at the Meetings via the Virtual Meeting Platform.

Scheme Shareholders and Charles Stanley Shareholders can access the Virtual Meeting Platform using a web browser, on any PC or equivalent thereof or smartphone device. The web browser must be compatible with the latest browser versions of Chrome, Firefox, Edge and Safari. To remotely attend, submit questions and vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser on a PC or equivalent thereof or smartphone device, you will be asked to enter the Lumi Meeting ID which is 111-670-037. You will then be prompted to enter your unique 11 digit IVC including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a Charles Stanley Shareholder.

Your IVC can be found on your Forms of Proxy or share certificate, or Signal Shares user (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Link Group, our Registrar, by calling +44 (0) 371 277 1020. Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales), calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Access to the Meetings via the Virtual Meeting Platform will be available from 9.30 a.m. on 16 September 2021, although questions cannot be submitted until the relevant Meeting is declared open and the voting functionality will not be enabled until the Chairman of the relevant Meeting declares the poll open. Scheme Shareholders and Charles Stanley Shareholders will be permitted to submit questions via the Virtual Meeting Platform to the Charles Stanley Directors during the course of the relevant Meeting. The Chairman of the relevant Meeting will ensure that relevant matters relating to the formal business of the Meeting are addressed in the Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of Charles Stanley or the good order of the relevant Meeting.

If you wish to appoint a proxy other than the Chairman of the relevant Meeting and for them to attend and vote remotely via the Virtual Meeting Platform on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 371 277 1020 in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the relevant Meeting.

If your Charles Stanley Shares are held by a nominee and you wish to attend the relevant Meeting remotely via the Virtual Meeting Platform, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group, our registrar, as soon as possible and at least 72 hours (excluding non-business days) before the relevant Meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend the relevant Meeting remotely via the Virtual Meeting Platform.

During the Meetings, you must ensure you are connected to the internet at all times in order to submit questions and vote when the Chairman commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the Meetings via your Wi-Fi.

The Virtual Meeting Guide contains further information on accessing and participating in the Meetings remotely via the Virtual Meeting Platform and is available on Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

Certain terms used in this document are defined in Part 11 (*Definitions*) of this document. References to times in this document are to London, United Kingdom time unless otherwise stated.

If you have any questions about this document, the Court Meeting or the General Meeting, or are in any doubt as to how to submit proxies online, complete the Forms of Proxy or elect for the Loan Note Alternative, please call Charles Stanley's registrars, Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Raymond James Financial International Limited ("**RJFIL**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Raymond James and Bidco as financial adviser and no one else in connection with the Acquisition and other matters set out in this document and will not be responsible to anyone other than Raymond James and Bidco for providing the protections afforded to clients of RJFIL, or for providing advice in connection with the Acquisition, the content of this document or any matter referred to herein. Neither RJFIL nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility

whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of RJFIL in connection with this document, any statement contained herein or otherwise.

N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Charles Stanley and for no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Charles Stanley for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to any matter referred to in this document.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Charles Stanley and for no one else in connection with the matters described in this document and will not regard any other person as its client in relation to the matters referred to in this document and will not be responsible to anyone other than Charles Stanley for providing the protections afforded to clients of Peel Hunt nor for providing advice in relation to matters described in this document.

IMPORTANT NOTICE

The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

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

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Charles Stanley, Raymond James or Bidco except where otherwise expressly stated. Neither Charles Stanley, Raymond James nor Bidco intends, or undertakes any obligation, to update information contained in this document, except as required by applicable law, the Code or other regulation.

This document has been prepared for the purpose of complying with English law, the Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England.

Overseas Shareholders

The release, publication or distribution of this document (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to vote their Charles Stanley Shares in respect of 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 or to which they are subject. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction.

The Acquisition will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent (in whole or in part) in or into or from any Restricted Jurisdiction or any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them (in whole or in part) in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition.

The Acquisition is subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA. As a result information included here may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of another jurisdiction.

Notice to US investors in Charles Stanley

The Acquisition relates to the shares of a UK company and is being made by way of a scheme of arrangement provided for under Part 26 of the Companies Act. The Acquisition, implemented by way 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 to a scheme of arrangement involving a target company in England listed on the London Stock Exchange, which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If,

in the future, Raymond James exercises its right to implement the Acquisition by way of an Offer and determines to extend the Offer into the United States, the Acquisition will be made in compliance with applicable US laws and regulations.

The Loan Note Alternative is not being offered, and will not be offered, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Loan Note Alternative may not be elected for by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, materials allowing an election for the Loan Note Alternative are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees), in whole or in part, in or into the United States or to any U.S. persons or any persons located or resident in the United States. Any purported acceptance of the Loan Note Alternative resulting directly or indirectly from a violation of these restrictions will be invalid and any purported election for the Loan Note Alternative made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each person electing for the Loan Note Alternative will represent that it is not a U.S. person, it is not located in the United States and it is not participating in the Acquisition from the United States or it is acting on a non-discretionary basis for a principal that is not a U.S. person, that is located outside the United States and that is not giving an order to participate in the Acquisition from the United States. For the purposes of this and the above paragraph, United States means United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

The financial information included in this document relating to Charles Stanley has been prepared in accordance with International Financial Reporting Standards (as adopted by the European Union) and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

It may be difficult for US holders of Charles Stanley Shares to enforce their rights and any claim arising out of the US federal laws or the laws of any state or other jurisdiction in the US, because Charles Stanley is located in a non-US country, and some or all of its officers and directors are residents of a non-US country. US Charles Stanley Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US federal laws or the laws of any state or other jurisdiction in the US. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

US Charles Stanley Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the US and that such consequences if any, are not described herein. US Charles Stanley Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction

Forward-Looking Statements

This document contains certain forward-looking statements with respect to Raymond James, Charles Stanley and the Enlarged Group. These forward-looking statements include information concerning future strategic objectives, business prospects, anticipated savings, financial results (including expenses, earnings, liquidity, cash flow and capital expenditures), industry or market conditions, demand for and pricing of our products, acquisitions and divestitures, anticipated results of litigation, regulatory developments, effects of accounting pronouncements, and general economic conditions. In addition, words such as "believes", "expects", "anticipates", "plans", "estimates", and future or conditional verbs such as "will", "may", "could", "should", and "would", as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements. Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions.

These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. By their nature, these forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the

context of such forward-looking statements in this document may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons reading this document are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. All subsequent oral or written forward-looking statements attributable to Raymond James or Charles Stanley or Bidco or any persons acting on their behalf, including any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Neither Raymond James nor Charles Stanley nor Bidco undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange 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 securities exchange 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 securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange 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 securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange 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, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

A copy of this document and the documents required to be published pursuant to Rule 26.1, Rule 26.2 and Rule 26.3 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and raymondjames.com/offer-for-charles-stanley during the course of the Offer Period.

Save where expressly stated in this document, neither the contents of these websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this document.

No profit forecasts, estimates or quantified benefits statements

No statement in this document is intended as a profit forecast or estimate for any period or a quantified financial benefits statement and no statement in this document should be interpreted to mean that earnings or earnings per share, for Raymond James or Charles Stanley, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Raymond James or Charles Stanley, respectively.

Right to switch to an Offer

Raymond James reserves the right to elect (with the prior written consent of both Charles Stanley, such consent not to be unreasonably withheld, and the Panel in accordance with the terms of the Co-Operation Agreement) to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of Charles Stanley as an alternative to the Scheme. In such an event, the Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in section 14.6 of Part 2 (*Explanatory Statement*) of this document.

Hard copy documents

In accordance with Rule 30.3 of the Code, Charles Stanley Shareholders, persons with information rights and participants in the Charles Stanley Share Schemes may request a hard copy of this document (and any information incorporated into it by reference to another source) by writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL stating your name, and the address to which the hard copy should be sent or by calling Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

For persons who receive a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested. Such persons may also request that all future documents, announcements and information in relation to the Acquisition be sent to them in hard copy form.

Information relating to Charles Stanley Shareholders

Addresses, electronic addresses and certain other information provided by Charles Stanley Shareholders, persons with information rights and other relevant persons for the receipt of communications from Charles Stanley may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

General

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Charles Stanley Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase Charles Stanley Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Date

This document is dated 25 August 2021.

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ACTION TO BE TAKEN

For the reasons set out in this document, the Charles Stanley Directors, who have been so advised by Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the Charles Stanley Directors, Rothschild & Co has taken into account the commercial assessments of the Charles Stanley Directors. Rothschild & Co is providing independent financial advice to the Charles Stanley Directors for the purposes of Rule 3 of the Code.

Accordingly, in order to implement the Acquisition, the Charles Stanley Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting and in favour of the special resolutions to be proposed at the General Meeting, as the Charles Stanley Directors irrevocably have undertaken to do in respect of their own beneficial holdings of Charles Stanley Shares, and that you take the action described below.

This page should be read in conjunction with the rest of this document, and in particular, section 10 of Part 1 (*Letter from the Chairman of Charles Stanley*) and section 23 of Part 2 (*Explanatory Statement*) of this document and the notices of the Court Meeting and the General Meeting at the end of this document.

Documents

Please check that you have received the following with this document:

- a blue attendance card and Form of Proxy for use in respect of the Court Meeting on 16 September 2021;
- a yellow attendance card and Form of Proxy for use in respect of the General Meeting on 16 September 2021;
- a green Loan Note Form of Election for use in respect of the Loan Note Alternative (Scheme Shareholders, other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders);
- a pre-paid envelope for use in the UK only for the return of the blue Form of Proxy and the yellow Form of Proxy marked 'PXS1 Forms of Proxy'; and
- a pre-paid envelope for use in the UK only for the return of the green Loan Note Form of Election marked 'CAG1 Loan Note Form of Election'.

If you have not received these documents, please contact the Shareholder Helpline operated by Charles Stanley's registrars, Link Group, on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Please note that Charles Stanley Shareholders who hold their Charles Stanley Shares in uncertificated form through CREST have not been sent a hard copy Loan Note Form of Election but should refer to the instructions for electing to receive the Loan Note Alternative in section 1.2 of Part 6 (*How to make a Loan Note Election*).

Voting at the Court Meeting and General Meeting

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN BOTH FORMS OF PROXY OR, ALTERNATIVELY, APPOINT A PROXY ONLINE OR ELECTRONICALLY THROUGH CREST AS SOON AS POSSIBLE.

Therefore, whether or not you plan to attend the Meetings, whether in person or via the Virtual Meeting Platform, please complete and sign both the enclosed blue and yellow Forms of Proxy and return them in accordance with the instructions provided thereon as soon as possible, but in any event so as to be received by:

- no later than 10.00 a.m. on 14 September in the case of the Court Meeting (blue form); and
- no later than 10.15 a.m. on 14 September in the case of the General Meeting (yellow form),

or, in the case of any adjournment, not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the holding of the adjourned Meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at 10.00 a.m. on 16 September 2021 at 55 Bishopsgate, London, EC2N 3AS. Implementation of the Scheme will also require approval of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting on 16 September 2021 at 10.15 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned).

As set out in the opening pages of this document and in Part 12 (*Notice of Court Meeting*) and Part 13 (*Notice of General Meeting*) of this document, Scheme Shareholders and Charles Stanley Shareholders are given the opportunity to remotely attend, submit questions and vote at the Meetings via the Virtual Meeting Platform, as described in the opening pages of this document and the Virtual Meeting Guide.

For those Charles Stanley Shareholders who wish to attend either or both of the Meetings in person, please see the additional information below under the heading 'Attendance at the Meetings' regarding registration of your intention to attend the Meetings in person and protective health and safety measures.

Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Charles Stanley Shareholders and Scheme Shareholders before the Meetings through Charles Stanley's website www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and by announcement through a Regulatory Information Service.

Submission of Forms of Proxy

Scheme Shareholders and Charles Stanley Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (online, electronically through CREST, by post or by hand) set out below. Scheme Shareholders and Charles Stanley Shareholders are also strongly encouraged to appoint the Chairman of the relevant Meeting as their proxy rather than any other named person. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the relevant Meeting whether in person or remotely via the Virtual Meeting Platform.

Scheme Shareholders and Charles Stanley Shareholders are required to cast or amend proxy voting instructions in respect of the relevant Meeting not later than 48 hours before the relevant Meeting (excluding any part of such 48-hour period falling on a non-working day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting). In the case of the Court Meeting only, Scheme Shareholders who have not cast or amended their proxy voting instructions by this time may hand a copy of the blue Form of Proxy to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

Charles Stanley Shareholders are entitled to appoint a proxy in respect of some or all of their Charles Stanley Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A proxy need not be a Charles Stanley Shareholder.

The return of a completed Form of Proxy, the online appointment of a proxy or the submission of a proxy electronically via CREST will not prevent you from attending, speaking and voting at the Court Meeting or the General Meeting, or any adjournment thereof, in person or remotely via the Virtual Meeting Platform if you are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend

the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

(a) **Online appointment of proxies**

Proxies may be appointed online by logging on to the following website: www.signalshares.com and following the instructions therein. If you have not previously registered for electronic communications you will first be asked to register as a new user, for which you will require your IVC which can be found on your Forms of Proxy or share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Link Group not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy online are given on the website.

If you are unable to locate your IVC or if you prefer, you may request a hard copy proxy form directly by calling Charles Stanley's registrars, Link Group on +44 (0) 371 664 0321 or by writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL stating your name, and the address to which the hard copy should be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

(b) **Electronic appointment of proxies through CREST**

If you hold Charles Stanley Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part 12 (*Notice of Court Meeting*) and Part 13 (*Notice of General Meeting*) of this document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Link Group (ID: RA10) not later than 48 hours (excluding any part of such 48-hour period falling on a nonworking day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. In the case of the Court Meeting only, if the CREST proxy appointment or instruction is not received by this time, the blue Form of Proxy may be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof.

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

Charles Stanley may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

(c) **Sending Forms of Proxy by post or by hand**

As an alternative to appointing proxies online or electronically through CREST, Charles Stanley Shareholders may elect to receive a blue Form of Proxy for the Court Meeting and a yellow Form of Proxy for the General Meeting. Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Charles Stanley's registrars, Link Group either by post or (during normal business hours only) by hand to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to be received as soon as possible and in any event not later than the relevant times set out below:

Blue Form of Proxy for the Court Meeting	10.00 a.m. on 14 September 2021
Yellow Form of Proxy for the General Meeting	10.15 a.m. on 14 September 2021

or, in the case of any adjournment, not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the holding of the relevant adjourned Meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

Loan Note Alternative

Instructions for how to make an election under the Loan Note Alternative are contained in Part 6 (*How to make a Loan Note Election*) of this document. The Loan Notes will not be issued to any Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders.

Charles Stanley Share Schemes

Participants in the Charles Stanley Share Schemes will be contacted separately around the date of this document regarding the effect of the Scheme on their rights under the Charles Stanley Share Schemes.

Attendance at the Meetings in person

Charles Stanley Shareholders who wish to attend the Meetings in person will be able to do so, subject to any COVID-19 Restrictions in force at the time, but are asked to register their intention to attend as soon as possible, by emailing LegalandCoSec@charles-stanley.co.uk. Whilst failure by a Charles Stanley Shareholder to register an intention to attend the Meetings in person will not preclude entry or attendance on the day, registration will assist Charles Stanley in preparing the venue in advance of the Meetings in line with any site guidelines in place at the time in relation to health, safety and security. If a Charles Stanley Shareholder is attending either or both of the Meetings in person, Charles Stanley will require them to adhere to the site guidelines in place at the time. For the safety of others, in line with COVID-19 Restrictions, please do not attend either of the Meetings in person if you are experiencing any of the symptoms connected with COVID-19 or are otherwise required to isolate or quarantine. All Charles Stanley Shareholders are strongly encouraged to vote in advance by submitting both Forms of Proxy (or alternatively appointing a proxy online or electronically through CREST) as soon as possible and to appoint the Chairman of the relevant Meeting as their proxy rather than any other named person. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the Meetings, whether in person or remotely via the Virtual Meeting Platform. Further information on action to be taken to appoint a proxy is set out above and in section 23 of Part 2 (*Explanatory Statement*) of this document and the notices of the Court Meeting and the General Meeting at the end of this document. Appointing a proxy will not prevent you from attending the Court Meeting and/or the General Meeting and voting and speaking at the relevant Meeting, or any adjournment thereof, in person or remotely via the Virtual Meeting Platform if you so wish and are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote,

any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid. Please be advised that Charles Stanley is continually monitoring the impact of COVID-19, including the latest COVID-19 Restrictions, and how this may affect the arrangements for the Meetings. Any changes to the arrangements of the Meetings will be posted on www.charles-stanley.co.uk/recommended-offer-for-charles-stanley. Please ensure that you keep this under review.

Ability to join the Virtual Meeting Platform

Logging in

In order to join the Meetings virtually and ask questions and vote via the Virtual Meeting Platform, Charles Stanley Shareholders will need to connect to the following site <https://web.lumiagm.com>. Lumi is available as a mobile web client, compatible with the latest browser versions of Chrome, Firefox, Edge and Safari and can be accessed using any web browser, on a PC or smartphone device

Once you have accessed <https://web.lumiagm.com> from your web browser on a PC or equivalent thereof or smartphone device, you will be asked to enter the Lumi Meeting ID which is 111-670-037. You will then be prompted to enter your unique 11 digit IVC including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a Charles Stanley Shareholder.

Your IVC can be found on your Forms of Proxy or share certificate, or a Signal Shares user (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Charles Stanley's registrar, Link Group, on +44 (0) 371 277 1020*

Access to the Meetings via the Virtual Meeting Platform will be available from 9.30 a.m. on 16 September 2021, although the voting functionality will not be enabled until the Chairman of the relevant Meeting declares the poll open. During the Meetings, you must ensure you are connected to the internet at all times in order to vote when the Chairman commences polling on the relevant resolutions. Therefore, it is your responsibility to ensure connectivity for the duration of the meeting via your Wi-Fi. A user guide to the Virtual Meeting Platform is available on Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

If you wish to appoint a proxy other than the Chairman of the relevant Meeting and for them to attend and vote remotely via the Virtual Meeting Platform on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 371 277 1020* in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the relevant Meeting.

If your Charles Stanley Shares are held by a nominee and you wish to attend and vote remotely via the Virtual Meeting Platform, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group as soon as possible and at least 72 hours (excluding non-business days) before the relevant Meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend and vote remotely via the Virtual Meeting Platform.

*Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales), calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Shareholder Helpline

If you have any questions about this document, the Court Meeting, the General Meeting, how to submit your proxies online or how to complete the Forms of Proxy, please call Charles Stanley's registrars, Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holiday in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on Charles Stanley's and Bidco's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Charles Stanley Shareholders by announcement through a Regulatory Information Service.

<i>Event</i>	<i>Time/date⁽¹⁾</i>
Publication of this document	25 August 2021
Latest time for lodging Forms of Proxy for the:	
Court Meeting (blue Form of Proxy)	10.00 a.m. on 14 September 2021 ⁽²⁾
General Meeting (yellow Form of Proxy)	10.15 a.m. on 14 September 2021 ⁽³⁾
Voting Record Time for the Court Meeting and the General Meeting	6.30 p.m. on 14 September 2021 ⁽⁴⁾
Court Meeting	10.00 a.m. on 16 September 2021
General Meeting	10.15 a.m. on 16 September 2021 ⁽⁵⁾
Capital Reduction Hearing	5 October 2021 ⁽⁶⁾
The following times and dates associated with the Scheme are indicative only and subject to change, the precise timings will depend, among other things, on the date upon which regulatory (and other) Conditions to the Scheme are satisfied or, if capable of waiver, waived and on the date on which the Court sanctions the Scheme. See note (7) below. Charles Stanley will give notice of the change(s) by issuing an announcement through a Regulatory Information Service and, if required by the Panel, post notice of the change(s) to Charles Stanley Shareholders and persons with information rights. The timetable is also dependent on the date on which the Court Order sanctioning the Scheme is delivered to the Registrar of Companies.	
Latest time for lodging of Loan Note Forms of Election and TTE Instructions in respect of the Loan Note Alternative	11.00 a.m. on D -1 Business Day
Sanction Hearing	A date expected to fall in the fourth quarter of 2021 and within 14 days of the satisfaction of the FCA condition (D)
Last day of dealings in, and for the registration of transfers of, and disablement in CREST of, Charles Stanley Shares	D + 1 Business Day
Scheme Record Time	6.00 p.m. on D + 1 Business Day
Suspension of trading in Charles Stanley Shares	around 7.30 a.m. on D + 2 Business Days
Effective Date of the Scheme	D + 2 Business Days
De-listing of Charles Stanley Shares	By 8.00 a.m. D + 3 Business Days
Latest date for despatch of cheques, crediting of CREST accounts and processing electronic transfers for cash consideration due under the Scheme	within 14 days of the Effective Date
Long Stop Date	31 January 2022 ⁽⁶⁾

- (1) The dates and times given are indicative only and are based on current expectations and are subject to change. References to times are to London, United Kingdom time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to Charles Stanley Shareholders by announcement through a Regulatory Information Service.

Participants in the Charles Stanley Share Plans will be contacted separately on or around the date of this Document to inform them of the effect of the Scheme on their rights under the Charles Stanley Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.
- (2) It is requested that blue Forms of Proxy for the Court Meeting be lodged by 10.00 a.m. on 14 September 2021 or, if the Court Meeting is adjourned, by no later than 48 hours prior to the time fixed for any adjourned Court Meeting (excluding any part of such 48-hour period falling on a non-working day). Blue Forms of Proxy not so lodged can be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof.
- (3) In order to be valid, yellow Forms of Proxy for the General Meeting must be received by Link Group by 10.15 a.m. on 14 September 2021 or, if the General Meeting is adjourned, 48 hours prior to the time appointed for the General Meeting (excluding any part of such 48-hour period falling on a non-working day).
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the day which is two Business Days prior to the date of the adjourned Meeting.
- (5) To commence at 10.15 a.m. or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (6) Timings and dates associated with the Capital Reduction Hearing are indicative only and subject to change following the direction hearing in respect of the Capital Reduction. Charles Stanley will give notice of any change by issuing an announcement through a Regulatory Information Service and, if required by the Panel, post notice of the change(s) to Charles Stanley Shareholders and persons with information rights.
- (7) This is the latest date by which the Scheme may become effective. However, the Long Stop Date may be extended to such later date as Raymond James and Charles Stanley may agree and the Panel and (if required) the Court may allow.
- (8) For further information on the regulatory Conditions, see section 15 of Part 2 (*Explanatory Statement*) and Part 3 (*Conditions to the Implementation of the Scheme and to the Acquisition*).

PART 1

LETTER FROM THE CHAIRMAN OF CHARLES STANLEY

Charles Stanley Group PLC
55 Bishopsgate
London
EC2N 3AS

Incorporated in England and Wales with registered number 48796

Directors:

Sir David Howard
Paul Abberley
Marcia Campbell
Andrew Didham
Hugh Grootenhuis
Benjamin Money-Coutts
Anna Troup

25 August 2021

To the holders of Charles Stanley Shares and, for information only, to participants in the Charles Stanley Share Schemes and persons with information rights.

Dear Shareholder

**RECOMMENDED CASH ACQUISITION OF CHARLES STANLEY GROUP PLC
BY RAYMOND JAMES UK WEALTH MANAGEMENT HOLDINGS LIMITED
A WHOLLY-OWNED SUBSIDIARY OF RAYMOND JAMES FINANCIAL, INC.**

1. Introduction

On 29 July 2021, the directors of Charles Stanley and Raymond James announced that they had reached agreement on the terms of a recommended acquisition by Bidco of the entire issued and to be issued share capital of Charles Stanley.

I am writing to you today, on behalf of the Charles Stanley Directors, to set out the background to the Acquisition and the reasons why the Charles Stanley Directors consider the terms of the Acquisition to be fair and reasonable and are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the special resolutions to be proposed at the General Meeting, as the Charles Stanley Directors have irrevocably undertaken to do in respect of their own beneficial holdings of Charles Stanley Shares, which amount to 7,648,192 Charles Stanley Shares representing, in aggregate, approximately 14.7 per cent. of the existing issued ordinary share capital of Charles Stanley, as at the Latest Practicable Date.

I draw your attention to the letter from Rothschild & Co set out in Part 2 (*Explanatory Statement*) of this document which gives details about the Acquisition and to the additional information set out in Part 10 (*Additional Information*) of this document. Further information relating to the irrevocable undertakings given by the Charles Stanley Directors and certain other Charles Stanley Shareholders, including the circumstances in which they may lapse, is set out at section 4 of this letter, and in section 8 of Part 10 (*Additional Information*) of this document.

In order to approve the terms of the Acquisition, the required majority of Scheme Shareholders will need to vote in favour of the resolution to be proposed at the Court Meeting and the required majority of Charles Stanley Shareholders will need to vote in favour of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The Court Meeting and the General Meeting are to be held at 55 Bishopsgate, London, EC2N 3AS on 16 September 2021. The Court Meeting will start at 10.00 a.m. on

that date and the General Meeting at 10.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). Details of the actions you should take are set out in section 23 of Part 2 (*Explanatory Statement*) of this document. Your attention is drawn to the recommendation of the Charles Stanley Directors to Charles Stanley Shareholders to vote in favour of the Scheme and the special resolutions is set out in section 13 of this letter.

The Scheme is subject to a number of Conditions which are set out in Part 3 (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document. These Conditions include approval from the FCA for Raymond James to acquire control of the Charles Stanley UK Regulated Entities and that the CMA either does not open a CMA Merger Investigation in relation to the Acquisition or does not intend to make a CMA Phase 2 Reference in connection with the Acquisition. Further details on the current status of these conditions are set out in section 15 of Part 2 (*Explanatory Statement*) of this document. It is expected that the Scheme will become Effective during the fourth quarter of 2021 subject to the satisfaction or (where applicable) waiver of all the relevant Conditions and that despatch of the cash consideration and/or issue of certificates for any Loan Notes issued pursuant to the Loan Note Alternative (as detailed in section 2 of this letter) to Charles Stanley Shareholders will take place within 14 days of the Effective Date. Details relating to the de-listing of the Charles Stanley Shares and the settlement of the consideration offered by Bidco are included in sections 17 and 18 respectively of Part 2 (*Explanatory Statement*) of this document.

Charles Stanley Shareholders should read the whole of this document before deciding whether or not to vote in favour of the Scheme at the Court Meeting and the special resolutions to be proposed at the General Meeting.

2. Summary of the terms of the Acquisition

The Acquisition will be implemented by the acquisition of Charles Stanley by Bidco pursuant to a scheme of arrangement between Charles Stanley and Scheme Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition, Charles Stanley Shareholders will be entitled to receive:

for each Charles Stanley Share: 515 pence in cash

The terms of the Acquisition value each Charles Stanley Share at 515 pence and Charles Stanley's issued and to be issued share capital at approximately £278.8 million.

The terms of the Acquisition represent a premium of approximately:

- 43.5 per cent. to the Closing Price per Charles Stanley Share of 359 pence on 28 July 2021 (being the last practicable date prior to the commencement of the Offer Period);
- 47.6 per cent. to the volume weighted average Closing Price per Charles Stanley Share of 349 pence for the three months ended on 28 July 2021 (being the last practicable date prior to the commencement of the Offer Period); and
- 53.8 per cent. to the volume weighted average Closing Price per Charles Stanley Share of 334.8 pence for the six months ended on 28 July 2021 (being the last practicable date prior to the commencement of the Offer Period).

Under the terms of the Acquisition, a Loan Note Alternative is available to Charles Stanley Shareholders (other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) which enables eligible Charles Stanley Shareholders to elect to receive Loan Notes in lieu of part or all of the cash consideration to which they would otherwise be entitled under the terms of the Acquisition. Unless Bidco otherwise determines, Loan Notes shall only be issued if the aggregate valid Loan Note Elections received on or before the Loan Note Deadline require the issue of Loan Notes of, in aggregate nominal amount, at least £15 million. Further detail in relation to the Loan Note Alternative is set out in section 6 of this letter.

The Charles Stanley Shares will be acquired by Bidco with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the Effective Date or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any)

declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the Charles Stanley Shares.

Raymond James has agreed that, if the Scheme has not been sanctioned by the Court by 10 December 2021 then Charles Stanley Shareholders on the register as at that date will be entitled to receive and retain an interim dividend of an amount up to 4 pence per Charles Stanley Share (without a corresponding reduction to the consideration payable for each Charles Stanley Share being made) (the **Permitted Dividend**).

Further information about the Acquisition is provided in Part 2 (*Explanatory Statement*) of this document. Details on the settlement of the consideration due under the Acquisition is set out at section 18 in Part 2 (*Explanatory Statement*) of this document.

3. Background to and reasons for the recommendation

The Charles Stanley Board believes that Charles Stanley has a resilient business model, a strong position in the UK marketplace and a strategy to continue to grow the business. Nevertheless, it recognises the benefits of scale in a sector which continues to consolidate and the need for resources to invest in people and systems to deliver excellent client service. In this context, the Board considers that the cash offer from Bidco not only represents an attractive premium to the historic trading range of the Charles Stanley Shares, but will also bring together two businesses with compatible organisational structures and cultures and that Charles Stanley will benefit from being backed by the very substantial resources and wealth management expertise of Raymond James. Consequently, in reaching its unanimous decision to recommend the Acquisition, the Charles Stanley Board, in addition to the financial terms of the Acquisition, took account of the interests of all of its key stakeholders – clients, staff and shareholders alike.

4. Irrevocable undertakings

Raymond James has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the special resolutions at the General Meeting from the Charles Stanley Directors, in respect of their entire beneficial holdings, amounting to 7,648,192 Charles Stanley Shares, in aggregate, representing approximately 14.7 per cent. of the issued share capital of Charles Stanley as at the Latest Practicable Date.

Raymond James has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the special resolutions at the General Meeting from certain members of the Howard Family in respect of 10,330,864 Charles Stanley Shares, representing approximately 19.8 per cent. of Charles Stanley's issued share capital as at the Latest Practicable Date. Queen Street Securities Limited, a company incorporated in Jersey through which Sir David Howard and his wife hold interests in certain Charles Stanley Shares, has also provided an irrevocable undertaking to Raymond James to vote in favour of the Scheme at the Court Meeting and the special resolutions at the General Meeting in respect of 2,102,500 Charles Stanley Shares, representing approximately 4.0 per cent. of Charles Stanley's issued share capital as at the Latest Practicable Date.

In aggregate, therefore, Raymond James has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the special resolutions at the General Meeting in respect of 20,081,556 Charles Stanley Shares, in aggregate, representing approximately 38.5 per cent. of Charles Stanley's issued share capital as at the Latest Practicable Date.

Further details of these irrevocable undertakings are set out in section 8 of Part 10 (*Additional Information*) of this document. Copies of the irrevocable undertakings are available on Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and will remain on display until the end of the Offer Period.

5. Charles Stanley Board's view on Raymond James' intentions with regard to management, employees, pensions and locations

Your attention is drawn to Raymond James' strategic plans and intention statements for Charles Stanley following the Effective Date, as set out in section 13 of Part 2 (*Explanatory Statement*) of this document.

In considering the recommendation of the Acquisition to Charles Stanley Shareholders, the Charles Stanley Directors have given due consideration to Bidco's intentions for the business, management, employees, pensions and locations of business of Charles Stanley.

The Charles Stanley Directors welcome Raymond James' intention that, following completion of the Acquisition, the existing contractual and statutory employment rights, including in relation to pensions, of all Charles Stanley management and employees will be fully safeguarded in accordance with applicable law. The Charles Stanley Directors also welcome the confirmation from Bidco that it intends to preserve the terms on which clients are serviced as well as Charles Stanley's employed and self-employed models, and that it does not intend to carry out any material restructurings or make any changes in location of Charles Stanley's headquarters or its functions, operations and places of business. Most importantly, the Charles Stanley Board is encouraged by Raymond James' commitment to Charles Stanley's client-centric approach and to investing in the business to propel growth.

6. Loan Note Alternative

As an alternative to part or all of the cash consideration to which they would otherwise be entitled under the terms of the Acquisition, Charles Stanley Shareholders (other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) are able to elect to receive Loan Notes to be issued by Bidco. This Loan Note Alternative will not be made available to participants in the Charles Stanley Share Schemes as part of the proposals made to such participants in accordance with Rule 15 of the Code. The Loan Note Alternative is conditional upon the Scheme becoming effective in accordance with its terms.

The Loan Note Alternative is being made available on the basis of £1.00 nominal value for every £1.00 of cash to which a Charles Stanley Shareholder would otherwise be entitled. Unless Bidco otherwise determines, Loan Notes shall only be issued if the aggregate valid Loan Note Elections received on or before the Loan Note Deadline require the issue of Loan Notes of, in aggregate nominal amount, at least £15 million. If the Loan Notes are not issued for this reason, Charles Stanley Shareholders who elect for the Loan Note Alternative will instead receive cash in accordance with the terms of the Acquisition.

The Charles Stanley Directors do not give any advice to Charles Stanley Shareholders as to whether, or to what extent, they should elect for the Loan Note Alternative as its benefits will depend on each Charles Stanley Shareholder's individual tax and financial situation. Charles Stanley Shareholders should consider whether the Loan Notes are a suitable payment alternative in light of their own personal circumstances and investment objectives and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Loan Note Alternative.

Full details of the Loan Note Alternative, including details of the interest payable on the Loan Notes and the Noteholders' rights of redemption and transfer, are set out in Part 2 (*Explanatory Statement*) and Part 5 (*Summary of the Loan Notes*) of this document. An estimate of the value of the Loan Notes by RJFIL for the purposes of Rule 24.11 of the Code is set out in section 3 of Part 2 (*Explanatory Statement*) of this document.

7. Dividend

Raymond James has agreed that, if the Scheme has not been sanctioned by the Court by 10 December 2021 then Charles Stanley Shareholders on the register as at that date will be entitled to receive and retain the Permitted Dividend.

Save for the Permitted Dividend, if any dividend or other distribution in respect of the Charles Stanley Shares is announced, declared, payable or paid in respect of the Charles Stanley Shares prior to the Effective Date, Bidco reserves the right to reduce the consideration payable for each Charles Stanley Share by the amount of all or part of any such dividend or other distribution.

8. Employee Share Plans

Further details of the arrangements for participants in the Charles Stanley Share Schemes are set out in section 11 of Part 2 (*Explanatory Statement*) of this Document.

9. Capital Reduction in respect of Bearer Shares

As at the Latest Practicable Date, Charles Stanley's share register records the existence of the Bearer Shares (out of a total issued share capital of 52,132,834 ordinary shares of 25 pence each). In order to tidy up its share capital ahead of the Scheme Record Time, Charles Stanley intends to undertake a Court approved Capital Reduction to reduce its share capital by £21,247 by the cancellation of the Bearer Shares attributable to the Share Warrants in accordance with the procedure set out in sections 641 and 645 to 649 of the Companies Act.

Pursuant to paragraph 3(3) of Schedule 4 of the SBEEA, all rights attaching to bearer shares represented by share warrants were suspended with effect from 26 December 2015, including any voting rights and any right to receive a dividend or distribution. Subject to any arrangements required for the protection of creditors and any other directions given by the Court in confirming the Capital Reduction, the reserves arising as a result of the Capital Reduction will be retained by Charles Stanley.

The Capital Reduction will only become effective if the Capital Reduction Resolution is passed by the requisite majority of Charles Stanley Shareholders at the General Meeting and confirmed by the Court at the Capital Reduction Hearing. In the event that Charles Stanley Shareholders approve the Capital Reduction Resolution, the Company intends to make an application to the Court for the Capital Reduction Order as soon as possible following the General Meeting.

The Capital Reduction will not take effect until the Capital Reduction Order and a related statement of capital is registered by the Registrar of Companies. Subject to the approval of the Capital Reduction Resolution by Charles Stanley Shareholders, it is expected that the Capital Reduction Hearing will take place before the Sanction Hearing, with the Capital Reduction taking effect prior to the Effective Date.

No new share certificates will be issued to Charles Stanley Shareholders as a result of the Capital Reduction as the Capital Reduction only affects the cancellation of the Bearer Shares attributable to the Share Warrants.

Subject to approval by the requisite majority of Charles Stanley Shareholders at the General Meeting, upon the cancellation of the Bearer Shares pursuant to the Capital Reduction Order or, failing that, upon the granting of the Court Order, the Share Warrants will be cancelled pursuant to the Cancellation Resolution.

Notice of the General Meeting, including the form of the Capital Reduction Resolution and of the Cancellation Resolution, is set out in Part 13 (*Notice of General Meeting*) of this document.

10. Action to be taken by Charles Stanley Shareholders

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Charles Stanley Shareholders in respect of the Scheme are set out in section 23 of Part 2 (*Explanatory Statement*) of this document.

Whether or not you intend to be present at either of the Meetings in person or remotely via the Virtual Meeting Platform, you are requested to complete, sign and return both the enclosed Forms of Proxy for the Court Meeting (blue form) and for the General Meeting (yellow form) in accordance with the instructions printed on the forms or, alternatively, appoint a proxy electronically or via CREST as soon as possible.

Information for those Charles Stanley Shareholders who wish to attend either or both of the Meetings in person regarding prior registration and health and safety measures and information for those wishing to attend the Meetings remotely via the Virtual Meeting Platform regarding logging in to the Virtual Meeting Platform is set out in sections 14.4 and 23 of Part 2 (*Explanatory Statement*).

Instructions for Scheme Shareholders wishing to complete a Loan Note Form of Election in order to elect for the Loan Note Alternative are set out in Part 6 (*How to make a Loan Note Election*) of this document. The Loan Notes will not be issued to any Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders.

Details relating to the de-listing of the Charles Stanley Shares and the settlement of the consideration offered by Bidco are included in sections 17 and 18 respectively of Part 2 (*Explanatory Statement*) of this document.

11. Overseas Shareholders

Overseas Shareholders should refer to Part 9 (*Additional Information for Overseas Shareholders*) of this document, which contains important information relevant to such holders.

12. United Kingdom taxation

Your attention is drawn to Part 8 (*United Kingdom Taxation*) and Part 9 (*Additional Information for Overseas Shareholders*) of this document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. This summary relates only to the position of certain categories of Charles Stanley Shareholders (as explained further in Part 8 (*United Kingdom Taxation*) and Part 9 (*Additional Information for Overseas Shareholders*) of this document), does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme given your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

13. Recommendation

The Charles Stanley Directors, who have been so advised by Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Charles Stanley Directors, Rothschild & Co has taken into account the commercial assessments of the Charles Stanley Directors. Rothschild & Co is providing independent financial advice to the Charles Stanley Directors for the purposes of Rule 3 of the Code.

The Charles Stanley Directors believe that the terms of the Acquisition (including the Scheme) are in the best interests of Charles Stanley Shareholders as a whole and unanimously recommend that Charles Stanley Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting, as they have irrevocably agreed to do in respect of their own beneficial holdings, which amount to 7,648,192 Charles Stanley Shares representing, in aggregate, approximately 14.7 per cent. of the existing issued ordinary share capital of Charles Stanley as at the Latest Practicable Date.

14. Further information

Your attention is drawn to further information contained in Part 2 (*Explanatory Statement*), Part 3 (*Conditions to the Implementation of the Scheme and to the Acquisition*), Part 4 (*The Scheme of Arrangement*) and Part 10 (*Additional Information*) of this document which provides further details concerning the Scheme.

You are advised to read the whole of this document and not just rely on the summary information contained in this letter or the Explanatory Statement.

Yours faithfully,

Sir David Howard

Chairman

Charles Stanley Group PLC

PART 2

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)

N.M. Rothschild & Sons Limited
New Court, St Swithin's Lane,
London EC4N 8AL

25 August 2021

To the holders of Charles Stanley Shares and, for information only, to participants in the Charles Stanley Share Schemes and persons with information rights

Dear Shareholder

RECOMMENDED CASH ACQUISITION OF CHARLES STANLEY GROUP PLC BY RAYMOND JAMES UK WEALTH MANAGEMENT HOLDINGS LIMITED A WHOLLY-OWNED SUBSIDIARY OF RAYMOND JAMES FINANCIAL, INC.

1. Introduction

On 29 July 2021, the directors of Charles Stanley and Raymond James announced that they had reached agreement on the terms of a recommended acquisition by Bidco of the entire issued and to be issued share capital of Charles Stanley.

The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting and Charles Stanley Shareholders at the General Meeting as well as the sanction of the Court.

Your attention is drawn to the letter from the Chairman of Charles Stanley set out in Part 1 (*Letter from the Chairman of Charles Stanley*) of this document, which forms part of this Explanatory Statement. The letter contains, among other things (a) information on the background to and reasons for the Acquisition and (b) the unanimous recommendation by the Charles Stanley Directors to Charles Stanley Shareholders to vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting.

The Charles Stanley Directors have been advised by Rothschild & Co and Peel Hunt in connection with the Acquisition and the Scheme. Rothschild & Co is providing independent financial advice to the Charles Stanley Directors for the purposes of Rule 3 of the Code. We have been authorised by the Charles Stanley Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

The Scheme is set out in full in Part 4 (*The Scheme of Arrangement*) of this document. For overseas holders of Charles Stanley Shares, your attention is drawn to Part 9 (*Additional Information for Overseas Shareholders*) of this document, which forms part of this Explanatory Statement.

Statements made or referred to in this letter regarding Bidco's reasons for the Acquisition, information concerning the business of Bidco, the financial effects of the Acquisition on Bidco and/or intentions or expectations of or concerning Bidco reflect the views of the Bidco Directors, and the Raymond James Directors (whose names are set out in sections 2.2 and 2.3 of Part 10 (*Additional Information*) of this document, respectively).

Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the Charles Stanley Directors, information concerning the business of the Charles Stanley Group and/or intentions or expectations of or concerning the Charles Stanley Group prior to completion of the Acquisition, reflect the views of the Charles Stanley Directors.

2. Summary of the terms of the Acquisition and the Scheme

The Acquisition will be implemented by the acquisition of Charles Stanley by Bidco pursuant to a scheme of arrangement between Charles Stanley and Scheme Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition, Charles Stanley Shareholders will be entitled to receive:

for each Charles Stanley Share: 515 pence in cash

The terms of the Acquisition value each Charles Stanley Share at 515 pence and Charles Stanley's issued and to be issued share capital at approximately £278.8 million.

The terms of the Acquisition represent a premium of approximately:

- 43.5 per cent. to the Closing Price per Charles Stanley Share of 359 pence on 28 July 2021 (being the last practicable date prior to the commencement of the Offer Period);
- 47.6 per cent. to the volume weighted average Closing Price per Charles Stanley Share of 349 pence for the three months ended on 28 July 2021 (being the last practicable date prior to the commencement of the Offer Period); and
- 53.8 per cent. to the volume weighted average Closing Price per Charles Stanley Share of 334.8 pence for the six months ended on 28 July 2021 (being the last practicable date prior to the commencement of the Offer Period).

Under the terms of the Acquisition, a Loan Note Alternative is available to Charles Stanley Shareholders (other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) which enables eligible Charles Stanley Shareholders to elect to receive Loan Notes in lieu of part or all of the cash consideration to which they would otherwise be entitled under the terms of the Acquisition. Further detail in relation to the Loan Note Alternative is set out in section 3 of this Part 2 (*Explanatory Statement*).

The Charles Stanley Shares will be acquired by Bidco with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the Effective Date or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the Charles Stanley Shares.

Save for the Permitted Dividend, if any dividend or other distribution in respect of the Charles Stanley Shares is announced, declared, payable or paid in respect of the Charles Stanley Shares prior to the Effective Date, Bidco reserves the right to reduce the consideration payable for each Charles Stanley Share by the amount of all or part of any such dividend or other distribution.

3. Summary of the Loan Note Alternative

As an alternative to part or all of the cash consideration to which they would otherwise be entitled under the terms of the Acquisition, Charles Stanley Shareholders (other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) are able to elect to receive Loan Notes to be issued by Bidco.

The Loan Note Alternative is being made available on the basis of £1.00 nominal value for every £1.00 of cash to which a Charles Stanley Shareholder would otherwise be entitled. Unless Bidco otherwise determines, Loan Notes shall only be issued if the aggregate valid Loan Note Elections received on or before the Loan Note Deadline require the issue of Loan Notes of, in aggregate nominal amount, at least £15 million. If the Loan Notes are not issued for this reason, Charles Stanley Shareholders who elect for the Loan Note Alternative will instead receive cash in accordance with the terms of the Acquisition.

The Loan Notes are governed by English law and will be issued by Bidco, credited as fully paid, in amounts and integral multiples of £1.00 and any entitlement that is not a whole multiple of £1.00 will be disregarded and not issued.

The Loan Notes will constitute direct, unsecured and unsubordinated obligations of Bidco. The obligations of Bidco under the Loan Notes will be guaranteed by Raymond James.

The Loan Notes will bear interest payable twelve months in arrear at a rate equal to the aggregate of 0.1 per cent. per annum, plus an amount equal to 50 per cent. of the Base Rate Differential where the Reference Base Rate is higher than the Initial Base Rate, or less an amount equal to 50 per cent. of the Base Rate Differential where the Reference Base Rate is lower than the Initial Base Rate (the **Interest Rate**), provided that the Interest Rate in respect of any interest period shall not be less than zero nor greater than 1.5 per cent.

Holders of Loan Notes will have the right (subject to certain restrictions) to redeem them for cash at par on each anniversary of the date of issue of the Loan Notes. All or part of the Loan Notes held by an individual may be redeemed at par in the event of the death of the Noteholder. Any Loan Notes not previously repaid, redeemed or purchased will be repaid in full at their principal amount, together with all accrued and unpaid interest, on the fifteenth anniversary of their issue. With effect from the fifth anniversary of the date of issue of the Loan Notes, the Loan Notes may be redeemed by Bidco if the principal amount of Loan Notes outstanding is equal to or less than 50 per cent. of the nominal amount of the Loan Notes originally issued.

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 Restricted Jurisdiction. No application has been or will be made to any stock exchange for the Loan Notes to be listed or dealt in and the Loan Notes will only be transferable to certain permitted transferees.

The Loan Note Alternative is conditional upon the Scheme becoming effective in accordance with its terms and the aggregate valid Loan Note Elections received on or before the Loan Note Deadline requiring the issuance of Loan Notes of, in aggregate nominal amount, at least £15 million.

Further details on the terms of the Loan Notes are set out in Part 5 (*Summary of the Loan Notes*) of this document and details on how to make an election under the Loan Note Alternative are set out in Part 6 (*How to make a Loan Note Election*) of this document.

For the purposes of Rule 24.11 of the Code, RJFIL has advised that, in its opinion, based on market conditions on the Latest Practicable Date, the value of the Loan Notes (had they been issued that day) would have been no less than 99 pence per £1 in nominal value of the Loan Notes.

The Charles Stanley Directors do not give any advice to Charles Stanley Shareholders as to whether, or to what extent, they should elect for the Loan Note Alternative as its benefits will depend on each Charles Stanley Shareholder's individual tax and financial situation. Charles Stanley Shareholders should consider whether the Loan Notes are a suitable payment alternative in light of their own personal circumstances and investment objectives and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Loan Note Alternative.

Further details of the tax treatment that may apply to Charles Stanley Shareholders are referred to in Part 8 (*United Kingdom Taxation*) of this document, which includes certain statements about the UK tax consequences for certain UK resident Charles Stanley Shareholders if electing to receive Loan Notes.

4. Background to and reasons for the recommendation

Information relating to the background to and reasons for the Charles Stanley Directors' recommendation of the Acquisition is set out in section 3 of Part 1 (*Letter from the Chairman of Charles Stanley*) of this document.

Bidco has received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the resolutions relating to the Acquisition at the Meetings from the Charles Stanley Directors (in their capacity as Charles Stanley Shareholders), in respect of their own beneficial holdings totalling 7,648,192 Charles Stanley Shares (representing, in aggregate, approximately 14.7 per cent. of the existing issued ordinary share capital of Charles Stanley as at the Latest Practicable Date).

Further details of these irrevocable undertakings are set out in section 8 of Part 10 (*Additional Information*) of this document.

5. Information on Charles Stanley

Charles Stanley provides holistic wealth management services to private clients, charities, trusts and institutions in the UK. Its origins trace back to 1792 and it is one of the oldest firms on the London Stock Exchange. Charles Stanley has a national presence, with 26 locations and over 800 professionals. Its wealth management services are provided direct to clients and to intermediaries.

Charles Stanley operates through three client facing divisions: Investment Management Services (**IMS**), Financial Planning and Central Financial Services (**CFS**). IMS offers bespoke discretionary, advisory and execution only investment management and stock broking services to over 52,000 clients. Financial Planning provides tailored advice to approximately 2,100 clients, helping them plan and structure their wealth. The CFS division comprises Charles Stanley's centrally managed products and services offered to some 71,000 clients. These include Charles Stanley Direct, which provides online execution only services, asset management products for the retail and institutional intermediary markets, and Foundation Planning, a simplified advice and guidance service.

For the year ended 31 March 2021 Charles Stanley reported audited revenues of £171.2 million (financial year 2020: £173.0 million) and profit before tax of £13.4 million (financial year 2020: £17.3 million). As at 31 March 2021, it had net assets of £123.3 million, including £105.4 million of cash, and £25.6 billion funds under management and administration.

6. Charles Stanley current trading and prospects

On 12 July 2021, Charles Stanley announced its trading update for the three months ended 30 June 2021. As set out in that statement, total funds under management and administration increased by 5.9 per cent. over the quarter to £27.1 billion (31 March 2021: £25.6 billion) and total revenues for the quarter rose by 8.1 per cent. to £45.6 million (Q1 2021: £42.2 million). Fee income increased significantly to £35.5 million (Q1 2021: £30.4 million), a rise of 16.8 per cent. but was offset by a 5.8 per cent. reduction in commission income to £9.7 million (Q1 2021: £10.3 million) and a 73.3 per cent. contraction in interest income to £0.4 million (Q1 2021: £1.5 million), which reflected lower base rates. The Charles Stanley Group continues to display good forward momentum across all areas, with especially strong growth from the Financial Planning and Central Financial Services divisions.

7. Information on Raymond James and Bidco

Raymond James

Raymond James is a US company with its headquarters located in St. Petersburg, Florida. Public since 1983, the firm has been listed on the New York Stock Exchange since 1986 under the symbol RJF. Raymond James is a multinational independent investment bank and financial services company providing financial services to individuals, corporations, and municipalities through its subsidiary companies that engage primarily in investment and financial planning, in addition to capital markets, banking and asset management services.

Raymond James has approximately 8,400 financial advisers and total client assets of \$1.17 trillion.

Bidco

Bidco is a newly-incorporated Jersey private limited company and a direct subsidiary of Raymond James. Bidco has been formed at the direction of Raymond James for the purposes of implementing the Acquisition. Bidco has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

8. Financial effects of the Acquisition on Bidco

Bidco has no material assets or liabilities other than those described in this document in connection with its incorporation and the Acquisition. With effect from the Effective Date, the earnings, assets and liabilities in the consolidated Bidco accounts will comprise the consolidated earnings, assets and liabilities of the Charles Stanley Group.

9. Financing of the Acquisition

Raymond James will finance the cash consideration payable to Charles Stanley Shareholders pursuant to the Acquisition from existing cash resources on its balance sheet.

RJFIL, as financial adviser to Raymond James, is satisfied that sufficient cash resources are available to Bidco to enable it to satisfy in full the cash consideration payable to Charles Stanley Shareholders under the terms of the Acquisition.

10. Background to and reasons for the Acquisition

Raymond James has long admired Charles Stanley's reputation, heritage and its talented pool of investment managers, financial planners (collectively referred to as wealth managers) and professionals. The two firms share a common client-centric approach and both offer employed and self-employed affiliation models, while Raymond James also provides platform services, enabling the flexibility that wealth managers value. Charles Stanley meets Raymond James' historical acquisition criteria, in particular as an excellent strategic fit with a complementary culture.

The Acquisition would provide both Raymond James and Charles Stanley with the opportunity to accelerate the growth of their respective current UK wealth management businesses, creating operations with the scale to support expansion and flourish in a highly competitive and consolidating UK marketplace. Charles Stanley would allow Raymond James to benefit from the contributions of approximately 200 additional wealth managers, many of whom are located in key geographic areas across the United Kingdom that Raymond James has targeted for expansion. Charles Stanley would add approximately £27.1 billion in client assets, bringing Raymond James' total client assets in the UK to over £40 billion. Raymond James shares Charles Stanley's vision of a broad holistic wealth proposition offering discretionary, advisory and execution services delivered from bespoke through to digitally-supported formats.

Raymond James is confident that the Acquisition would provide major benefits to all stakeholders, and that, with further investment, it would strengthen and enhance the range of services available to clients of both RJIS, Raymond James' UK wealth management business, and Charles Stanley and their respective wealth managers.

11. Charles Stanley Share Schemes

Participants in the Charles Stanley Share Schemes will be contacted separately around the date of this document regarding the effect of the Scheme on their rights under the Charles Stanley Share Schemes, and appropriate proposals will be made to such participants in accordance with Rule 15 of the Code. The Loan Note Alternative will not be made available to participants in the Charles Stanley Share Schemes as part of these proposals.

All unvested awards under the Charles Stanley Share Schemes will vest (where relevant, to the extent applicable performance conditions are satisfied, and subject to time pro-rating if applicable), and all awards (except for SAYE options) structured as options will be automatically exercised upon the Scheme being sanctioned by the Court at the Sanction Hearing. Options under the Charles Stanley Save-as You Earn Plan which are unvested immediately prior to the Court sanction of the Scheme will become exercisable on the Court Sanction Date, and remain exercisable for a period of six months following such date.

Charles Stanley Shares held under the Charles Stanley Share Incentive Plan will be subject to the terms of the Scheme.

The Acquisition will extend to any Charles Stanley Shares which are unconditionally allotted, issued or transferred to satisfy the exercise of options under the Charles Stanley Share Schemes prior to the Scheme Record Time. Any Charles Stanley Shares to which participants become entitled on any subsequent exercise of options will be automatically acquired by Bidco for the same consideration as payable under the Scheme under the amendment to the Charles Stanley articles of association to be proposed at the General Meeting.

12. The Charles Stanley Directors and the effect of the Scheme on their interests

Details of the interests of the Charles Stanley Directors in the ordinary share capital of Charles Stanley and awards in respect of such ordinary share capital, are set out in section 3 of Part 10 (*Additional Information*) of this document. Scheme Shares held by the Charles Stanley Directors at the Scheme Record Time will be subject to the Scheme.

The Charles Stanley Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the special resolutions at the General Meeting in respect of their own beneficial holdings which are under their control of, in aggregate, 7,648,192 Charles Stanley Shares. These irrevocable undertakings also extend to any shares acquired by the Charles Stanley Directors as a result of the exercise of options under the Charles Stanley Share Schemes. The undertakings will remain binding in the event that a higher competing offer for Charles Stanley is made. Queen Street Securities Limited, a company incorporated in Jersey through which Sir David Howard and his wife hold interests in certain Charles Stanley Shares, has also provided an irrevocable undertaking to Raymond James to vote in favour of the Scheme at the Court Meeting and the special resolutions at the General Meeting in respect of 2,102,500 Charles Stanley Shares, representing approximately 4.0 per cent. of Charles Stanley's issued share capital as at the Latest Practicable Date.

The undertakings from the Charles Stanley Directors and from Queen Street Securities Limited will cease to be binding only if: (i) the Scheme lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme is announced by Bidco in accordance with Rule 2.7 of the Code at the same time; or (ii) the Scheme has not become effective by 23.59 p.m. on the Long Stop Date.

Particulars of the service agreements (including termination provisions) and letters of appointment of the Charles Stanley Directors are set out in section 5 of Part 10 (*Additional Information*) of this document.

In common with the other participants in the Charles Stanley Share Schemes, the Charles Stanley Directors who hold options will be able to receive Charles Stanley Shares under such options, to the extent that such options become exercisable.

Save as set out above, the effect of the Scheme on the interests of Charles Stanley Directors does not differ from its effect on the like interests of any other Charles Stanley Shareholder.

13. Management, employees, pensions and locations

Intentions and Plans

Given its long held admiration for Charles Stanley, Raymond James' priority will be to preserve and cultivate the unique strengths it sees in Charles Stanley, particularly its culture, heritage, brand and approach to managing clients. Accordingly, Raymond James intends to preserve the terms on which clients are serviced as well as Charles Stanley's employed and self-employed models. More generally, Raymond James does not intend to make any changes to the conditions of employment within the Charles Stanley Group (including the balance of skills and functions).

Raymond James envisages that Charles Stanley will continue to operate as a separately branded firm, doing business as Charles Stanley, a division of Raymond James, and will operate as a stand-alone division and subsidiary of the Raymond James Group. Sir David Howard, Charles Stanley's former Chief Executive and current Chairman, will remain Chairman of Charles Stanley. Paul Abberley and Ben Money-Coutts will continue as CSC's Chief Executive Officer and Chief Financial Officer, respectively. Peter Moores, the Chief Executive Officer of Raymond James' UK operations, will serve as the non-executive chairman of CSC and have overall responsibility for the respective UK businesses of Raymond James and Charles Stanley.

Following completion of the Acquisition, once Charles Stanley ceases to be a listed company, certain listed company-related functions may be reduced in scope or become unnecessary. Therefore, it is intended that, other than Sir David Howard, each of Charles Stanley's other Non-Executive Directors shall resign from his or her office as a director of Charles Stanley, although Anna Troup will remain as an independent non-executive director of CSC, the Charles Stanley Group's principal trading company.

RJIS will continue to operate in the UK as a separately branded and managed subsidiary of Raymond James. Raymond James will seek to leverage the respective strengths of Charles Stanley and Raymond James through further investment in technology, infrastructure and back office partnerships to further enhance the firms' already strong offering in wealth management. This will accelerate growth and create benefits for clients, wealth managers and employees through scale, broadened expertise and enhanced solutions.

Raymond James' goal is to deliver outstanding wealth management services to all clients and their wealth managers, whether wealth managers affiliate as employed or self-employed or use Raymond James' platform services. Charles Stanley and RJIS personnel should, given the combined business' profile, scale, and market leading position, benefit from increased career growth opportunities.

Other areas which are likely to benefit from enhanced scale and investment include accelerating the recruitment of new wealth managers, sales and marketing, and investment research.

Employees and Pensions

Raymond James recognises that Charles Stanley's strong brand and culture are largely a reflection of its staff. Accordingly, Raymond James attaches significant importance to the continued commitment of these individuals. Charles Stanley and Raymond James' staff should benefit from enhanced career growth opportunities arising from the greater scale and profile of what will be Raymond James' UK wealth management operations. Given the intention to maintain the Charles Stanley Group as a separate division and to invest further in both the Charles Stanley Group and RJIS to propel growth, Raymond James does not expect the Acquisition to result in significant job overlap, or in the need for staff reductions in either the Charles Stanley Group or the Raymond James Group.

Furthermore, following completion of the Acquisition, Raymond James will ensure that the existing employment and pension rights of Charles Stanley employees are safeguarded and that Charles Stanley continues to comply with its defined benefit and defined contribution pension scheme funding obligations.

The Charles Stanley Group sponsors the Charles Stanley Retirement Benefits Scheme (the **Charles Stanley Pension Scheme**) in the UK, which is a funded defined benefit arrangement and is fully funded on a self-sufficiency basis. The Charles Stanley Pension Scheme was closed to new members in 1988 and closed to further benefit accruals in 2016. Raymond James currently has no intention of re-opening the Charles Stanley Pension Scheme to benefit accrual or new entrants and envisages no change in the rate of contribution made to Charles Stanley's defined contribution pension schemes following the Acquisition.

Given how important Charles Stanley and Raymond James' personnel will be to the ultimate success of the Acquisition, Raymond James intends to put in place retention and reward arrangements following the Acquisition completing. As at this time, discussions have not taken place regarding such awards and Raymond James intends to initiate these discussions shortly following the Effective Date.

Raymond James intends to maintain Charles Stanley's existing offices throughout the UK and its corporate headquarters (including headquarters functions) in London. Raymond James does not expect the Acquisition to have an impact on its own places of business, including the location of its headquarters (including headquarters functions).

De-listing and cancellation of trading of Charles Stanley Shares

Prior to the Scheme becoming Effective, it is intended that applications will be made to the FCA for the cancellation of trading of the Charles Stanley Shares on the Main Market of the London Stock Exchange for listed securities, and for the cancellation of the listing of the Charles Stanley Shares on the Official List. Bidco intends to re-register Charles Stanley as a private company following the Effective Date.

Other items

Raymond James does not intend to make any changes to the research and development functions of Charles Stanley. Raymond James also does not intend to redeploy any of Charles Stanley's fixed assets.

No statements in this section 13 (*Management, employees, pensions and locations*) constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

14. Description of the Scheme and Meetings

14.1 The Scheme

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Charles Stanley and the Scheme Shareholders, under Part 26 of the Companies Act. The procedure requires approval by the requisite majority of Scheme Shareholders of the resolution to be proposed at the Court Meeting and by the requisite majority of Charles Stanley Shareholders of the Special Resolution relating to the Acquisition at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part 4 (*The Scheme of Arrangement*) of this document.

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued share capital of Charles Stanley not already directly or indirectly held by the Bidco Group (if any). This is to be achieved by transferring the Scheme Shares held by Scheme Shareholders as at the Scheme Record Time to Bidco, in consideration for which Bidco will pay cash or, to the extent that a valid Loan Note Election has been made (and subject to certain terms and conditions) Loan Notes, on the basis set out in this Part 2 (*Explanatory Statement*) of this document.

14.2 Meetings

Before the Court's sanction can be sought for the Scheme, the Scheme requires the approval by the requisite majority of Scheme Shareholders of the resolution to be proposed at the Court Meeting and by the requisite majority of Charles Stanley Shareholders of the Special Resolution relating to the Acquisition at the separate General Meeting. The Court Meeting and the General Meeting are to be held at 55 Bishopsgate, London, EC2N 3AS on 16 September 2021. The Court Meeting will start at 10.00 a.m. and the General Meeting at 10.15 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Charles Stanley Shareholders to enable the Charles Stanley Directors to implement the Scheme, to amend the articles of association of Charles Stanley as described in section 14.3 of this Part 2 (*Explanatory Statement*) of this document and to seek the approval of the Charles Stanley Shareholders of the Capital Reduction Resolution and the Cancellation Resolution.

Notices of both the Court Meeting and the General Meeting are set out in Part 12 (*Notice of Court Meeting*) and Part 13 (*Notice of General Meeting*) of this document. Entitlement to attend and vote at the Meetings (whether in person, by proxy or remotely via the Virtual Meeting Platform) and the number of votes which may be cast thereat will be determined by reference to the register of members of Charles Stanley at the Voting Record Time. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Charles Stanley Shareholders and Scheme Shareholders before the Meetings through our website www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and by announcement through a Regulatory Information Service.

Whilst Charles Stanley Shareholders are being given the opportunity to attend the relevant Meeting in person (subject to any COVID-19 Restrictions in force at the time), Charles Stanley Shareholders are encouraged to appoint the Chairman of the relevant Meeting as proxy. Shareholders are also being provided with the opportunity to participate in the Meetings remotely using the Virtual Meeting Platform, as described in the opening pages of this document, the Virtual Meeting Guide and in the notices of the Court Meeting and the General Meeting (see Part 12 (*Notice of Court Meeting*) and Part 13 (*Notice of General Meeting*) respectively of this document. If a Charles Stanley Shareholder chooses to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by his/her proxy(ies) in respect of the same Charles Stanley Shares will be invalid. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Charles Stanley Shareholders before the Meetings through our website www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and by announcement through a Regulatory Information Service.

Information for those Charles Stanley Shareholders who wish to attend the Meetings in person regarding prior registration and health and safety measures is set out in section 14.4(A) of this Part 2 (*Explanatory Statement*) and information for those wishing to attend the Meetings remotely via the Virtual Meeting Platform regarding logging in to the Virtual Meeting Platform is set out in section 14.4(B) of this Part 2 (*Explanatory Statement*).

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of or against, or abstained from voting on the Special Resolution relating to the Acquisition at the General Meeting.

Any Charles Stanley Shares which Bidco may acquire prior to the Court Meeting or the General Meeting (and any Charles Stanley Shares which any member of the Bidco Group (or their nominees) holds at the date of the Court Meeting or General Meeting) are not Scheme Shares and therefore no member of the Bidco Group (or their nominees) is entitled to vote at the Court Meeting in respect of the Charles Stanley Shares held or acquired by it and will not exercise the voting rights attaching to these Charles Stanley Shares at the General Meeting. Bidco will undertake to be bound by the Scheme.

Charles Stanley will announce the details of the votes at the Meetings as required under the Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8.00 a.m. on the Business Day following the Meetings.

(A) *Court Meeting*

The Court Meeting has been convened for 10.00 a.m. on 16 September 2021 to enable the Charles Stanley Shareholders who are registered as members of Charles Stanley at the Voting Record Time to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder present either in person, remotely via the Virtual Meeting Platform or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person, remotely or by proxy, representing 75 per cent. or more in value of the Charles Stanley Shares voted by such Scheme Shareholders present and voting in person, remotely via the Virtual Meeting Platform or by proxy.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. You are therefore strongly urged to complete and return your blue Form of Proxy as soon as possible. Whether or not you intend to attend and/or vote at the Court Meeting (either in person or remotely), you are strongly advised to transmit a proxy appointment and voting instruction (online or electronically through CREST) or sign and return your blue Form of Proxy by post for the Court Meeting as soon as possible.

Scheme Shareholders are also strongly encouraged to appoint the Chairman of the Court Meeting as their proxy rather than any other named person. This will ensure that your vote will be counted if you (or any other proxy you might otherwise appoint) are not able to attend the Court Meeting, whether in person or remotely via the Virtual Meeting Platform.

The return of a completed Form of Proxy, the online appointment of a proxy or the submission of a proxy electronically via CREST will not prevent you from attending, speaking and voting at the Court Meeting, or any adjournment thereof, in person or remotely via the Virtual Meeting Platform if you are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

Information for those Charles Stanley Shareholders who wish to attend the Court Meeting in person regarding prior registration and health and safety measures is set out in section 14.4(A) of this Part 2 (*Explanatory Statement*) and information for those wishing to attend remotely via the Virtual Meeting Platform regarding logging in to the Virtual Meeting Platform is set out in section 14.4(B) of this Part 2 (*Explanatory Statement*).

You will find the notice of Court Meeting in Part 12 (*Notice of Court Meeting*) of this document.

(B) *General Meeting*

In addition, the General Meeting has been convened for the same date (to be held immediately after the Court Meeting) to consider and, if thought fit, pass the Special Resolution to:

- (i) authorise the Charles Stanley Directors to take all such actions as are necessary or appropriate for implementing the Scheme; and
- (ii) amend the articles of association of Charles Stanley in the manner described in section 14.3 of this Part 2 (*Explanatory Statement*) of this document.

Further the General Meeting has been convened to consider and, if thought fit, pass the Capital Reduction Resolution and the Cancellation Resolution.

Voting at the General Meeting will be by poll and each Charles Stanley Shareholder present in person, remotely via the Virtual Meeting Platform or by proxy will be entitled to one vote for each Charles Stanley Share held as at the Voting Record Time. The approval required for each of the Special Resolution, the Capital Reduction Resolution and the Cancellation Resolution to be passed is at least 75 per cent. of the votes cast on such resolution (in person, remotely or by proxy).

Charles Stanley Shareholders are strongly urged to complete and return their yellow Form of Proxy as soon as possible. Whether or not you intend to attend and/or vote at the General Meeting (either in person or remotely), you are strongly advised to transmit a proxy appointment and voting instruction (online or electronically through CREST) or sign and return your yellow Form of Proxy by post for the General Meeting as soon as possible.

Charles Stanley Shareholders are also strongly encouraged to appoint the Chairman of the General Meeting as your proxy rather than any other named person. This will ensure that your vote will be counted if you (or any other proxy you might otherwise appoint) are not able to attend the General Meeting, whether in person or remotely via the Virtual Meeting Platform.

The return of a completed Form of Proxy, the online appointment of a proxy or the submission of a proxy electronically via CREST will not prevent you from attending, speaking and voting at the General Meeting, or any adjournment thereof, in person or remotely via the Virtual Meeting Platform if you are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

Information for those Charles Stanley Shareholders who wish to attend the General Meeting in person regarding prior registration and health and safety measures is set out in section 14.4(A) of this Part 2 (*Explanatory Statement*) and information for those wishing to attend remotely via the Virtual Meeting Platform regarding logging in to the Virtual Meeting Platform is set out in section 14.4(B) of this Part 2 (*Explanatory Statement*).

You will find the notice of General Meeting in Part 13 (*Notice of General Meeting*) of this document.

(C) *Sanction Hearing*

Under the Companies Act, the Scheme requires the sanction of the Court. The Scheme shall lapse if:

- (i) the Court Meeting and the General Meeting are not held by the 22nd day after the expected date of the Court Meeting and the General Meeting on 16 September 2021 (or such later date as may be agreed between Bidco and Charles Stanley);
- (ii) the Sanction Hearing to approve the Scheme is not held by the 22nd day after the expected date of the Sanction Hearing, which is currently expected to occur during the fourth quarter of 2021 (or such later date as may be agreed between Bidco and Charles Stanley); or

(iii) the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Sanction Hearing as set out above may be waived by Bidco, and the deadline for the Scheme to become Effective may be extended by agreement between Bidco and Charles Stanley, with the consent of the Panel and (if required) the Court.

The Sanction Hearing to sanction the Scheme is currently expected to take place during the fourth quarter of 2021, subject to obtaining relevant competition and regulatory clearances.

The Sanction Hearing will be held at The Royal Courts of Justice, the Rolls Building, Fetter Lane, London, EC4A 1NL. All Scheme Shareholders are entitled to attend the Sanction Hearing should they wish to do so, in person or through legal representatives. The current expectation is that the Sanction Hearing will be held in person. If it is to be held remotely or as a hybrid hearing (in person and with remote attendance), which would be a decision for the Court, Charles Stanley will make an announcement through a Regulatory Information Service.

Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur two Business Days after the date of the Sanction Hearing, subject to the satisfaction (or, where applicable, waiver) of the Conditions.

Charles Stanley and/or Bidco will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution relating to the Acquisition at the General Meeting.

If the Scheme does not become Effective by the Long Stop Date, the Scheme will never become Effective.

(D) *Forms of Proxy*

Information on the procedure for appointing proxies and giving voting instructions is set out in section 23 of this Part 2 (*Explanatory Statement*) of this document.

14.3 **Amendments to Charles Stanley's articles of association**

It is proposed, in the Special Resolution, to amend Charles Stanley's articles of association to ensure that any Charles Stanley Shares issued (or registered in the name of any bearer of Share Warrants upon the surrender of such Share Warrants) between the time at which the Special Resolution is passed and the Scheme Record Time will be subject to the Scheme and the holders of such Charles Stanley Shares will be bound by the terms of the Scheme. It is also proposed to amend Charles Stanley's articles of association so that, subject to the Scheme becoming Effective, any Charles Stanley Shares issued to any person other than Bidco or its nominee(s) (or registered in the name of any bearer of Share Warrants upon the surrender of such Share Warrants) at or after the Scheme Record Time will be automatically acquired by Bidco on the same terms as under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than Bidco or its nominee(s)) being left with Charles Stanley Shares after dealings in such shares have ceased on the Scheme becoming Effective. The Special Resolution set out in the notice of General Meeting on pages 102 to 107 of this document seeks the approval of Charles Stanley Shareholders for such amendment.

14.4 **Entitlement to attend and vote at the Meetings**

Each Charles Stanley Shareholder who is entered in Charles Stanley's register of members at the Voting Record Time (expected to be 6.30 p.m. on 14 September 2021) will be entitled to attend, speak and vote (whether in person, by appointing a proxy or remotely via the Virtual Meeting Platform) on all resolutions to be put to the General Meeting and Court Meeting respectively. If either Meeting is

adjourned, only those Charles Stanley Shareholders on the register of members at 6:30 p.m. on the day which is two Business Days before the adjourned Meeting will be entitled to attend, speak and vote. Each eligible Charles Stanley Shareholder is entitled to appoint a proxy or proxies to attend (whether in person or remotely via the Virtual Meeting Platform) and, on a poll, to vote, instead of him or her. A proxy need not be a Charles Stanley Shareholder. Eligible Charles Stanley Shareholders who return completed Forms of Proxy or appoint a proxy online or electronically through CREST may still attend the Meetings instead of their proxies and vote in person (whether in person or remotely via the Virtual Meeting Platform), if they wish and are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (either in person, by appointing a proxy or remotely via the Virtual Meeting Platform), please call Charles Stanley's registrars, Link Group, on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

(A) *Attendance at the Meetings in person*

Charles Stanley Shareholders who wish to attend the Meetings in person will be able to do so, subject to any COVID-19 Restrictions in force at the time, but are asked to register their intention to attend in person as soon as possible, by emailing LegalandCoSec@charles-stanley.co.uk. Whilst failure by a Charles Stanley Shareholder to register an intention to attend the Meetings in person will not preclude entry or attendance on the day, registration will assist Charles Stanley in preparing the venue in advance of the Meetings in line with any site guidelines in place at the time in relation to health, safety and security. If a Charles Stanley Shareholder is attending either or both of the Meetings in person, they will be required to adhere to the site guidelines in place at the time. For the safety of others, in line with COVID-19 Restrictions, please do not attend either of the Meetings in person if you are experiencing any of the symptoms connected with COVID-19 or are otherwise required to isolate or quarantine. All Charles Stanley Shareholders are strongly encouraged to vote in advance by submitting both Forms of Proxy (or alternatively appointing a proxy online or electronically through CREST) as soon as possible and to appoint the Chairman of the relevant Meeting as their proxy rather than any other named person. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the Meetings whether in person or remotely via the Virtual Meeting Platform. Further information on action to be taken to appoint a proxy is set out above and in the notices of the Court Meeting and the General Meeting at the end of this document. Please be advised that Charles Stanley is continually monitoring the impact of COVID-19, including the latest COVID-19 Restrictions, and how this may affect the arrangements for the Meetings. Any changes to the arrangements of the Meetings will be posted on www.charles-stanley.co.uk/recommended-offer-for-charles-stanley. Each Charles Stanley Shareholder is asked to keep this under review.

(B) *Ability to join the Virtual Meeting Platform*

Logging in

In order to join the Meetings virtually and ask questions and vote via the Virtual Meeting Platform, Charles Stanley Shareholders will need to connect to the following site <https://web.lumiagm.com>. Lumi is available as a mobile web client, compatible with the latest browser versions of Chrome, Firefox, Edge and Safari and can be accessed using any web browser, on a PC or smartphone device.

Once you have accessed <https://web.lumiagm.com> from your web browser on a PC or equivalent thereof or smartphone device, you will be asked to enter the Lumi Meeting ID which is 111-670-037. You will then be prompted to enter your unique 11 digit IVC including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a Charles Stanley Shareholder.

Your IVC can be found on your Forms of Proxy or share certificate, or a Signal Shares user (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Charles Stanley's registrar, Link Group, on +44 (0) 371 277 1020*

Access to the Meetings via the Virtual Meeting Platform will be available from 9.30 a.m. on 16 September 2021, although the voting functionality will not be enabled until the Chairman of the relevant Meeting declares the poll open. During the Meetings, you must ensure you are connected to the internet at all times in order to vote when the Chairman commences polling on the relevant resolutions. Therefore, it is your responsibility to ensure connectivity for the duration of the meeting via your Wi-Fi. A user guide to the Virtual Meeting Platform is available on Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

If you wish to appoint a proxy other than the Chairman of the relevant Meeting and for them to attend and vote remotely via the Virtual Meeting Platform on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 371 277 1020* in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the relevant Meeting.

If your Charles Stanley Shares are held by a nominee and you wish to attend and vote remotely via the Virtual Meeting Platform, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group as soon as possible and at least 72 hours (excluding non-business days) before the relevant Meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend and vote remotely via the Virtual Meeting Platform.

*Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales), calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Further information on the actions to be taken is set out in section 23 of this Part 2 (*Explanatory Statement*) of this document.

14.5 **Modifications to the Scheme**

The Scheme contains a provision for Charles Stanley and Bidco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances for the purpose of approving any such modification, addition or condition.

In accordance with the Code, modifications or revisions to the Scheme may only be made: (a) 14 days or more prior to the date of the Meetings (or any such later date to which such Meetings are adjourned); or (b) at a later date, with the consent of the Panel.

14.6 **Implementation by way of an Offer**

Subject to obtaining the prior written consent of both Charles Stanley (such consent not to be unreasonably withheld) and the Panel in accordance with the terms of the Co-Operation Agreement, Bidco reserves the right at any time to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme. In such event, the acceptance condition will be determined by Bidco after (to the extent necessary) consultation with the Panel (being in any case more than 50 per cent of the Charles Stanley Shares to which the Acquisition relates) and such Offer will otherwise be implemented on substantially the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments including to reflect the change in method of effecting the Offer. Further, if the Offer becomes or is declared unconditional and sufficient acceptances of such Offer are received and/or sufficient Charles Stanley Shares are otherwise acquired, it is the intention of

Bidco to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Charles Stanley Shares in respect of which such Offer has not been accepted.

15. Conditions to the Acquisition

The Acquisition and, accordingly, the Scheme is subject to a number of conditions set out in full in Part 3 (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document, including:

- approval of the resolution proposed at the Court Meeting by the requisite majority of the Scheme Shareholders at the Court Meeting;
- approval of the Special Resolution by the requisite majority of the Charles Stanley Shareholders at the General Meeting;
- the FCA having notified Raymond James in writing of its approval of the change of control of the Charles Stanley UK Regulated Entities as a result of the Acquisition (or the requisite assessment period for such approval to be provided having elapsed without the FCA having objected to the Acquisition);
- the CMA either having not opened a CMA Merger Investigation in relation to the Acquisition or any matters arising therefrom or, having opened a CMA Merger Investigation, the CMA having indicated in terms satisfactory to Bidco (acting reasonably) that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising therefrom;
- the sanction of the Scheme by the Court; and
- the delivery of a copy of the Court Order to the Registrar of Companies.

The Scheme can only become Effective if all Conditions to the Scheme, including shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration. Subject to the sanction of the Scheme by the Court, this is expected to occur during the fourth quarter of 2021. Unless the Scheme becomes Effective by the Long Stop Date, the Acquisition will not proceed.

As at the date of this document, Raymond James has submitted its change of control application to the FCA seeking approval from the FCA to acquire control of the Charles Stanley UK Regulated Entities. Provided that the FCA has notified Raymond James and/or Charles Stanley in writing of its approval of Raymond James, and any other relevant person's, acquisition of control of the Charles Stanley UK Regulated Entities as a result of the Acquisition or the requisite assessment period for such approval having elapsed without the FCA objecting to the Acquisition such that the FCA is treated as having given its approval, and all other Conditions (including the CMA condition referred to below and with the exception of sanction of the Scheme by the Court pursuant to the Condition at paragraph (c) of section 2 of Part 3 (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document) are satisfied or waived, Bidco and Charles Stanley propose to proceed with the Sanction Hearing, which is currently expected to take place during the fourth quarter of 2021. Bidco is not aware of any fact or circumstance, as at the date of this document, that would result in any delay in the satisfaction of the FCA condition set out in paragraph (a) of section 3 of Part 3 (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document.

As at the date of this document, Bidco has submitted a briefing paper to the CMA in respect of the Acquisition and received confirmation from the CMA that it requires no further information on the Acquisition at this stage, noting that this does not preclude further questions at a later stage and, if new information comes to light, the CMA may open a CMA Merger Investigation at any point until the expiry of the relevant statutory period. Provided that the CMA has not opened a CMA Merger Investigation in relation to the Acquisition or any matter arising therefrom or, having opened a CMA Merger Investigation, the CMA having indicated in terms satisfactory to Bidco (acting reasonably) that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising therefrom by the proposed date of the Sanction Hearing (currently expected to be during the fourth quarter of 2021) and all other Conditions (including the FCA condition referred to above and with the exception of sanction of the Scheme by the Court pursuant to the Condition at paragraph (c) of section 2 of Part 3 (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document) are satisfied or waived, Bidco and Charles Stanley propose to proceed with the Sanction Hearing, which is currently expected to take place

during the fourth quarter of 2021. Bidco is not aware of any fact or circumstance, as at the date of this document, that would result in any delay in the satisfaction of the CMA condition set out in paragraph (b) of section 3 of Part 3 of (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this document.

Should any of these dates change, Charles Stanley will give adequate notice by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

16. Offer-related arrangements

Summaries of the offer-related arrangements entered into in connection with the Acquisition are set out in section 9 of Part 10 (*Additional Information*) of this document. These agreements have been made available on Charles Stanley's website, www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and Raymond James' website, raymondjames.com/offer-for-charles-stanley.

17. De-listing and cancellation of trading of Charles Stanley Shares

Prior to the Scheme becoming Effective, Charles Stanley will make an application to the FCA for the cancellation of trading of the Charles Stanley Shares on the Main Market of the London Stock Exchange for listed securities, and for the cancellation of the listing of the Charles Stanley Shares on the Official List.

The last day of dealings in Charles Stanley Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date.

On the Effective Date, share certificates in respect of Charles Stanley Shares will cease to be valid and entitlements to Charles Stanley Shares held within the CREST system will be cancelled.

Bidco intends to re-register Charles Stanley as a private company under the relevant provisions of the Companies Act following the Effective Date.

18. Settlement of consideration

Subject to the Acquisition becoming Effective (and except as provided in Part 9 (*Additional Information for Overseas Shareholders*) of this document in relation to certain Overseas Shareholders), settlement of the cash consideration to which any Charles Stanley Shareholder is entitled under the Scheme will be effected in the following manner:

18.1 Charles Stanley Shares held in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds Charles Stanley Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Bidco instructing or procuring the instruction of Euroclear to create an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Charles Stanley Shares in respect of the cash consideration due to such Scheme Shareholder not later than the 14th day following the Effective Date.

At the Scheme Record Time, each holding of Charles Stanley Shares credited to any stock account in CREST will be disabled and all Charles Stanley Shares will be removed from CREST in due course. Bidco reserves the right to pay all, or any part of, the cash consideration referred to above to all or any Scheme Shareholder(s) who hold Charles Stanley Shares in uncertificated form in the manner referred to in section 18.4 below if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this section 18.1 or to do so would incur material additional costs.

18.2 Charles Stanley Shares held in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder holds Charles Stanley Shares in certificated form, settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be by a cheque in Pounds Sterling drawn on a branch of a clearing bank in the United Kingdom, despatched by first class post (or by such other method as may be approved by the Panel).

Such payment made by cheque will be payable to the Scheme Shareholder(s) concerned and the encashment of any such cheque shall be a complete discharge of Bidco's obligations under the Scheme to pay the monies represented thereby. Bidco shall despatch or procure the despatch of cheques within 14 days of the Effective Date to the person entitled thereto at the address as appearing in the register of members of Charles Stanley at the Scheme Record Time. None of Charles Stanley, Bidco, Raymond James, any nominee(s) of Bidco or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person or persons entitled thereto.

On the Effective Date each certificate representing Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of Charles Stanley, delivered up to Charles Stanley, or to any person appointed by Charles Stanley to receive the same.

18.3 **Loan Notes**

Where Loan Notes are issued to Charles Stanley Shareholders, certificates for the Loan Notes (in the form contained in the Loan Note Instrument) will be despatched by first class post (or international standard post if overseas or by such other method as may be approved by the Panel) as soon as practicable after the Effective Date and in any event within 14 calendar days thereafter to Charles Stanley Shareholders at the address appearing on Charles Stanley's register of members at the Scheme Record time (or such other address as is notified by the Charles Stanley Shareholder in the completed Loan Note Form of Election) or, in the case of joint holders, to the holder whose name appears first in the register in respect of the joint holding concerned. Each such Charles Stanley Shareholder's aggregate entitlement to Loan Notes will be rounded down to the nearest multiple of £1.00 and, in the event that the Charles Stanley Shareholder has validly elected (or is deemed to have validly elected pursuant to the Scheme) to receive Loan Notes in lieu of all the cash consideration to which the Charles Stanley shareholder would otherwise be entitled, the balance of the cash consideration will be disregarded and not paid to such holder.

18.4 **General**

All documents and remittances sent to Charles Stanley Shareholders will be sent at the risk of the person(s) entitled thereto.

On the Effective Date each certificate representing Scheme Shares will cease to be valid documents of title and should be destroyed or, at the request of Charles Stanley, delivered up to Charles Stanley, or to any person appointed by Charles Stanley to receive the same.

In accordance with the Scheme, as from the Scheme Record Time, Charles Stanley will procure that entitlements to Scheme Shares credited to any stock account in CREST shall be disabled. With effect from, or as soon as practicable after, the Effective Date, Charles Stanley will procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form. Following cancellation or transfer of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Charles Stanley will procure that such entitlements to Scheme Shares are rematerialised.

Subject to the completion of the relevant forms of transfer or other instruments or instructions of transfer as may be required in accordance with the Scheme and the payment of any UK stamp duty thereon, Charles Stanley will make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Bidco and/or its nominee(s).

Except with the consent of the Panel, settlement of the cash consideration to which any Charles Stanley Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Bidco might otherwise be, or claim to be, entitled against such Charles Stanley Shareholder.

Save as required in relation to the settlement of cash consideration pursuant to the terms of the Scheme, all mandates and other instructions given to Charles Stanley by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares will, as from the Effective Date, cease to be valid.

18.5 **Charles Stanley Share Schemes**

In the case of Scheme Shares issued or transferred to satisfy the exercise of options under the Charles Stanley Share Schemes after the making of the Court Order and prior to the Scheme Record Time, the cash consideration due under the Scheme will be settled by such method as shall be determined by Charles Stanley (including, but not limited to, procuring that payments are made to the relevant employees or directors through payroll as soon as practicable subject to the deduction of any applicable exercise price, income taxes and social security contributions). Any Charles Stanley Shares to which participants become entitled on any subsequent exercise of options will be automatically acquired by Bidco for the same consideration as payable under the Scheme under the amendment to the Charles Stanley articles of association to be proposed at the General Meeting.

Awards granted under the Charles Stanley Save-as You Earn Plan which are unvested immediately prior to the Court sanction of the Scheme will become exercisable on the Court Sanction Date, and remain exercisable for a period of six months following such date.

18.6 **Dividends**

Save for the Permitted Dividend, if any dividend or other distribution in respect of the Charles Stanley Shares is announced, declared, payable or paid in respect of the Charles Stanley Shares prior to the Effective Date, Bidco reserves the right to reduce the cash consideration payable for each Charles Stanley Share by the amount of all or part of any such dividend or other distribution.

If any such dividend or other distribution, other than the Permitted Dividend, is declared, paid or made or becomes payable by Charles Stanley prior to the Effective Date and Bidco exercises its right described above, any reference to the cash consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its right referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

19. **United Kingdom taxation**

Your attention is drawn to Part 8 (*United Kingdom Taxation*) and Part 9 (*Additional Information for Overseas Shareholders*) of this document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. This summary relates only to the position of certain categories of Charles Stanley Shareholders (as explained further in Part 8 (*United Kingdom Taxation*) and Part 9 (*Additional Information for Overseas Shareholders*) of this document), does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme given your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom

20. **Overseas holders**

Overseas Shareholders should refer to Part 9 (*Additional Information for Overseas Shareholders*) of this document which contains important information relevant to such Overseas Shareholders.

21. **Further information**

The terms of the Scheme are set out in full in Part 4 (*The Scheme of Arrangement*) of this document. Further information regarding Charles Stanley and Bidco is set out in Part 10 (*Additional Information*) of this document. Documents published and available for inspection are listed in section 14 of Part 10 (*Additional Information*) of this document.

22. **Capital Reduction**

Charles Stanley intends to undertake a Court approved Capital Reduction to reduce its capital by £21,247 through the cancellation of the Bearer Shares attributable to the Share Warrants in accordance with the

Companies Act. For further information on the Capital Reduction and cancellation of the Bearer Shares, please refer to section 9 of Part 1 (*Letter from the Chairman of Charles Stanley*) of this document.

23. Actions to be taken

Documents

Please check that you have received the following with this document:

- a blue Attendance Card and Form of Proxy for use in respect of the Court Meeting on 16 September 2021;
- a yellow Attendance Card and Form of Proxy for use in respect of the General Meeting on 16 September 2021;
- a green Loan Note Form of Election for use in respect of the Loan Note Alternative (Scheme Shareholders, other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders, only);
- a pre-paid envelope for use in the UK only for the return of the blue Form of Proxy and the yellow Form of Proxy marked 'PXS1 Forms of Proxy';
- a pre-paid envelope for use in the UK only for the return of the green Loan Note Form of Election marked 'CAG1 Loan Note Form of Election'.

If you are a Charles Stanley Shareholder and you have not received all of these documents, please contact the shareholder helpline on the number indicated below.

Please note that Charles Stanley Shareholders who hold their Charles Stanley Shares in uncertificated form through CREST have not been sent a hard copy Loan Note Form of Election but should refer to the instructions for electing to receive the Loan Note Alternative in section 1.2 of Part 6 (*How to make a Loan Note Election*).

Voting at the Court Meeting and General Meeting

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN BOTH FORMS OF PROXY OR, ALTERNATIVELY, APPOINT A PROXY ONLINE OR ELECTRONICALLY THROUGH CREST AS SOON AS POSSIBLE.

Therefore, whether or not you plan to attend the Meetings (either in person or remotely via the Virtual Meeting Platform), please complete and sign both the enclosed blue and yellow Forms of Proxy and return them in accordance with the instructions provided thereon as soon as possible, but in any event so as to be received by:

- no later than 10.00 a.m. on 14 September 2021 in the case of the Court Meeting (blue form); and
- no later than 10.15 a.m. on 14 September 2021 in the case of the General Meeting (yellow form),

or, in the case of any adjournment, not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the holding of the adjourned Meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at 10.00 a.m. on 16 September 2021 at 55 Bishopsgate, London, EC2N 3AS. Implementation of the Scheme will also require approval of the Special Resolution to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting on 16 September 2021 at 10.15 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned).

For those Charles Stanley Shareholders who wish to attend either or both of the Meetings in person, please see the additional information below under the heading 'Registration for Meetings' regarding registration of your intention to attend the Meetings in person and protective health and safety measures. As set out in the opening pages of this document and in Part 12 (*Notice of Court Meeting*) and Part 13 (*Notice of General Meeting*) of this document, Scheme Shareholders and Charles Stanley Shareholders are given the opportunity to remotely attend, submit questions and vote at the Meetings via the Virtual Meeting Platform, as described in the opening pages of this document and the Virtual Meeting Guide.

Submission of Forms of Proxy

Scheme Shareholders and Charles Stanley Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (online, electronically through CREST, by post or by hand) set out below. Scheme Shareholders and Charles Stanley Shareholders are also strongly encouraged to appoint the Chairman of the relevant Meeting as their proxy rather than any other named person. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the Meeting, whether in person or remotely via the Virtual Meeting Platform.

Scheme Shareholders and Charles Stanley Shareholders are required to cast or amend proxy voting instructions in respect of the relevant Meeting not later than 48 hours before the relevant Meeting (excluding any part of such 48-hour period falling on a non-working day) (or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting). In the case of the Court Meeting only, Scheme Shareholders who have not cast or amended their proxy voting instructions by this time may hand a copy of the blue Form of Proxy to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof.

Charles Stanley Shareholders are entitled to appoint a proxy in respect of some or all of their Charles Stanley Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A proxy need not be a Charles Stanley Shareholder.

The return of a completed Form of Proxy, the online appointment of a proxy or the submission of a proxy electronically via CREST will not prevent you from attending, speaking and voting at the General Meeting, or any adjournment thereof, in person or remotely via the Virtual Meeting Platform (as described in the opening pages of this document) if you are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

23.1 Online appointment of proxies

Proxies may be appointed online by logging on to the following website: www.signalshares.com and following the instructions therein. If you have not previously registered for electronic communications you will first be asked to register as a new user, for which you will require your IVC which can be found on your Forms of Proxy or share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Link Group not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy online are given on the website.

If you are unable to locate your IVC or if you prefer, you may request a hard copy proxy form directly by calling Charles Stanley's registrars, Link Group on +44 (0) 371 664 0321 or by writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL stating your name, and the address to which the hard copy should be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

23.2 **Electronic appointment of proxies through CREST**

If you hold Charles Stanley Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part 12 (*Notice of Court Meeting*) and Part 13 (*Notice of General Meeting*) of this document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Link Group (ID: RA10) not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. In the case of the Court Meeting only, if the CREST proxy appointment or instruction is not received by this time, the blue Form of Proxy may be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof.

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

Charles Stanley may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

23.3 **Sending Forms of Proxy by post or by hand**

As an alternative to appointing proxies online or electronically through CREST, Charles Stanley Shareholders may elect to receive a blue Form of Proxy for the Court Meeting and a yellow Form of Proxy for the General Meeting. Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Charles Stanley's registrars, Link Group either by post or (during normal business hours only) by hand to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to be received as soon as possible and in any event not later than the relevant times set out below:

- Blue Form of Proxy for the Court Meeting 10.00 a.m. on 14 September 2021
- Yellow Form of Proxy for the General Meeting 10.15 a.m. on 14 September 2021

or, in the case of any adjournment, not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the adjourned Meeting.

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to the Chairman of the Court Meeting (or a representative of Link Group at the Court Meeting on behalf of the Chairman) at any time prior to commencement of the Court Meeting or any adjournment thereof. However, if the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

Registration for attendance at the Meetings in person

Charles Stanley Shareholders who wish to attend the Meetings in person will be able to do so, subject to any COVID-19 Restrictions in force at the time, but are asked to register their intention to attend as soon as possible, by emailing LegalandCoSec@charles-stanley.co.uk. Whilst failure by a Charles Stanley Shareholder to register an intention to attend the Meetings in person will not preclude entry or attendance on the day, registration will assist Charles Stanley in preparing the venue in advance of the Meetings in line with any site guidelines in place at the time in relation to health, safety and security. If a Charles Stanley Shareholder is attending either or both of the Meetings in person, Charles Stanley will require them to adhere to the site guidelines in place at the time. For the safety of others, in line with COVID-19 Restrictions, please do not attend either of the Meetings in person if you are experiencing any of the symptoms connected with COVID-19 or are otherwise required to isolate or quarantine. All Charles Stanley Shareholders are strongly encouraged to vote in advance by submitting both Forms of Proxy (or alternatively appointing a proxy online or electronically through CREST) as soon as possible and to appoint the Chairman of the relevant Meeting as their proxy rather than any other named person. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the Meetings, whether in person or remotely via the Virtual Meeting Platform. Further information on action to be taken to appoint a proxy is set out above and in section 23 of Part 2 (*Explanatory Statement*) of this document and the notices of the Court Meeting and the General Meeting at the end of this document. Appointing a proxy will not prevent you from attending the Court Meeting and/or the General Meeting and voting and speaking at the relevant Meeting in person or remotely via the Virtual Meeting Platform if you so wish and are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the Court Meeting and/or the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid. Please be advised that Charles Stanley is continually monitoring the impact of COVID-19, including the latest COVID-19 Restrictions, and how this may affect the arrangements for the Meetings. Any changes to the arrangements of the Meetings will be posted on www.charles-stanley.co.uk/recommended-offer-for-charles-stanley. Please ensure that you keep this under review.

Ability to join the Virtual Meeting Platform

In order to join the Meetings virtually and ask questions and vote via the Virtual Meeting Platform, Charles Stanley Shareholders will need to connect to the following site <https://web.lumiagm.com>. Lumi is available as a mobile web client, compatible with the latest browser versions of Chrome, Firefox, Edge and Safari and can be accessed using any web browser, on a PC or smartphone device.

Once you have accessed <https://web.lumiagm.com> from your web browser on a PC or equivalent thereof or smartphone device, you will be asked to enter the Lumi Meeting ID which is 111-670-037. You will then be prompted to enter your unique 11 digit IVC including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a Charles Stanley Shareholder.

Your IVC can be found on your Forms of Proxy or share certificate, or a Signal Shares user (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Charles Stanley's registrar, Link Group, on +44 (0) 371 277 1020*

Access to the Meetings via the Virtual Meeting Platform will be available from 9.30 a.m. on 16 September 2021, although the voting functionality will not be enabled until the Chairman of the relevant Meeting declares the poll open. During the Meetings, you must ensure you are connected to the internet at all times in order to vote when the Chairman commences polling on the relevant resolutions. Therefore, it is your responsibility to ensure connectivity for the duration of the meeting via your Wi-Fi. A user guide to the Virtual Meeting Platform is available on Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

If you wish to appoint a proxy other than the Chairman of the relevant Meeting and for them to attend and vote remotely via the Virtual Meeting Platform on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 371 277 1020* in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the relevant Meeting.

If your Charles Stanley Shares are held by a nominee and you wish to attend and vote remotely via the Virtual Meeting Platform, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group as soon as possible and at least 72 hours (excluding non-business days) before the relevant Meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend and vote remotely via the Virtual Meeting Platform.

*Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales), calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Shareholder Helpline

If you have any questions about this document, the Court Meeting, the General Meeting, how to submit your proxies online or how to complete the Forms of Proxy or Loan Note Election Form, please call Charles Stanley's registrars, Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holiday in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Yours faithfully,

Jonathan Eddis

For and on behalf of
N.M. Rothschild & Sons Limited

PART 3

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION

Part A: Conditions to the Scheme and Acquisition

- 1 The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Code, by no later than 11.59 p.m. on the Long Stop Date.

Scheme approval

- 2 The Scheme is conditional upon:

(a)

- (i) its approval by a majority in number representing not less than 75 per cent. in value of the Charles Stanley Shareholders (or the relevant class or classes thereof, if applicable) in each case present, entitled to vote 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; and
- (ii) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting (or such later date, if any, as Raymond James and Charles Stanley may agree and the Court may allow);

(b)

- (i) 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; and
- (ii) the General Meeting or any adjournment of that meeting being held on or before the 22nd day after the expected date of the General Meeting (or such later date, if any, as Raymond James and Charles Stanley may agree and the Court may allow); and

(c)

- (i) the sanction of the Scheme by the Court (with or without modification (but subject to any such modification being acceptable to Raymond James and Charles Stanley)) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing (or such later date, if any, as Raymond James and Charles Stanley may agree and the Court may allow).

Other Conditions

- 3 The Acquisition is also conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where capable of waiver, waived:

Competition law and regulatory approvals

FCA change in control

(a) the FCA:

- (i) giving written notice in accordance with section 189(4) or 189(7) of FSMA of its approval of Bidco and Raymond James acquiring control (within the meaning of section 181 of FSMA) of the Charles Stanley UK Regulated Entities; or
- (ii) being treated as having given such approval pursuant to section 189(6) of FSMA;

United Kingdom

- (b) by the time of the Court Sanction Hearing, and following Bidco having submitted a briefing note to the CMA in relation to the Acquisition, the CMA either:
 - (i) having not opened a CMA Merger Investigation in relation to the Acquisition or any matters arising therefrom; or
 - (ii) having opened a CMA Merger Investigation, the CMA having indicated in terms satisfactory to Bidco (acting reasonably) that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising therefrom;

General third party clearances

- (c) the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a **"Third Party"**) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Charles Stanley Group or the Wider Raymond James Group taken as a whole) arising as a result of or in connection with the Acquisition including, without limitation, its implementation or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Charles Stanley by Raymond James or any member of the Raymond James Group;
- (d) no Third Party having given notice of a decision 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 reasonably be expected to:
 - (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Raymond James Group or any member of the Wider Charles Stanley Group of all or any portion of their respective businesses, assets or property or impose any 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 which in any such case would be material in the context of the Wider Charles Stanley Group or Wider Raymond James Group taken as a whole;
 - (ii) require, prevent or materially delay, or materially alter the terms envisaged for, any proposed divestiture by any member of the Wider Raymond James Group of any shares or other securities in Charles Stanley;
 - (iii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Raymond James Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Charles Stanley Group or the Wider Raymond James Group or to exercise management control over any such member, in each case, to an extent which is material in the context of the Wider Charles Stanley Group or the Wider Raymond James Group;
 - (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Raymond James Group or of any member of the Wider Charles Stanley Group to an extent which is material in the context of the Wider Raymond James Group or the Wider Charles Stanley Group, in either case taken as a whole;
 - (v) make the Acquisition or its implementation or the acquisition or proposed acquisition by Raymond James or any member of the Wider Raymond James Group of any shares or other securities in, or control of Charles Stanley void, illegal, or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, materially 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;
 - (vi) save as envisaged by the Acquisition or pursuant to sections 974 to 991 of the Companies Act, require any member of the Wider Raymond James Group or the Wider Charles Stanley Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Charles Stanley Group or the Wider Raymond James Group owned by any third party

where such acquisition would be material in the context of the Wider Charles Stanley Group taken as a whole or, as the case may be, the Wider Raymond James Group taken as a whole;

- (vii) impose any limitation on the ability of any member of the Wider Raymond James Group to integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Charles Stanley Group which is adverse to and material in the context of the Wider Charles Stanley Group or the Wider Raymond James Group, in each case taken as a whole; or
- (viii) result in any member of the Wider Charles Stanley Group ceasing to be able to carry on business under any name under which it presently does so to an extent that is material in the context of the Wider Charles Stanley Group taken as a whole,

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 or any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Charles Stanley Shares having expired, lapsed or been terminated;

- (e) in addition to the competition law and regulatory approvals referred to in Conditions 3(a) and 3(b) above, all necessary filings or applications having been made in connection with the Acquisition and all necessary statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Raymond James Group of any shares or other securities in, or control of, Charles Stanley and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals or the proposed acquisition of any shares or other securities in, or control of, Charles Stanley by any member of the Wider Raymond James Group having been obtained in terms and in a form reasonably satisfactory to Raymond James from all appropriate Third Parties or persons with whom any member of the Wider Charles Stanley Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Charles Stanley Group, in each case which is material in the context of the Wider Raymond James Group or the Wider Charles Stanley Group as a whole, remaining in full force and effect and all material filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

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

- (f) except as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Charles Stanley Group is a party or by or to which any such member or any of its assets are or may be bound, entitled or subject, which, in each case as a consequence of the Acquisition would or could reasonably be expected to result in (in each case to an extent which is material in the context of the Wider Charles Stanley Group taken as a whole):
 - (i) any monies borrowed by or any other indebtedness or liabilities (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 monies 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 affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
 - (iii) any assets or interests of any such member being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member 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 value of any such member or its financial or trading position or prospects 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;
- (viii) the creation of any liability, actual or contingent, by any such member, other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (ix) any liability of any such member to make any severance, termination, bonus or other payment to any of its directors or other officers,

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 Charles Stanley Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (ix) of this Condition 3(f), in each case which is or would be material in the context of the Wider Charles Stanley Group taken as a whole;

No material transactions, claims or changes in the conduct of the business of the Charles Stanley Group

- (g) except as Disclosed, no member of the Wider Charles Stanley Group having, since 31 March 2021:
 - (i) save as between Charles Stanley and wholly-owned subsidiaries of Charles Stanley or for Charles Stanley Shares issued pursuant to the exercise of options or vesting of awards granted under the Charles Stanley Share Schemes, issued, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Charles Stanley and wholly-owned subsidiaries of Charles Stanley or for the grant of options and awards under the Charles Stanley 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 Charles Stanley 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 Permitted Dividend;
 - (iv) save for intra-Charles Stanley 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 material assets or any right, title or interest in any material 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, in any such case, is material in the context of the Wider Charles Stanley Group taken as a whole;
 - (v) save for intra-Charles Stanley 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-Charles Stanley Group transactions or in the ordinary course of business) incurred or increased any indebtedness or become subject to any liability (actual or contingent) and which, in any such case, is material in the context of the Wider Charles Stanley 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 to the matters mentioned in sub-paragraph 3(g)(i) 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 (other than the Acquisition) otherwise than in the ordinary course of business;

- (ix) entered into or varied the terms of any contract with any director or senior executive otherwise than in the ordinary course of business;
- (x) entered into or varied or authorised, proposed 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 or could reasonably be expected to be restrictive on the businesses of any member of the Wider Charles Stanley Group or the Wider Raymond James Group or which involves an obligation of such a nature or magnitude or which is other than in the ordinary course of business and which, in any such case, is material in the context of the Wider Charles Stanley Group or the Wider Raymond James Group taken as a whole;
- (xi) (other than in respect of a member of the Wider Charles Stanley Group 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 material part of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- (xii) waived or compromised any claim otherwise than in the ordinary course of business and which is material in the context of the Wider Charles Stanley Group taken as a whole;
- (xiii) 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 (g) and which is material in the context of the Wider Charles Stanley Group taken as a whole;
- (xiv) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, having made or agreed or consented to any significant change to:
 - (A) the terms of the trust deeds constituting the Charles Stanley Pension Scheme;
 - (B) the contributions payable to the Charles Stanley Pension Scheme or to the benefits which accrue or to the pensions which are payable thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions under the Charles Stanley Pension Scheme are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of the Charles Stanley Pension Scheme are funded, valued or made,
 in each case, to the extent which is material in the context of the Wider Charles Stanley Group taken as a whole;
- (xv) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Charles Stanley Group and in each case which is material in the context of the Wider Charles Stanley Group taken as a whole; 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 Charles Stanley Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

No adverse change, litigation or regulatory enquiry

- (h) except as Disclosed, since 31 March 2021:
 - (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 Charles Stanley Group which is material in the context of the Wider Charles Stanley Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal or regulatory proceedings to which any member of the Wider Charles Stanley Group is or is reasonably likely to 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 Charles Stanley Group having been instituted, announced

or threatened by or against or remaining outstanding in respect of any member of the Wider Charles Stanley Group, in each case which has or might reasonably be expected to have a material adverse effect on the Wider Charles Stanley Group taken as a whole;

- (iii) no contingent or other liability of any member of the Wider Charles Stanley Group having arisen or become apparent to Raymond James which has or could be reasonably likely to have a material adverse effect on the business, assets, financial or trading position or profits of the Wider Charles Stanley Group taken as a whole;
- (iv) no steps having been taken which result or are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Charles Stanley Group which is necessary for the proper carrying on of its business; and
- (v) no member of the Wider Charles Stanley Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider Charles Stanley Group taken as a whole;

No discovery of certain matters

- (i) except as Disclosed, Raymond James not having discovered:
 - (i) that any financial, business or other information concerning the Wider Charles Stanley Group as contained in the information publicly disclosed at any time prior to the date of the Announcement by or on behalf of any member of the Wider Charles Stanley Group is misleading, contains a material misrepresentation of fact or omits to state a material fact necessary to make that information not misleading; or
 - (ii) that any member of the Wider Charles Stanley Group is subject to any liability (actual or contingent) which is not disclosed in the annual report and accounts of Charles Stanley for the financial year ended 31 March 2021,

in each case, to the extent which is material in the context of the Wider Charles Stanley Group taken as a whole;

- (j) except as Disclosed, Raymond James not having discovered that:
 - (i) any past or present member of the Wider Charles Stanley Group has failed to comply in any material respect with any applicable legislation or regulations, of any jurisdiction with regard to the use, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair materially the environment (including property) or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance has or would be likely to give rise to any material liability (actual or contingent) on the part of any member of the Wider Charles Stanley Group; or
 - (ii) there is, or is reasonably likely to be, for that or any other reason whatsoever, any material liability (actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Charles Stanley Group, under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction; or

Anti-corruption, sanctions and criminal property

- (k) save as Disclosed, Raymond James not having discovered that:
 - (i) any past or present member, director, officer or employee of the Wider Charles Stanley Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation or any person that performs or has performed services for or on behalf of the Wider Charles Stanley Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which has or would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or

- (ii) any asset of any member of the Wider Charles Stanley Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (iii) any past or present member, director, officer or employee of the Charles Stanley Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the US Office of Foreign Assets Control, or HM Treasury in the UK; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the European Union or any of its member states; or
- (iv) no member of the Charles Stanley Group being engaged in any transaction which has or would cause Raymond James to be in breach of any law or regulation upon its acquisition of Charles Stanley, including the economic sanctions of the US Office of Foreign Assets Control, or HM Treasury & Customs in the UK, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the European Union or any of its member states,

in each case, to the extent which is material in the context of the Wider Charles Stanley Group taken as a whole.

Part B: Waiver and invocation of the Conditions

1. Subject to the requirements of the Panel in accordance with the Code, Raymond James reserves the right to waive, in whole or in part, all or any of the Conditions in Part A above, except for Condition 2(a)(i), 2(b)(i) and 2(c)(i) (*Scheme approval*), which cannot be waived.
2. The Acquisition is subject to the satisfaction (or waiver, if permitted) of the Conditions in Part A above, and to certain further terms set out in Part D below.
3. Conditions 2(a)(i), 2(b)(i) and 3(a) to (k) (inclusive) must be fulfilled, determined by Raymond James to be or to remain satisfied or (if capable of waiver) waived, by no later than 11.59 p.m. on the date immediately preceding the date of the Sanction Hearing, failing which the Acquisition will, with the consent of the Panel, lapse. Raymond James shall be under no obligation to waive or treat as satisfied any of Conditions 3(a) to (k) (inclusive) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions to 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.
4. Under Rule 13.5(a) of the Code, Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or be withdrawn, unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. Whether or not such Condition can be invoked would be determined by the Panel. Any Condition that is subject to Rule 13.5(a) may be waived by Bidco. Conditions 1 and 2 of Part A (and, if applicable, any acceptance condition adopted on the basis specified in paragraph 2 of Part C below in relation to any Offer) are not subject to this provision of the Code.

Part C: Implementation by way of an Offer

1. Raymond James reserves the right to elect (with the prior written consent of both Charles Stanley, such consent not to be unreasonably withheld, and the Panel in accordance with the terms of the Co-Operation Agreement) to implement the Acquisition by way of an Offer as an alternative to the Scheme.
2. In such event, such Offer will be implemented on the same terms and conditions, 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 Offer, including (without limitation) the inclusion of an acceptance condition set at such percentage of the Charles Stanley Shares to which the Offer relates as Raymond James

may, subject to the rules of the Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide.

Part D: Certain further terms of the Acquisition

1. The Acquisition will lapse if the Scheme does not become effective by 11.59 p.m. on the Long Stop Date.
2. The availability of the Acquisition to persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the UK should inform themselves about, and observe, any applicable requirements. Charles Stanley Shareholders who are in any doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay and observe any applicable requirements.
3. The Acquisition, the Scheme and any proxies will be governed by English law and be subject to the jurisdiction of the English courts. The Acquisition will be subject to applicable requirements of the FCA, the London Stock Exchange, the Code and the Panel.
4. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
5. The Charles Stanley Shares will be acquired by Bidco with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the Effective Date or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the Charles Stanley Shares.
6. Save for the Permitted Dividend, if any dividend or other distribution is announced, declared, made or paid in respect of the Charles Stanley Shares on or after the date of the Announcement and prior to the Effective Date, Raymond James reserves the right to reduce the consideration payable in respect of each Charles Stanley Share by the amount of all or part of any such dividend or other distribution.
7. If Raymond James is required by the Panel to make an offer for Charles Stanley pursuant to Rule 9 of the Code, Raymond James may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of the Code.

PART 4

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

CR-2021-001321

IN THE MATTER OF CHARLES STANLEY GROUP PLC
(Registered in England and Wales with registered number 48796)

and

IN THE MATTER OF THE COMPANIES ACT 2006 SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

between

CHARLES STANLEY GROUP PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

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

“Acquisition”	the proposed acquisition by Bidco of the entire issued and to be issued share capital of Charles Stanley, to be effected by means of the Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“Bearer Shares”	84,988 shares in the capital of Charles Stanley represented by Share Warrants;
“Bidco”	Raymond James UK Wealth Management Holdings Limited, a private company incorporated in Jersey with registered number 136827, which is a wholly-owned subsidiary of Raymond James;
“Bidco Group”	Bidco and its direct and indirect subsidiary undertakings including, following completion of the Acquisition, the Charles Stanley Group;
“Business Day”	any day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business;
“Cash Consideration”	the cash consideration due under the Scheme;
“Charles Stanley” or “Company”	Charles Stanley Group PLC, a company incorporated in England and Wales with registered number 48796;
“Charles Stanley Group”	Charles Stanley and its subsidiary undertakings and associated undertakings and where the context permits, each of them;
“Charles Stanley Share Schemes”	each of the following share incentive plans operated by Charles Stanley: (i) the Long Term Incentive Plan (Malvern); (ii) the

	Deferred Share Awards; (iii) the Performance Share Plan; (iv) the RSU Plan; (v) the Save-as You Earn Plan; and (vi) the Share Incentive Plan;
“Charles Stanley Shareholder(s)”	the holders of Charles Stanley Shares from time to time;
“Charles Stanley Share(s)”	the existing unconditionally allotted or issued and fully paid ordinary shares of 25 pence each in the capital of Charles Stanley and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective but excluding in both cases any such shares held or which become held in treasury;
“Code”	The City Code on Takeovers and Mergers issued by the Panel, as amended from time to time;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Conditions”	the conditions to the Acquisition and to the implementation of the Scheme set out in Part 3 (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of the Document;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
“Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
“Court Sanction Date”	the date on which the Court grants the Court Order;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“Document”	the circular dated 25 August 2021 addressed to Charles Stanley Shareholders of which this Scheme forms part;
“Effective Date”	the date on which this Scheme becomes Effective in accordance with its terms;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Shares”	(i) any Charles Stanley Shares which are registered in the name of, or beneficially owned by, any member of the Bidco Group (or their nominees) immediately prior to the Scheme Record Time; and (ii) any Charles Stanley Shares held in treasury;
“General Meeting”	the general meeting of the Company convened by the notice set out in Part 13 (<i>Notice of General Meeting</i>) of the Document, including any adjournment thereof;
“holder”	a registered holder and includes any person(s) entitled by transmission;

“Latest Practicable Date”	close of business on 23 August 2021, being the latest practicable date before publication of the Document;
“Link Group”	Link Group, being the trading name of Link Market Services Limited;
“Loan Note”	the interest bearing unsecured guaranteed loan notes to be issued by Bidco pursuant to the Loan Note Alternative;
“Loan Note Alternative”	the alternative whereby Charles Stanley Shareholders (other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) may elect to receive Loan Notes in lieu of part or all of the Cash Consideration to which they would otherwise be entitled under the Acquisition;
“Loan Note Deadline”	11.00 a.m. on the Business Day prior to the date of the Sanction Hearing (or such later time (if any) to which the right to make an election may be extended);
“Loan Note Elected Shares”	Scheme Shares in respect of which the holder has validly elected to participate in the Loan Note Alternative;
“Loan Note Election”	an election under the Loan Note Alternative;
“Loan Note Form of Election”	the green Loan Note Form of Election relating to the Loan Note Alternative which accompanies the Document;
“Loan Note Instrument”	the instrument constituting the Loan Notes;
“Long Stop Date”	31 January 2022 or such later date as Raymond James and Charles Stanley may agree and the Panel and (if required) the Court may allow;
“Panel”	the UK Panel on Takeovers and Mergers;
“Permitted Dividend”	an interim dividend of an amount up to 4 pence per Charles Stanley Share which Charles Stanley Shareholders on the Company’s register on 10 December 2021 will be entitled to receive and retain in circumstances where the Scheme has not been sanctioned by the Court before that date;
“Raymond James”	Raymond James Financial, Inc., a company incorporated in Florida, USA with its registered office at 880 Carillon Parkway, St. Petersburg, FL 33716;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Charles Stanley Shareholders in that jurisdiction, including without limitation, the United States, Japan, South Africa and Australia;
“Restricted Scheme Shareholders”	a Scheme Shareholder who is (i) a citizen, resident or national of any Restricted Jurisdiction or (ii) located in the United States;
“Sanction Hearing”	the hearing of the Court at which Charles Stanley will seek the Court Order and, if such hearing is adjourned, reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof;

“Scheme”	this scheme of arrangement under Part 26 of the Companies Act between Charles Stanley and Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Charles Stanley and Bidco;
“Scheme Record Time”	6.00 p.m. on the Business Day immediately after the Sanction Hearing;
“Scheme Shareholders”	holders of Scheme Shares;
“Scheme Shares”	the Charles Stanley Shares: (A) (i) in issue at the date of the Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme which remain in issue at the Scheme Record Time, and in each case other than the Excluded Shares; and (B) which are registered in the name of any person pursuant to the surrender of any Share Warrants;
“Share Warrants”	share warrants representing the Bearer Shares
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“Voting Record Time”	6.30 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned meeting; and
“£” or “GBP”	Pounds sterling, the lawful currency for the time being of the UK and references to “pence” and “p” shall be construed accordingly.

- (B) As at the Latest Practicable Date, the issued ordinary share capital of the Company was divided into 52,132,834 ordinary shares of 25 pence each, all of which are credited as fully paid up. As at the Latest Practicable Date no shares were held in treasury. As at the Latest Practicable Date, the Company’s share register records the existence of 84,988 Bearer Shares.
- (C) As at the Latest Practicable Date, a maximum of 2,011,163 Charles Stanley Shares may be issued on or after the date of the Document to satisfy the exercise of options pursuant to the Charles Stanley Share Schemes.
- (D) Bidco was incorporated on 12 July 2021 under the laws of Jersey as a private company limited by shares for the purpose of carrying out the Acquisition. Bidco is a wholly-owned subsidiary of Raymond James.
- (E) As at the Latest Practicable Date, no member of the Bidco Group or Raymond James Group is the registered holder of, or beneficially owns, any Charles Stanley shares.

- (F) Bidco has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions set out in the Document, to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Bidco and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
- (G) Subject to the Court approving the proposed reduction of the Company's share capital in accordance with sections 641 and 645 to 649 of the Companies Act, the Company's share capital will be reduced and the Bearer Shares will be cancelled with effect from the date on which the Court order confirming the capital reduction is registered by the Registrar of Companies. Pursuant to paragraph 3(3) of Schedule 4 of the Small Business, Enterprise and Employment Act 2015, all rights attaching to bearer shares represented by share warrants were suspended with effect from 26 December 2015, including any voting rights and any right to receive a dividend or distribution. Upon the cancellation of the Bearer Shares pursuant to the Court approved reduction of capital or, failing that, upon the granting of the Court Order, the Share Warrants will be cancelled.

THE SCHEME

1. Transfer of Scheme Shares

- (A) Upon and with effect from the Effective Date, Bidco (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid up with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature, and together with all rights at the Effective Date or thereafter attached thereto, including voting rights and the right to receive and retain all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) proposed, announced, authorised, declared, made or paid in respect of the Scheme Shares made on or after the Effective Date.
- (B) For the purposes of such acquisition, the Scheme Shares shall be transferred to Bidco (and/or its nominee(s)) and such transfer shall be effected by means of a form of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfer(s) any person may be appointed by Bidco as attorney and/or agent and shall be authorised as such attorney and/or agent on behalf of the relevant Scheme Shareholder to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) of, or give any instruction to transfer or procure the transfer by means of CREST of, such Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.
- (C) With effect from the Effective Date and pending the transfer of the Scheme Shares on the Effective Date and the updating of the register of members of the Company to reflect such transfer, each Scheme Shareholder irrevocably:
 - (i) appoints Bidco (and/or its nominee(s)) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of Charles Stanley) attaching to its Scheme Shares;
 - (ii) appoints Bidco (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and do such things, as may in the opinion of Bidco and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general meeting of Charles Stanley as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Bidco and/or any one or more of its directors or agents to attend any general and separate class meetings of Charles Stanley (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
 - (iii) authorises Charles Stanley and/or its agents to send to Bidco (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them

as a member of Charles Stanley in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form), such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares.

2. Consideration for the transfer of Scheme Shares

- (A) In consideration for the transfer of the Scheme Shares to Bidco and/or its nominee(s) referred to in sub-clauses 1(A) and 1(B) of this Scheme, Bidco shall, subject as hereinafter provided, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing on the register of members of Charles Stanley at the Scheme Record Time):

for each Scheme Share: 515 pence in cash

- (B) Save for the Permitted Dividend, if prior to the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Scheme Shares, Bidco will reduce the consideration payable for each Scheme Share by an amount up to the amount of such dividend and/or distribution and/or return of capital so declared, made or paid or payable per Scheme Share.
- (C) Upon any reduction of the consideration payable for each Scheme Share as referred to in sub-clause 2(B) of this Scheme:
- (i) Scheme Shareholders shall be entitled to receive and retain that dividend and/or other distribution and/or other return of capital in respect of the Scheme Share they hold;
 - (ii) any reference in this Scheme and the Document to the consideration payable under the Scheme shall be deemed a reference to the consideration as so reduced; and
 - (iii) the exercise of such rights shall not be regarded as constituting any revision or modification of the terms of this Scheme.
- (D) To the extent that any such dividend and/or distribution and/or other return of capital is proposed, announced, authorised, declared, made or paid and: (i) the Scheme Shares are transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend and/or distribution and/or return of capital and to retain it; or (ii) such dividend and/or distribution and/or other return of capital is cancelled, the consideration shall not be subject to change in accordance with this clause 2 of this Scheme.

Loan Note Alternative

- (E) Conditional on and subject to the remainder of this clause 2 of this Scheme, to the extent that any Scheme Shareholder (other than a Restricted Scheme Shareholder or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) validly elects for the Loan Note Alternative in respect of all or some of his Scheme Shares, Bidco shall, in consideration for the transfer of his Scheme Shares, and subject as herein provided, allot and issue Loan Notes to such Scheme Shareholder (as appearing in the register of members of the Company at the Scheme Record Time) on the following basis:

for every £1 of Cash Consideration to which the Scheme Shareholder would otherwise have been entitled under sub-clauses 2(A) to 2(D) of this Scheme and has made a valid Loan Note Election, £1 in nominal value of Loan Notes.

- (F) Where a holder is allotted and issued Loan Notes in consideration for his Loan Note Elected Shares, such holder will not be entitled to any Cash Consideration in respect of such Loan Note Elected Shares.
- (G) If a Scheme Shareholder elects to receive the Loan Note Alternative, any fractional entitlements will be disregarded.
- (H) Elections made by Scheme Shareholders under the Loan Note Alternative will not affect the entitlements of Scheme Shareholders who do not make any such election.

- (I) If:
- (i) a Scheme Shareholder makes a valid Loan Note Election to receive an amount of Loan Notes in respect of a greater number of Scheme Shares than he holds at the Scheme Record Time, such Scheme Shareholder will be deemed to have made a valid Loan Note Election to receive Loan Notes in respect of all such Scheme Shares held at the Scheme Record Time; or
 - (ii) a Scheme Shareholder makes a valid Loan Note Election to receive an amount of Loan Notes in lieu of Cash Consideration which is less than the amount of Cash Consideration to which the Scheme Shareholder would otherwise be entitled in respect of his Scheme Shares, the amount of the Cash Consideration payable by Bidco to such Scheme Shareholder in accordance with sub-clauses 2(A) to (D) of this Scheme for the Scheme Shares held by such Scheme Shareholder shall be reduced by the nominal value of the Loan Notes issued by Bidco to such Scheme Shareholder in accordance with this clause 2.
- (J) Subject to sub-clause 2(I) above, Loan Notes issued to Scheme Shareholders who have made a valid Loan Note Election will be issued in amounts and integral multiples of £1 in nominal amount for every £1 of Cash Consideration (rounded down to the nearest £1) to which such Scheme Shareholder would otherwise be entitled. Accordingly, where a Scheme Shareholder makes a valid Loan Note Election to receive all Loan Notes, or is deemed under sub-clause 2(I)(i) of this Scheme above to have made a valid Loan Note Election to receive all Loan Notes, the aggregate Cash Consideration to which he would otherwise have been entitled will be disregarded and will not be paid to such Scheme Shareholder.
- (K) In the case of Scheme Shareholders who hold Scheme Shares in certificated form, a Loan Note Election shall be made by completion of a Loan Note Form of Election which shall be signed by the Scheme Shareholder or his duly authorised attorney, and in the case of joint holders by or on behalf of all such holders. To be effective, the Loan Note Form of Election must be completed and returned, in accordance with the instructions printed thereon so as to arrive by no later than the Loan Note Deadline at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. In the case of Scheme Shareholders who hold Scheme Shares in uncertificated form, a Loan Note Election shall be made by delivery of a TTE Instruction validly electing for the Loan Note Alternative by the Loan Note Deadline.
- (L) If a Loan Note Form of Election or TTE Instruction is received after the Loan Note Deadline or is received before such time but is not, or is deemed not to be, valid or complete in all respects at such time, then such election shall be void unless Bidco, in its absolute discretion, elects to treat as valid in whole or in part any such election.
- (M) The Loan Notes shall be constituted by the Loan Note Instrument.
- (N) If a holder of Scheme Shares has elected for the Loan Note Alternative, or is deemed under sub-clause 2(I)(i) of this Scheme above to have made a valid Loan Note Election to receive all Loan Notes, in lieu of all of the Cash Consideration to which the Scheme Shareholder would otherwise be entitled in respect of his Scheme Shares, then:
- (i) the validity of the election shall not be affected by any alteration in the number of Scheme Shares held by such holder at any time prior to the Scheme Record Time; and
 - (ii) accordingly, the election shall apply in respect of all of the Cash Consideration to which the Scheme Shareholder would otherwise be entitled in respect of the Scheme Shares held by such holder at the Scheme Record Time.
- (O) Restricted Scheme Shareholders will only be eligible to receive Cash Consideration and may not participate in the Loan Note Alternative. If any Restricted Scheme Shareholder purports to make an election, in full or in part, pursuant to the Loan Note Alternative, then the Restricted Scheme Shareholder will be deemed to have elected to receive, and will be entitled to receive, only Cash Consideration in accordance with sub-clause 2(A) to (D) of this Scheme.
- (P) The provisions of this clause 2 of this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if in the case of any Scheme Shareholder having a registered address outside the United Kingdom or who is a citizen, resident or national of a

jurisdiction outside the United Kingdom, Bidco is advised that the issue of Loan Notes pursuant to this clause 2 would or may infringe the law of any such country or jurisdiction or would or may require compliance by Charles Stanley or Bidco (as the case may be) with any governmental or other consent or any registration, filing or other formality with which Charles Stanley or Bidco (as the case may be) in its absolute discretion regards as unduly onerous, then the Loan Note Election made by such Scheme Shareholder shall not be of any effect and the omission to send a Loan Note Form of Election to such Scheme Shareholder shall not constitute a breach by Charles Stanley or Bidco (as the case may be) of any of their respective obligations under this Scheme.

3. Settlement and despatch of consideration

- (A) Not more than 14 days after the Effective Date (unless the Panel consents otherwise), Bidco shall:
- (i) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, cheques for the sums payable to the Scheme Shareholder to the persons entitled thereto in accordance with clause 2 of this Scheme;
 - (ii) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that Bidco reserves the right to make payment of the said consideration by cheque as aforesaid in sub-clause 3(A)(i) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 3(A)(ii) or to do so would incur material additional costs;
 - (iii) in the case of Scheme Shares issued or transferred to satisfy the exercise of options under the Charles Stanley Share Schemes after the making of the Court Order and prior to the Scheme Record Time, procure that the sums payable to the relevant employees or directors in respect of those Scheme Shares are settled by such method as shall be determined by Charles Stanley (including, but not limited to, procuring that payments are made through payroll as soon as practicable subject to the deduction of any applicable exercise price, income taxes and social security contributions). Awards granted under the Charles Stanley Save-as You Earn Plan which are unvested immediately prior to the Court sanction of the Scheme will become exercisable on the Court Sanction Date, and remain exercisable for a period of six months following such date; or
 - (iv) in the case of Loan Notes to be issued by Bidco in respect of Scheme Shares, on any day falling within the period starting on the Effective Date and ending 14 calendar days thereafter, issue the Loan Notes which it is required to issue pursuant to clause 2 and despatch, or procure the despatch of, the Loan Note certificates to the relevant Scheme Shareholders so entitled in accordance with sub-clause 3(C).
- (B) As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares shall be removed from CREST in due course.
- (C) All deliveries of notices, cheques, statements of entitlement or certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of Charles Stanley at the Scheme Record Time or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time, and none of Charles Stanley, Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques, statements of entitlement or certificates sent in accordance with this sub-clause 3(C), which shall be sent at the risk of the person or persons entitled thereto.
- (D) All cheques shall be in Pounds Sterling and drawn on a United Kingdom clearing bank and shall be made payable to the Scheme Shareholder(s) concerned and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under this Scheme to pay the monies represented thereby. Bidco shall despatch or procure the despatch of cheques within 14 days of the Effective Date.

- (E) In the case of Scheme Shareholders who have not encashed cheques sent to them under this clause 3 within six months of the date of such cheques, the Cash Consideration due to such Scheme Shareholders under this Scheme shall be held by Link Group for a period of 12 years from the Effective Date, in a separate, UK bank account established solely for that purpose, and such Scheme Shareholders may claim the consideration due to them by written notice to Link Group at any time during the period of 12 years from the Effective Date.
- (F) In respect of payments made through CREST, Bidco shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in accordance with the CREST assured payment arrangements within 14 days of the Effective Date. The instruction of Euroclear shall be a complete discharge of Bidco's obligations under this Scheme in relation to payments made through CREST.
- (G) None of Charles Stanley, Bidco, Raymond James or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques, statements of entitlement or certificates sent in accordance with this clause 3, which shall be sent at the risk of the person or persons entitled thereto.
- (H) The preceding sub-clauses of this clause 3 of this Scheme shall take effect subject to any prohibition or condition imposed by law.

4. Certificates in respect of Scheme Shares and cancellation of CREST entitlements

With effect from, or as soon as practicable after, the Effective Date:

- (A) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder of Scheme Shares shall be bound at the request of Charles Stanley to deliver up the same to Charles Stanley (or any person appointed by Charles Stanley to receive such certificates), or, as it may direct, to destroy the same;
- (B) Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (C) following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Charles Stanley will procure that such entitlements to Scheme Shares are rematerialised; and
- (D) subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with clause 1 of this Scheme and the payment of any UK stamp duty thereon, Charles Stanley will make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Bidco and/or its nominee(s).

5. Mandates

Save as required in relation to the settlement of consideration pursuant to the terms of the Scheme, all mandates and other instructions (including communications preferences) given to Charles Stanley by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

6. Operation of this Scheme

- (A) This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- (B) Unless this Scheme has become effective on or before the Long Stop Date, this Scheme shall never become effective.

7. Modification

Charles Stanley and Bidco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose. Any such modification or addition may require the consent of the Panel.

8. Governing law

This Scheme is governed by English law and is subject to the exclusive jurisdiction of English courts. The rules of the Code apply to this Scheme.

Dated 25 August 2021

PART 5

SUMMARY OF THE LOAN NOTES

1. Introduction

- 1.1 As an alternative to all or part of the cash consideration which would otherwise be received pursuant to the Offer, Scheme Shareholders (other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) will, subject to the conditions and further terms set out below and on the Loan Note Form of Election and the provisions of the Loan Note Instrument, be able to elect to receive Loan Notes to be issued by Bidco. Scheme Shareholders are referred to Part 8 (*United Kingdom Taxation*) of this document which includes certain statements about the UK tax consequences of the Loan Note Alternative for certain UK tax resident Scheme Shareholders.
- 1.2 The Loan Notes will be constituted by the Loan Note Instrument which will contain, *inter alia*, provisions to the effect set out below and will be created by a board resolution of Bidco.
- 1.3 The Loan Notes will be issued with the benefit of a guarantee from Raymond James in favour of the holders of the Loan Notes.

2. Loan Note Instrument

- 2.1 The rights and obligations attaching to the Loan Notes are set out in the Loan Note Instrument.
- 2.2 The issue of the Loan Notes is conditional on:
 - (a) the Scheme becoming effective; and
 - (b) aggregate valid Loan Note Elections received on or before the Loan Note Deadline requiring the issue of Loan Notes of, in aggregate nominal amount, at least £15 million. If the Loan Notes are not issued for this reason, Charles Stanley Shareholders who elect for the Loan Note Alternative will instead receive cash in accordance with the terms of the Offer.
- 2.3 The Loan Note Instrument will contain provisions, among other things, to the effect set out below.

3. Form and status

- 3.1 The Loan Notes may be issued by Bidco in amounts and integral multiples of £1.00 and any entitlement that is not a whole multiple of £1.00 will be disregarded and not issued. Unless Bidco otherwise determines, Loan Notes shall only be issued if the aggregate valid Loan Note Elections received on or before the Loan Note Deadline require the issue of Loan Notes of, in aggregate nominal amount, at least £15 million. If the Loan Notes are not issued for this reason, Charles Stanley Shareholders who elect for the Loan Note Alternative will instead receive cash in accordance with the terms of the Acquisition.
- 3.2 Each Noteholder will be entitled without charge to one loan note certificate (the **Loan Note Certificate(s)**) for the total principal amount of Loan Notes registered in his name in the Loan Note Register. Loan Note Certificates will be delivered to Noteholders as evidence of registration. Title to the Loan Notes arises only on due registration in the Loan Note Register and any payment of principal due on the Loan Notes will be made only to the duly registered Noteholder.

4. Interest

- 4.1 The Loan Notes will bear interest payable twelve months in arrear at the Interest Rate, provided that the Interest Rate in respect of any interest period shall not be less than zero nor greater than 1.5 per cent. Interest is calculated on the basis of a 360 day year and twelve 30-day months.

- 4.2 The first payment of interest on the Loan Notes will be made on the date falling one year after the date of issue of the Loan Notes or, if such a day is not a Business Day, on the immediately preceding Business Day.
- 4.3 Interest will be paid subject to deduction or withholding in respect of tax imposed by the United Kingdom.

5. Repayment, Purchase and Redemption

- 5.1 Save to the extent previously repaid, redeemed or purchased and cancelled by Bidco, the Loan Notes will be redeemed in cash at par together with all accrued and unpaid interest on the fifteenth anniversary of the date of issue of the Loan Notes.
- 5.2 Bidco, or any other subsidiary of Raymond James, may at any time purchase any Loan Notes at any price by tender (available to all Noteholders on a *pro rata* basis), private treaty or otherwise by agreement with the relevant Noteholder(s).
- 5.3 With effect from the expiry of six months from the date of issue of the Loan Notes, a Noteholder may, by completing and signing the redemption notice set out on the reverse of their Loan Note certificate and delivering the same (together with their Loan Note Certificate) to Bidco not less than 30 days prior to an interest payment date (also referred to as a redemption date), require Bidco to redeem for cash at par together with accrued but unpaid interest the whole or a part of their holding of the Loan Notes (less any tax which is required by law imposed by the United Kingdom to be deducted or withheld), in the latter case only in amounts or integral multiples of £1.00, on the redemption date.
- 5.4 Any person becoming entitled to Loan Notes in consequence of the death of a Noteholder may, by delivering a redemption notice (together with the Loan Note certificate of the deceased Noteholder) in accordance with the instructions thereon, require Bidco to redeem for cash at par together with accrued but unpaid interest up to but excluding the redemption date (less any tax which is required by law imposed by the United Kingdom to be deducted or withheld) the whole or a part of their holding of Loan Notes.
- 5.5 A Noteholder may elect that the principal amount of the Loan Notes to be redeemed pursuant to a redemption notice shall be redeemed in US dollars. In the event that a Noteholder so elects, Bidco shall, on the relevant redemption date, pay to the Noteholder an amount in US dollars obtained by converting the principal amount outstanding of such Loan Notes into US dollars (at the spot rate for the purchase of US dollars with sterling certified by Bidco as prevailing at 11.00 a.m. London time on the date which is 21 days before the date of redemption). If the amount so payable in US dollars would otherwise exceed the amount in US dollars obtained by converting 100.25 per cent. of the principal amount outstanding of such Notes into US dollars at the spot rate for the purchase of US dollars with sterling certified by Bidco as prevailing at 11.00 a.m. (London time) on the date of redemption, the latter amount will be substituted therefor.
- 5.6 On or after the fifth anniversary of the date of issue of the Loan Notes, the Loan Notes may be redeemed by Bidco if the principal amount of Loan Notes outstanding is equal to or less than 50 per cent. of the nominal amount of all of the Loan Notes originally issued.

6. Unsecured obligation

The Loan Notes will be unsecured and will rank *pari passu* amongst themselves and with all other unsecured and unsubordinated obligations of Bidco.

7. No Listing

- 7.1 No application has been or will be made for the Loan Notes to be admitted to listing or to be dealt with in any stock exchange or other trading facility.
- 7.2 The Loan Notes will not be issued to any Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders.

- 7.3 The Loan Notes will not be registered under the US Securities Act or under any laws of any state, district or other jurisdiction of the United States. Accordingly, Loan Notes may not be offered or sold in the United States.
- 7.4 No steps have been taken, nor will any steps be taken, to enable the Loan Notes to be offered in compliance with the applicable securities laws of any Restricted Jurisdiction and no regulatory clearances in respect of the Loan Notes have been, or will be, applied for in any other jurisdiction. Accordingly, unless an exemption under relevant securities laws is available, the Loan Notes are not being and may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States, or to, or for the account or benefit of, any Restricted Scheme Shareholder or into a jurisdiction in which an offer of Loan Notes would constitute a violation of the relevant laws of, or require registration of the Loan Notes, in that jurisdiction or require the filing, registration or publication of a prospectus pursuant to the applicable securities laws of that jurisdiction.

8. Transfer

- 8.1 A Noteholder may only transfer the Loan Notes held by it to permitted transferees. The Loan Notes are transferable only in nominal amounts or integral multiples of £1.00. For the purpose of the Loan Notes, “permitted transferee” means as regards any Noteholder or deceased Noteholder: (i) certain close relative(s) of that Noteholder or deceased Noteholder; (ii) the trustees of a family trust of that Noteholder or deceased Noteholder; or (iii) the trustees of a family trust of a relative of that Noteholder or deceased Noteholder.
- 8.2 There will not be included in any instrument of transfer any securities other than the Loan Notes constituted by the Loan Note Instrument.

9. Modification, Substitution and Exchange

- 9.1 Bidco may from time to time modify, abrogate or vary the provisions of the Loan Note Instrument on terms previously sanctioned by an extraordinary resolution. An extraordinary resolution is a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the Loan Note Instrument by a majority consisting of not less than three fourths of the persons voting thereat upon a show of hands or if a poll is demanded on the resolution then by majority consisting of not less than three fourths of the votes given on such poll. Each Noteholder shall be entitled to one vote for every £1.00 in nominal amount of Loan Notes of which he or she is the holder.
- 9.2 Bidco may from time to time modify, abrogate or vary the provisions of the Loan Note Instrument without the sanction of an extraordinary resolution or the consent of the Noteholders if (in the opinion of the Directors, acting reasonably) such change is of a formal, minor or technical nature or is made to correct a manifest error in its terms and provided that no such change is prejudicial to the interests of the Noteholders.
- 9.3 The Loan Note Instrument allows the substitution of Bidco as the principal debtor under the Loan Notes by any member of the Bidco Group (the **Substituted Debtor**) at any time after the fifth anniversary of the date of issue of the Loan Notes without the consent of the Noteholders (and with the consent of the Noteholders pursuant to an extraordinary resolution prior to the fifth anniversary of the date of issue of the Loan Notes) if Bidco and the Substituted Debtor execute a supplemental deed providing, amongst other things, that the Substituted Debtor agrees to perform and be bound by the terms of the Loan Note Instrument, all instruments supplemental to the Loan Note Instrument and all documents issued under the Loan Note Instrument from the date of execution of the supplemental deed as if the Substituted Debtor had originally been named in those instruments and documents as the Bidco. This power of substitution is only exercisable if such substitution would not, under the laws or published practices of HMRC in force at the time it is to be effected, itself constitute a disposal of the Loan Notes for the purposes of United Kingdom taxation of chargeable gains.
- 9.4 The Loan Note Instrument also provides that at any time after the fifth anniversary of the date of issue of the Loan Notes, Bidco may without the consent of any of the Noteholders (and with the consent of the Noteholders pursuant to an extraordinary resolution prior to the fifth anniversary of the date of issue of the Loan Notes) require all or any of the Noteholders to exchange their Loan Notes for loan notes of the same principal value issued on the same terms by another member of the Bidco Group, provided

that, if any Noteholder so required to exchange his/her Loan Notes is resident in the United Kingdom for taxation purposes, such exchange will fall within the provisions of section 135 of the Taxation of Chargeable Gains Act 1992 and prior clearance has been received from the HMRC under section 138 of the Taxation Chargeable Gains Act 1992 in respect of such exchange.

10. Guarantee

- 10.1 Raymond James has agreed to unconditionally and irrevocably guarantee to each Noteholder the due and punctual payment by Bidco of all amounts of principal or interest payable to the Noteholder by Bidco in respect of the Loan Notes.
- 10.2 If and whenever Bidco is in default in payment of any amounts of principal or interest to a Noteholder, Raymond James will on receipt of: (i) a demand by such Noteholder; and (ii) written confirmation from Bidco that the Noteholder appears on the Register as the holder of the Loan Note to which the default relates as at the date of receipt of the demand by the guarantor (which such confirmation shall be requested by the guarantor from and supplied by Bidco on receipt of a demand), pay to such Noteholder the amount payable by Bidco to the Noteholder under the Loan Note Instrument without set-off or counterclaim and free and clear of any restrictions or conditions.
- 10.3 Raymond James will be deemed to be a principal debtor in respect of its obligations in relation to the Loan Notes and its obligations in relation thereto may be enforced by any Noteholder without the Noteholder being obliged first to make demand of or to take steps to recover from Bidco any sums due and payable to them.
- 10.4 Raymond James' liability to the Noteholders will not be discharged, impaired or affected by reason of: any defect in the obligations of Bidco; any time, waiver or other indulgence given to Bidco by any Noteholder; the liquidation of, or the appointment of any administrator, receiver or administrative receiver in respect of Bidco or its assets or any similar insolvency proceedings; any incapacity, lack of power, authority or legal personality of, or dissolution or change in the members or status of Bidco; any invalidity or enforceability of the obligations of Bidco under the Loan Notes; the substitution of Bidco as principal debtor under the Loan Notes; any act or omission of Bidco; or any other circumstance which would otherwise discharge the guarantor.

11. Governing law and jurisdiction

- 11.1 The Loan Note Instrument, the Loan Notes and any dispute or claim arising out of, or in connection with, any of them (whether contractual or non-contractual in nature) will be governed by and construed in accordance with English law.
- 11.2 The courts of England are to have exclusive jurisdiction in relation to any claim, dispute or difference concerning the Loan Note Instrument and the Loan Notes.

12. Tax

Part 8 (*United Kingdom Taxation*) of this Document contains information about the UK tax treatment of the Loan Notes.

13. General

The above represents a summary of the terms of the Loan Notes and is subject to the detailed provisions of the Loan Note Instrument which will govern the rights and obligations of Bidco and the Noteholders with respect to the Loan Notes.

PART 6

HOW TO MAKE A LOAN NOTE ELECTION

1. Making an Election

IF YOU ARE A RESTRICTED SCHEME SHAREHOLDER, OR ACTING ON A NON-DISCRETIONARY BASIS ON BEHALF OF A RESTRICTED SCHEME SHAREHOLDER YOU ARE NOT ELIGIBLE TO PARTICIPATE IN THE LOAN NOTE ALTERNATIVE AND SHOULD NOT COMPLETE OR RETURN THE LOAN NOTE FORM OF ELECTION.

1.1 *Shares held in certificated form*

If you hold Scheme Shares in certificated form and are not a Restricted Scheme Shareholder and you wish to make an election under the Loan Note Alternative you must complete and sign the Loan Note Form of Election in accordance with the instructions printed thereon and return it to Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to be received by no later than the Loan Note Deadline. A reply-paid envelope, for use in the UK only, is enclosed for your convenience. The instructions printed on, or deemed to be incorporated in, the Loan Note Form of Election constitute part of the terms of the Scheme.

If you wish to receive cash for all the Scheme Shares that you hold and do not wish to make an election under the Loan Note Alternative, do not return the Loan Note Form of Election.

Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser. The Loan Note Alternative is not being offered, and will not be offered, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. Any purported election for the Loan Note Alternative made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

You should complete a separate Loan Note Form of Election for Scheme Shares held in certificated form, but under different designations, if you wish to make an election under the Loan Note Alternative in respect of cash consideration to which you would otherwise be entitled in respect of some or all of your Scheme Shares.

If you need further copies of the Loan Note Form of Election, please call Charles Stanley's registrars, Link Group on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holiday in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

1.2 *Shares held in uncertificated form (CREST)*

If your Scheme Shares are in uncertificated form and you are not a Restricted Scheme Shareholder and you wish to elect for the Loan Note Alternative you should NOT complete a Loan Note Form of Election but instead take (or procure to be taken) the actions set out below to transfer the Scheme Shares in respect of which you wish to elect for the Loan Note Alternative to the relevant escrow account using a TTE Instruction specifying Link Group (in its capacity as a CREST participant under the participant ID: RA10) as the escrow agent (**Escrow Agent**), as soon as possible and in any event so that the TTE Instruction settles no later than the Loan Note Deadline.

If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Scheme Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your

Scheme Shares. You should send (or, if you are a CREST personal member or other CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- (a) the number of Scheme Shares to be transferred to escrow in respect of the Loan Note Election;
- (b) your member account ID;
- (c) your participant ID;
- (d) the participant ID of the Escrow Agent. This is RA10;
- (e) the member account ID of the Escrow Agent. This is RJFCSG01;
- (f) the ISIN number of the Scheme Shares. This is GB0006556046;
- (g) the intended settlement date. This should be as soon as possible and in any event by the Loan Note Deadline;
- (h) the corporate action number for the transaction. This is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- (i) CREST standard delivery instructions priority of 80; and
- (j) a contact name and telephone number (in the shared note file of the TTE Instruction).

To elect for the Loan Note Alternative in the field relating to the number of Scheme Shares to be transferred to escrow, you should insert the number of Scheme Shares in respect of which you wish to make an election for the Loan Note Alternative.

After settlement of the TTE Instruction, you will not be able to access the Scheme Shares in CREST for any transaction or for charging purposes. If the Scheme becomes Effective, the Escrow Agent will transfer the Scheme Shares to Bidco or its nominees. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedure outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Scheme Shares to settle prior to the Loan Note Deadline. In this regard you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Please note that, if: (i) you elect for the Loan Note Alternative in respect of Scheme Shares which are held in CREST; and (ii) you fail to give the TTE Instructions to settle prior to the Loan Note Deadline in accordance with the instructions set out above, your election for the Loan Note Alternative will to that extent be invalid and you will receive cash as if you had not elected for the Loan Note Alternative.

2. Other Provisions relating to the Loan Note Alternative

The Loan Note Alternative is made available on the basis of £1 nominal value of Loan Notes for every £1 in cash to which a Scheme Shareholder would otherwise be entitled to under the Offer. Each Scheme Shareholder's aggregate entitlement to Loan Notes will be rounded down to the nearest £1 and, in the event that the Scheme Shareholder has validly elected (or is deemed to have validly elected pursuant to the terms of the Scheme) to receive Loan Notes in lieu of all of the cash consideration to which the Scheme Shareholder would otherwise be entitled, the balance of the consideration will be disregarded and not paid to such holder.

Charles Stanley and Bidco reserve the right at their sole discretion to determine that any Scheme Shareholder electing for the Loan Note Alternative is a Restricted Scheme Shareholder and to refuse to issue Loan Notes to that Scheme Shareholder. In such event, the relevant Scheme Shareholder shall only be entitled to receive cash consideration as set out in this document.

Neither Charles Stanley nor Bidco will be liable to any Scheme Shareholder for making any such determination.

A summary of the terms of the Loan Note Alternative is in Part 5 (*Summary of the Loan Notes*) of this document.

PART 7

FINANCIAL AND RATINGS INFORMATION

Part A: Financial information relating to Charles Stanley

The following sets out financial information in respect of Charles Stanley as required by Rule 24.3 of the Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- the audited financial statements of Charles Stanley for the financial year ended 31 March 2021 are set out on pages 110-163 (both inclusive) of Charles Stanley's Annual Report and Accounts 2021 available from Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley
- the audited accounts of Charles Stanley for the financial year ended 31 March 2020 are set out on pages 104-161 (both inclusive) of Charles Stanley's Annual Report and Accounts 2020 available from Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley
- the trading update for the three months ended 30 June 2021 available from Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley

Part B: Charles Stanley ratings information

There are no current ratings or outlooks publicly accorded to Charles Stanley by ratings agencies.

Part C: Financial Information relating to Bidco

Bidco was incorporated on 12 July 2021 and has not traded or paid any dividends since its date of incorporation. Accordingly, no financial information is available or has been published in respect of it. Bidco has no material assets or liabilities, in each case other than those described in this document in connection with the Acquisition.

From the Effective Date, the earnings, assets and liabilities of Bidco will include the consolidated earnings, assets and liabilities of the Charles Stanley Group.

Part D: Bidco ratings information

As Bidco was incorporated on 12 July 2021 and has not traded since the date of incorporation and is being utilised for the sole purpose of carrying out the Acquisition, there are no current ratings or outlooks publicly accorded to Bidco by ratings agencies.

Part E: Financial Information relating to Raymond James

The following sets out financial information in respect of Raymond James as required by Rule 24.3 of the Code. The documents referred to below, the contents of which have previously been disclosed, as set out below, are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- Copies of Raymond James' Annual Reports for the previous five years, quarterly earnings releases, presentations and financial supplements, as well as Monthly Operating Results are available on Raymond James' Investor Relations website at: www.raymondjames.com/investor-relations.
- Additionally, copies of financial results and other disclosures are also accessible through the website of the SEC at: www.sec.gov.

Part F: Raymond James ratings information

Raymond James' issuer and senior long-term debt ratings as of the most current report are detailed in the table below. Additional information about credit ratings is available in Raymond James' most recent quarterly report and accessible via the Investor Relations or SEC websites referenced above.

<i>Rating Agency</i>	<i>Rating</i>	<i>Outlook</i>
Fitch Ratings, Inc.	A-	Stable
Moody's Investor Services	Baa1	Stable
Standard & Poor's Rating Services	BBB+	Stable

Part G: No incorporation of website information

Save as expressly referred to herein, neither the content of Charles Stanley's or Raymond James' websites, nor the content of any website accessible from hyperlinks on Charles Stanley's or Raymond James' websites is incorporated into, or forms part of, this document.

Part H: Availability of hard copies

Charles Stanley will provide, without charge to each person to whom a copy of this document has been delivered, upon the oral or written request of such person, a hard copy of any or all of the documents which are incorporated by reference herein within two Business Days of the receipt of such request. Copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made.

PART 8

UNITED KINGDOM TAXATION

The comments set out below and in Part 9 (*Additional Information for Overseas Shareholders*) of this document summarise certain limited aspects of the UK taxation treatment of certain Charles Stanley Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK tax legislation and what is understood to be current HMRC practice (which may not be binding on HMRC), in each case as at the Latest Practicable Date, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain types of Charles Stanley Shareholder such as charities, trustees, market makers, brokers, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Charles Stanley Shares by reason of an office or their employment or as carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies.

References below to “UK holders” or “Charles Stanley Shareholders” are to Charles Stanley Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in, and only in, the United Kingdom (and to whom split-year treatment does not apply), who hold their Charles Stanley Shares as a capital investment (other than under a self-invested personal pension plan or individual savings account) and who are the absolute beneficial owners of their Charles Stanley Shares.

Overseas holders of Charles Stanley Shares are referred to in Part 9 (*Additional Information for Overseas Shareholders*) of this document, which summarises certain UK tax consequences of the Scheme for such holders.

IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION OR YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

UK taxation of chargeable gains

The transfer of Charles Stanley Shares under the Scheme in return for cash should be treated as a disposal of the UK holder’s Charles Stanley Shares for the purposes of UK capital gains tax (**CGT**) or corporation tax on chargeable gains (as applicable) and therefore may, depending on the UK holder’s particular circumstances (including the UK holder’s base cost in their Charles Stanley Shares, and the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

Individual Charles Stanley Shareholders

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Charles Stanley Shares by an individual UK holder should be subject to CGT at the rate of 20 per cent. (or in some limited circumstances, 10 per cent.) depending on the individual’s personal circumstances, including other taxable income and gains in the relevant tax year.

No indexation allowance will be available to an individual Charles Stanley Shareholder in respect of any disposal of Charles Stanley Shares. The CGT annual exemption may be available to individual UK holders, depending on their personal circumstances, to offset against chargeable gains realised on the disposal of their Charles Stanley Shares. The CGT annual exemption amount for the 2021/22 tax year is £12,300.

Corporate Charles Stanley Shareholders

Subject to available reliefs or allowances, chargeable gains arising on a disposal of Charles Stanley Shares by a UK holder within the charge to UK corporation tax should be subject to UK corporation tax.

For UK holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Charles Stanley Shares), indexation allowance may be available

where the Charles Stanley Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the Charles Stanley Shares up to and including 31 December 2017 to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the transfer of their Charles Stanley Shares under the Scheme in return for cash.

UK stamp duty and stamp duty reserve tax (SDRT)

No UK stamp duty or SDRT should generally be payable by Charles Stanley Shareholders on the transfer of their Charles Stanley Shares under the Scheme.

Loan Notes

To the extent that a Charles Stanley Shareholder receives Loan Notes in exchange for his Scheme Shares and does not hold (either alone or together with persons connected with him) more than 5 per cent. of, or of any class of, shares in or debentures of Charles Stanley, he should not be treated as having made a disposal of his Scheme Shares.

Instead, for individual Charles Stanley Shareholders, any gain or loss which would otherwise have arisen on a disposal of his Scheme Shares should be “rolled over” into the Loan Notes and the Loan Notes should (because the Loan Notes are not expected to be qualifying corporate bonds for CGT purposes) be treated as the same asset as those Scheme Shares acquired at the same time and for the same consideration as those Scheme Shares.

For corporate Charles Stanley Shareholders, any gain or loss which would otherwise have arisen on a disposal of those Scheme Shares should be calculated but “held over” and deemed to arise only on a subsequent disposal (including redemption or repayment) of the Loan Notes.

A Charles Stanley Shareholder who (either alone or together with persons connected with him) holds more than 5 per cent. of, or of any class of, shares in or debentures of Charles Stanley, will be eligible for the above treatment only if the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of a liability to CGT or corporation tax. HMRC clearance has been received that this treatment will not be denied on these grounds.

If a Charles Stanley Shareholder receives cash in addition to Loan Notes and the amount of cash received is small in comparison with the value of his Scheme Shares and less than the amount he paid for the Scheme Shares, the Charles Stanley Shareholder will not be treated as having disposed of the Scheme Shares in respect of which the cash was received. Instead, an amount equal to the amount of such cash will be deducted from the base cost of his Loan Notes or, in the case of corporate Charles Stanley Shareholders receiving Loan Notes, any gain or loss on the Scheme Shares will be dealt with as described below. Under current HMRC practice, any cash payment of £3,000 or less or (if greater) which is 5 per cent. or less of the market value at the time of disposal of a Charles Stanley Shareholder’s holding of Scheme Shares will generally be treated as small for these purposes. In all other cases where a Charles Stanley Shareholder receives cash in addition to Loan Notes, the Charles Stanley Shareholder will be treated as having made a part disposal of their Scheme Shares, with the chargeable gain in respect of that part disposal being computed by reference to the proportion of the Charles Stanley Shareholder’s allowable base cost in his holding of Scheme Shares that the cash consideration bears to the aggregate of the Charles Stanley Shareholder’s entitlement to both cash consideration and Loan Notes.

PART 9

ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

1. General

This document has been prepared for the purposes of complying with English law, the Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the UK.

The availability of the Acquisition to holders of Charles Stanley Shares who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. It is the responsibility of any person outside the UK into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

The release, publication or distribution of this document in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote in respect of their Charles Stanley Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Code and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent (in whole or in part) in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Acquisition (including custodians, nominees and trustees) must observe these restrictions and must not mail or otherwise distribute or send them (in whole or in part) in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. Doing so may render invalid any purported vote in respect of the Acquisition.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction (including the Restricted Jurisdictions) in which such offer or solicitation is unlawful.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

2. US holders of Charles Stanley Shares

The Acquisition relates to the shares of a UK company and is being made by way of a scheme of arrangement provided for under Part 26 of the Companies Act. The Acquisition, implemented by way 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 to a scheme of arrangement involving a target company in England listed on the London Stock Exchange, which differ from the disclosure requirements of US tender offer and proxy solicitation rules. If, in the future, Raymond James exercises its right to implement the Acquisition by way of an Offer and determines to extend the Offer into the United States, the Acquisition will be made in compliance with applicable US laws and regulations.

The Loan Note Alternative is not being offered, and will not be offered, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Loan Note Alternative may not be elected for by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, materials allowing an election for the Loan Note Alternative are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees), in whole or in part, in or into the United States or to any U.S. persons or any persons located or resident in the United States. Any purported acceptance of the Loan Note Alternative resulting directly or indirectly from a violation of these restrictions will be invalid and any purported election for the Loan Note Alternative made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each person electing for the Loan Note Alternative will represent that it is not a U.S. person, it is not located in the United States and it is not participating in the Acquisition from the United States or it is acting on a non-discretionary basis for a principal that is not a U.S. person, that is located outside the United States and that is not giving an order to participate in the Acquisition from the United States. For the purposes of this and the above paragraph, United States means United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

The financial information included in this document has been prepared in accordance with International Financial Reporting Standards (as adopted by the European Union) and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

Neither the SEC nor any securities commission of any state of the US nor any other US regulatory authority has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this document.

It may be difficult for US holders of Charles Stanley Shares to enforce their rights and any claim arising out of the US federal laws or the laws of any state or other jurisdiction in the US, because Charles Stanley is located in a non-US country, and some or all of its officers and directors are residents of a non-US country. US holders of Charles Stanley Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the federal US laws or the laws of any state or other jurisdiction in the US. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

US holders of Charles Stanley Shares also should be aware that the transaction contemplated herein may have tax consequences in the US and, that such consequences, if any, are not described herein. US holders of Charles Stanley Shares are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.

3. UK Taxation of certain overseas shareholders

Non-UK holders should not be subject to United Kingdom taxation of chargeable gains in respect of the Scheme, however they may be subject to foreign taxation depending on their personal circumstances. No UK stamp duty or SDRT should generally be payable by Non-UK holders on the transfer of their Charles Stanley Shares under the Scheme.

References above to **Non-UK holders** are to Charles Stanley Shareholders who are not resident for tax purposes in the United Kingdom, have not within the past five years been resident or ordinarily resident for tax purposes in the United Kingdom and are not carrying on a trade (or profession or vocation) in the United Kingdom.

If an individual is only temporarily resident outside the United Kingdom for capital gains tax purposes as at the date of disposal, the individual could, on becoming resident for tax purposes in the United Kingdom again, be liable for United Kingdom taxation of chargeable gains in respect of disposals made while the individual was temporarily resident outside the United Kingdom for capital gains tax purposes.

PART 10

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Charles Stanley Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by the Bidco Directors or the Raymond James Directors pursuant to paragraphs 1.2 and 1.3 of this Part 10 (*Additional Information*). To the best of the knowledge and belief of the Charles Stanley Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Bidco Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to them (and their close relatives (as defined in section 3.1 below) related trusts and other persons connected with them), Bidco, the Bidco Group and persons deemed to be acting in concert with Bidco (as such term is defined in the Code). To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The Raymond James Directors, whose names are set out in paragraph 2.3 below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to them (and their close relatives, related trusts and other persons connected with them), Raymond James, the Raymond James Group and Bidco. To the best of the knowledge and belief of the Raymond James Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

2.1 ***The Charles Stanley Directors and their respective positions are:***

<i>Name</i>	<i>Position</i>
Sir David Howard	Chairman
Paul Abberley	Chief Executive Officer
Benjamin Money-Coutts	Chief Financial Officer
Marcia Campbell	Independent Non-Executive Director
Andrew Didham	Independent Non-Executive Director
Hugh Grootenhuis	Independent Non-Executive Director
Anna Troup	Independent Non-Executive Director

The registered office of Charles Stanley and the business address of each of the Charles Stanley Directors is 55 Bishopsgate, London, EC2N 3AS.

The company secretary of Charles Stanley is Julie Ung.

2.2 ***The Bidco Directors and their respective positions are:***

<i>Name</i>	<i>Position</i>
Peter Moores	Director
Tashtego Elwyn	Director

Bidco is a limited company with its registered office at 11 Bath Street, St Helier, Jersey JE4 8UT.

2.3 **The Raymond James Directors and their respective positions are:**

<i>Name</i>	<i>Position</i>
Marlene Debel	Independent Non-Executive Director
Bob Dutkowsky	Non-Executive Director
Jeffrey N. Edwards	Independent Non-Executive Director
Benjamin Etsy	Independent Non-Executive Director
Anne Gates	Independent Non-Executive Director
Francis S. Godbold	Vice Chairman
Thomas A. James	Chairman Emeritus
Gordon L. Johnson	Independent Non-Executive Director
Roderick C. McGearry	Independent Non-Executive Director
Paul C. Reilly	Chairman and Chief Executive Officer
Raj Seshardi	Independent Non-Executive Director
Susan N. Story	Lead Independent Non-Executive Director

Raymond James is a Florida corporation, the common stock of which is listed on the New York Stock Exchange. The business address of Raymond James is 880 Carillon Parkway, St. Petersburg, FL 33716.

3. **Interests in Charles Stanley Shares**

3.1 **For the purposes of this section 3 and section 4:**

- (A) “acting in concert” has the meaning given to it in the Code;
- (B) “arrangement” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (C) “close relatives” has the meaning given to it in the Code;
- (D) “connected person” in relation to a director of Charles Stanley, Raymond James or Bidco means any person whose interests such director would be required to disclosure pursuant to Part 22 of the Companies Act and related regulations including:
 - (i) such director’s spouse or civil partner;
 - (ii) such director’s infant children (including step-children);
 - (iii) a body corporate if either:
 - (1) that body corporate or its board of directors are accustomed to act in accordance with such director’s directions or instructions; or
 - (2) such director is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that body corporate; and
 - (iv) in certain circumstances, persons with whom such director has an agreement for the acquisition of shares in the relevant company;
- (E) “dealing” has the meaning given to it in the Code;
- (F) “derivative” has the meaning given to it in the Code;
- (G) “disclosure period” means the period beginning on 29 July 2020 (the date 12 months prior to commencement of the Offer Period) and ending on the Latest Practicable Date;
- (H) “financial collateral arrangements” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code;
- (I) “interest” or “interests” in relevant securities shall have the meaning given to it in the Code;
- (J) “relevant securities” means: (i) Charles Stanley Shares and any other securities of Charles Stanley conferring voting rights; (ii) the equity share capital of Charles Stanley; (iii) the equity share capital of Bidco; and (vi) securities of Charles Stanley or Bidco carrying conversion or subscription rights into any of the foregoing; and

(K) “short position” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

- 3.2 In addition to other members of the Charles Stanley Group (including joint ventures) and the Charles Stanley Directors (together with their close relatives and related trusts), the persons who, for the purposes of the Code, are acting in concert with Charles Stanley in respect of the Acquisition and who are required to be disclosed are:

<i>Name</i>	<i>Registered Office</i>	<i>Relationship with Charles Stanley</i>
Rothschild & Co	New Court, St Swithin’s Lane, London, EC4N 8AL	Financial advisers
Peel Hunt	7th Floor, 100 Liverpool Street, London, EC2M 2AT	Financial adviser and corporate broker
Charles Stanley Pension Scheme (via fiduciary manager Charles Stanley & Co Limited)	55 Bishopsgate, London, EC2N 3AS	Pension scheme
Discretionary Investment Management Clients of Charles Stanley & Co Limited	55 Bishopsgate, London, EC2N 3AS	Discretionary Investment Management Clients

- 3.3 For the purposes of the Code, no persons, other than the Bidco Directors (together with their close relatives and related trusts) and the members of the Bidco Group are acting in concert with Bidco in respect of the Acquisition and are required to be disclosed.

- 3.4 For the purposes of the Code, no persons, other than the Raymond James Directors (together with their close relatives and related trusts) and the members of the Raymond James Group (and their related pension schemes) are acting in concert with Raymond James in respect of the Acquisition and who are required to be disclosed.

- 3.5 As at the Latest Practicable Date, the Charles Stanley Directors held the following interests in relevant Charles Stanley securities:

<i>Name of Director</i>	<i>Number of Charles Stanley Shares</i>
Sir David Howard	7,507,721
Paul Abberley	113,425
Benjamin Money-Coutts	27,046

- 3.6 As at the Latest Practicable Date close relatives and related trusts of the Charles Stanley Directors held the following interests in relevant Charles Stanley securities:

<i>Name</i>	<i>Number of Charles Stanley Shares</i>
John Howard	3,778,049
Lady Valerie Howard	2,549,999
Queen Street Securities Ltd	2,102,500
Caroline Dore	1,330,000
Robert Howard	1,297,030
Virginia Howard	717,816
James Picton Seymour Howard	649,999
Victoria Turner	600,000
Lady Magdalen Howard	57,970
Rupert Howard	215,539
Emily Howard	201,245
Harriet Howard	214,650
Other Howard family members	43,950 ⁽¹⁾

(1) These Charles Stanley Shares are held by close relatives of Sir David Howard who are under 18 years old.

3.7 As at the Latest Practicable Date, the Charles Stanley Directors held the following outstanding options and awards over relevant Charles Stanley securities under the Charles Stanley Share Schemes set out below:

<i>Name</i>	<i>Share Plan</i>	<i>Number of Charles Stanley Shares under option/award</i>	<i>Date of grant</i>	<i>Exercise Period</i>	<i>Exercise Price (per share) (p)</i>
Benjamin Money-Coutts	SAYE Option Plan	2,259	19 December 2018	1 February 2022 to 1 August 2022	239
Benjamin Money-Coutts	SAYE Option Plan	1,085	17 December 2019	1 February 2023 to 1 August 2023	242
Benjamin Money-Coutts	SAYE Option Plan	435	16 December 2020	1 February 2024 to 1 August 2024	223
Benjamin Money-Coutts	Deferred Bonus Awards	2,383	23 June 2017	23 June 2020 to 23 June 2022	Nil
Benjamin Money-Coutts	Deferred Bonus Awards	6,873	22 June 2018	22 June 2021 to 22 June 2023	Nil
Benjamin Money-Coutts	Deferred Bonus Awards	12,031	24 June 2019	24 June 2022 to 24 June 2024	Nil
Benjamin Money-Coutts	Deferred Bonus Awards	27,178	9 July 2020	9 July 2023 to 9 July 2025	Nil
Benjamin Money-Coutts	Deferred Bonus Awards	15,498	29 July 2021	9 June 2024 to 8 June 2026	Nil
Benjamin Money-Coutts	Performance Share Plan	6,000	26 June 2017	June 2020 to June 2023	Nil
Benjamin Money-Coutts	Performance Share Plan	79,735	25 June 2019	June 2022 to June 2025	Nil
Benjamin Money-Coutts	Performance Share Plan	76,262	9 July 2020	July 2023 to June 2026	Nil
Benjamin Money-Coutts	RSU Plan	42,994	29 July 2021	June 2024 to June 2027	Nil
Paul Abberley	Deferred Bonus Awards	9,545	23 June 2017	23 June 2020 to 23 June 2022	Nil
Paul Abberley	Deferred Bonus Awards	9,625	22 June 2018	22 June 2021 to 22 June 2023	Nil
Paul Abberley	Deferred Bonus Awards	15,734	24 June 2019	24 June 2022 to 24 June 2024	Nil
Paul Abberley	Deferred Bonus Awards	46,182	9 July 2020	9 July 2023 to 9 July 2025	Nil
Paul Abberley	Deferred Bonus Awards	22,601	29 July 2021	9 June 2024 to 8 June 2026	Nil
Paul Abberley	Performance Share Plan	117,449	25 June 2019	June 2022 to June 2025	Nil
Paul Abberley	Performance Share Plan	111,780	9 July 2020	July 2023 to June 2026	Nil
Paul Abberley	RSU Plan	62,739	29 July 2021	June 2024 to June 2027	Nil

As at the Latest Practicable Date, Benjamin Money-Coutts held 4,738 Charles Stanley securities, and Paul Abberley held 4,240 Charles Stanley securities, under the Charles Stanley Group PLC Share Incentive Plan.

4. Interests and Dealings – General

- 4.1 During the Offer Period, the following dealings in Charles Stanley securities by Charles Stanley Directors (and their close relatives, related trusts and connected persons) have taken place:

<i>Name</i>	<i>Date of Dealing</i>	<i>Number of Charles Stanley Shares (under option/ award)</i>	<i>Nature of Dealing</i>	<i>Price per share (pence)</i>
Benjamin Money-Coutts	13 August 2021	30	Grant of awards over shares pursuant to Share Incentive Plan	507
Paul Abberley	13 August 2021	29	Grant of awards over shares pursuant to Share Incentive Plan	507

4.2 **Save as disclosed in this document, as at the Latest Practicable Date:**

- (A) no member of the Bidco Group or the Raymond James Group had any interest in, right to subscribe in respect of or any short position in relation to any relevant Charles Stanley securities nor has any such person dealt in any relevant Charles Stanley securities during the disclosure period;
- (B) none of the Bidco Directors, the Raymond James Directors nor any of their connected persons, close relatives or related trusts, had any interest in, right to subscribe in respect of or any short position in relation to any relevant Charles Stanley securities, nor has any such person dealt in any relevant Charles Stanley securities during the disclosure period;
- (C) no other person acting in concert with Bidco or Raymond James had any interest in, right to subscribe in respect of or any short position in relation to any relevant Charles Stanley securities, nor has any such person dealt in any relevant Charles Stanley securities during the disclosure period; and
- (D) neither Bidco nor Raymond James, nor any person acting in concert with either of them, has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant Charles Stanley securities, save for any borrowed shares which have been either on-lent or sold.

4.3 **Save as disclosed in this document, as at the Latest Practicable Date:**

- (A) Charles Stanley had no any interest in, right to subscribe in respect of or any short position in relation to any relevant Bidco securities nor has Charles Stanley dealt in any relevant Charles Stanley securities or relevant Bidco securities during the Offer Period;
- (B) none of the Charles Stanley Directors nor any of their connected persons, close relatives or related trusts, had any interest in, right to subscribe in respect of, or any short position in relation to any relevant Charles Stanley securities or, relevant Bidco securities nor has any such person dealt in any relevant Charles Stanley securities or any relevant Bidco securities during the Offer Period;
- (C) no other person acting in concert with Charles Stanley had any interest in, right to subscribe in respect of, or any short position in relation to any relevant Charles Stanley securities, nor has any such person dealt in any relevant Charles Stanley securities during the Offer Period;
- (D) neither Charles Stanley, nor any person acting in concert with Charles Stanley has borrowed or lent (including for these purposes any financial collateral arrangements) any relevant Charles Stanley securities, save for any borrowed shares which have been either on-lent or sold; and
- (E) no relevant Charles Stanley securities have been redeemed or purchased by Charles Stanley during the Offer Period.

4.4 **Save as disclosed in this document:**

- (A) no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Special Resolution to be proposed at the General Meeting;

- (B) none of: (i) Bidco or any person acting in concert with Bidco; (ii) Raymond James or any person acting in concert with Raymond James or (iii) Charles Stanley or any person acting in concert with Charles Stanley has any arrangement in relation to relevant securities; and
- (C) no agreement, arrangement or understanding (including any compensation arrangement) exists between either (i) Bidco or any person acting in concert with Bidco or (ii) Raymond James or any person acting in concert with Raymond James and any of the Charles Stanley Directors or the recent directors, shareholders or recent shareholders of Charles Stanley, or any person interested or recently interest in shares of Charles Stanley having any connection with or dependence upon the Acquisition.

4.5 Save as disclosed herein and save that Bidco reserves the right to transfer any such shares to any other member of the Wider Bidco Group, there is no agreement, arrangement or understanding whereby the beneficial ownership of any Charles Stanley Shares to be acquired by Bidco pursuant to the Scheme will be transferred to any other person.

5. Directors' service contract and letters of appointment

5.1 Charles Stanley Executive Directors

Benjamin Money-Coutts is engaged under a service contract with CSC dated 18 March 2015. He currently receives an annual base salary of £270,000. Prior to an increase approved on 1 June 2021 but backdated to 1 April 2021, Benjamin Money-Coutts received an annual base salary of £262,000. He became Chief Financial Officer of Charles Stanley on 14 January 2015 (effective from 9 January 2015), subject to regulatory approval, which was obtained with effect from 10 June 2015. At the time of appointment as Chief Financial Officer, Benjamin Money-Coutts was engaged under his original service contract dated 23 April 2013. Benjamin Money-Coutts is also a Pension Scheme Trustee.

Paul Abberley is engaged under a service contract with CSC dated 26 November 2014. He currently receives an annual base salary of £394,000. Prior to an increase approved on 1 June 2021 but effective 1 April 2021, Paul Abberley received an annual base salary of £382,500. Paul Abberley was appointed to the Board on 27 October 2014 as Chief Executive Officer-designate, subject to regulatory approval. On receipt of that approval he became Chief Executive Officer on 19 December 2014.

The Charles Stanley Executive Directors' service contracts are terminable by either party on six months' written notice and as an alternative to giving notice, CSC (as the employer) may in its discretion terminate the employment of a Charles Stanley Executive Director immediately by making payment in lieu of notice which will be limited to base salary only. There are no other special provisions relating to compensation for loss of office nor are there any clauses in contracts amending employment terms and conditions on a change of control. In the event of a Charles Stanley Executive Director's employment being terminated, the Charles Stanley Remuneration Committee will pay due regard to (a) best practice (b) the circumstances surrounding the termination and (c) the Executive Director's duty to mitigate their loss, while also adhering to the relevant contractual terms.

The benefits received by each Charles Stanley Executive Director comprise a car allowance, private medical cover, private health insurance and death in service benefit and, in the case of Paul Abberley, a mobile and/or iPad. Each Charles Stanley Executive Director can elect to extend their private medical cover to their immediate family at an additional cost to the Charles Stanley Executive Director. Each Charles Stanley Executive Director receives a pension contribution of 20 per cent. of base salary.

The Charles Stanley Executive Directors may be entitled to an annual bonus calculated against specific performance targets. The maximum entitlement of the annual bonus is 150 per cent. of salary. Entitlements above a level of 50 per cent. of salary are deferred into options under the Performance Share Plan, with entitlements equal to or below 50 per cent. of salary being cash settled.

The Charles Stanley Executive Directors participate in various Charles Stanley Share Schemes. Benjamin Money-Coutts has been granted options under the Save-as You Earn Plan over Charles Stanley Shares. Paul Abberley and Benjamin Money-Coutts have been granted options under the Deferred Share Plans over Charles Stanley Shares. Options are granted under the Deferred Share Plans for any annual bonus amounts deferred into shares. Options vest over a period of three years. There are no performance conditions attached to options granted under the Deferred Share Plans.

Paul Abberley and Benjamin Money-Coutts have been granted options under the Performance Share Plan over Charles Stanley Shares. Options under the Performance Share Plan are granted annually up to a maximum of 100 per cent. salary. Options vest over a period of three years based on specific performance targets. Paul Abberley and Benjamin Money-Coutts have been granted options under the RSU Plan over Charles Stanley Shares. Options under the RSU Plan are granted annually up to a maximum of 50 per cent. of salary. Vesting will be subject to an assessment of performance underpin thresholds over a period of three years. Paul Abberley and Benjamin Money-Coutts hold Charles Stanley Shares pursuant to the Share Incentive Plan.

5.2 **The Chairman and other Charles Stanley Non-Executive Directors**

Sir David Howard joined Charles Stanley in 1967. He became Managing Partner in 1971, Managing Director in 1988 and Chairman in 1997. Sir David is Chairman of the Charles Stanley Nomination Committee. Sir David Howard is also a Pension Scheme Trustee. He was previously a participant in the Charles Stanley Share Schemes but he ceased to be a member in December 2020 and no contributions have been made on his behalf in the financial year 2021.

Andrew Didham joined Charles Stanley as a Non-Executive Director on 1 August 2015, subject to regulatory approval. Following receipt of such regulatory approval, his appointment to the Board was confirmed with effect from 18 September 2015. Andrew Didham is Chair of the Charles Stanley Group's regulated entity, CSC, and CSC's Nomination Committee, as well as being the Charles Stanley Group's Senior Independent Non-Executive Director and Chair of the Remuneration Committee.

Hugh Grootenhuis joined Charles Stanley as Non-Executive Director on 27 July 2017, subject to regulatory approval. Following receipt of such regulatory approval, his appointment to the Board was confirmed with effect from 7 September 2017. Hugh Grootenhuis is Chair of the Charles Stanley Audit Committee and is a member of each of the Charles Stanley Nomination, Remuneration and Risk Committees. He is also a member of the CSC Nomination Committee.

Marcia Campbell joined Charles Stanley as a Non-Executive Director on 1 September 2017, subject to regulatory approval. Following receipt of such regulatory approval, her appointment to the Board was confirmed with effect from 16 October 2017. Marcia is Chair of the Charles Stanley Risk Committee and is a member of the Charles Stanley Audit and Nomination Committees. She is also a member of the CSC Nomination Committee.

Anna Troup joined Charles Stanley as a Non-Executive Director on 1 October 2020 and is a member of the Charles Stanley Nomination, Remuneration and Risk Committees. Anna Troup is also a member of the CSC Nomination Committee.

The Charles Stanley Non-Executive Directors have detailed job descriptions covering each aspect of their role (for example, Committee Chairmanships or specific roles or duties) and have entered into letters of appointment with Charles Stanley for an initial three-year term, subject to annual re-election by Charles Stanley Shareholders. Either party can terminate a letter of appointment on giving three months' written notice. There are no special provisions in the letters of appointment for compensation in the event of loss of office.

The Non-Executive Directors are entitled to reimbursement of expenses.

The details of the letters of appointment are summarised in the table below:

<i>Non-Executive Director</i>	<i>Date appointed as Non-Executive Director</i>	<i>Original Letter of Appointment date</i>	<i>Fees (per annum)</i>
Sir David Howard	1 January 2015	8 June 2015	£125,000
Marcia Campbell	1 September 2017	29 September 2017	£53,000
Andrew Didham	1 August 2015	24 June 2015	£98,000
Hugh Grootenhuis	1 September 2017	26 July 2017	£53,000
Anna Troup	1 October 2020	17 July 2020	£45,000

Hugh Grootenhuis, Marcia Campbell and Anna Troup also have letters of appointment with CSC as members of the board of directors of CSC. These letters of appointment are on the same terms as the letters of appointment with Charles Stanley detailed above. Sir David Howard and Andrew Didham do not have separate contracts in place with CSC.

5.3 **Other particulars of service contracts**

Save to the extent disclosed above:

- (A) no Charles Stanley Director participates in any commission or profit sharing arrangements;
- (B) other than statutory compensation and payment in lieu of notice, no compensation is payable by Charles Stanley to any Charles Stanley Director upon early termination of any service contract;
- (C) there exists no other details of any other arrangement which are necessary to enable investors to estimate the possible liability of Charles Stanley on early termination of the Charles Stanley Directors' service contracts; and
- (D) there are no service contracts between any Charles Stanley Director and any member of the Charles Stanley Group, and no such contract has been entered into or amendment made within the six months preceding the date of this document.

6. **Market quotations**

6.1 **The following table shows the Closing Price for Charles Stanley Shares as derived from the Official List for:**

- (A) the first Business Day of each of the six months before the date of this document;
- (B) 28 July 2021 (being the last Business Day prior to the commencement of the Offer Period); and
- (C) the Latest Practicable Date:

<i>Date</i>	<i>Charles Stanley Share price (p)</i>
1 March 2021	290
1 April 2021	302
4 May 2021	314
1 June 2021	350
1 July 2021	349
29 July 2021	513
2 August 2021	505
23 August 2021	508

7. **Material contracts**

7.1 **Bidco material contracts**

Save as disclosed below, no member of Bidco Group has, during the period beginning on 29 July 2019 and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of Bidco Group in the period beginning on 29 July 2019 and ending on the Latest Practicable Date.

Co-operation Agreement

See section 7.2 below this document for details of the Co-operation Agreement entered into by Bidco, Raymond James and Charles Stanley.

7.2 **Charles Stanley material contracts**

Save as disclosed below, no member of the Charles Stanley Group has, during the period beginning on 29 July 2019 and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Charles Stanley Group in the period beginning on 29 July 2019 and ending on the Latest Practicable Date.

(A) *Confidentiality Agreement*

Raymond James and Charles Stanley entered into the Confidentiality Agreement on 24 May 2021, pursuant to which Raymond James has undertaken to keep confidential information relating to Charles Stanley and not to disclose it to third parties (subject to certain exceptions) unless required by law or regulation or permitted pursuant to limited carve-outs to the obligations of confidentiality. The Confidentiality Agreement also includes customary standstill and non-solicitation obligations applicable to Raymond James.

The confidentiality obligations will remain in force until the Scheme becomes Effective or, in the event the Scheme does not become Effective, until the date falling two years from the date of the Confidentiality Agreement. The standstill provisions ceased to apply upon publication of the Announcement.

(B) *Co-operation Agreement*

Raymond James, Bidco and Charles Stanley entered into a co-operation agreement dated 29 July 2021, pursuant to which: (a) Charles Stanley agreed to co-operate with Raymond James and Bidco to secure the satisfaction of certain regulatory conditions, and Raymond James and Bidco entered into commitments in relation to obtaining regulatory clearances; and (b) Charles Stanley, Raymond James and Bidco have agreed to implement certain proposals in relation to the Charles Stanley Share Schemes.

The Co-operation Agreement will terminate in the following circumstances: (a) if the Acquisition is withdrawn or lapses, subject to certain exceptions (b) if the Charles Stanley Directors withdraw their recommendation of the Acquisition, (c) if the Acquisition does not become Effective in accordance with its terms by the Long Stop Date; or (d) as otherwise as agreed between Raymond James and Charles Stanley.

(C) *Pension MOU*

Raymond James entered into a non-binding memorandum of understanding on 29 July 2021 in relation to the Charles Stanley Pension Scheme with the Pension Scheme Trustees and CSC as the principal employer (the **Pension MOU**) under which Raymond James provided certain confirmations in relation to its ongoing support for the Charles Stanley Pension Scheme, including that Raymond James:

- recognised the importance of maintain the direct covenant of CSC to the Charles Stanley Pension Scheme (the **Covenant**) and acknowledged CSC's obligation to provide funding and financial support;
- did not currently intend to take, or procure to take any actions that would, in its view, have a materially adverse impact on the Covenant;
- in the event that it or CSC proposed to take any action that would, in Raymond James' view, have a materially adverse impact on the strength of the Covenant, then Raymond James would procure that the directors of CSC would, so far as reasonably practicable and subject to appropriate confidentiality undertakings, notify the Pension Scheme Trustees of the Charles Stanley Pension Scheme in advance, and allow a reasonable period for the Pension Scheme Trustees and their advisers to assess the impact on the Covenant and, if appropriate, discuss the requirement for any mitigation to the scheme; and
- confirmed that it has no present intention to procure that CSC replaces or removes the existing Pension Scheme Trustees for a period of two years from completion of the Offer,

except with the consent of the Pension Scheme Trustees or where a Pension Scheme Trustee resigns as a trustee or leaves the employment of CSC.

The Pension Scheme Trustees have also confirmed in the Pension MOU that, without prejudice to their powers pursuant to the Charles Stanley Pension Scheme rules and applicable legislation, they had no present intention to call a valuation of the Charles Stanley Pension Scheme nor to change the investment strategy of the scheme before the date of the valuation due as at 13 May 2023.

8. Irrevocable Undertakings

Directors

The following Charles Stanley Directors have given irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the Meetings in respect of their own beneficial holdings of Charles Stanley Shares which are under their control:

<i>Name</i>	<i>Total Number of Charles Stanley Shares</i>	<i>Percentage of existing issued share capital</i>
Sir David Howard	7,507,721	14.4
Paul Abberley	113,425	0.2
Ben Money-Coutts	27,046	0.1
TOTAL	7,648,192	14.7

These irrevocable undertakings given by the Charles Stanley Directors will continue to be binding in the event that a higher competing offer is made for Charles Stanley.

The irrevocable undertakings given by the Charles Stanley Directors will cease to be binding if:

- (A) the Scheme lapses or is withdrawn in accordance with its terms and no new, revised or replacement Scheme is announced by Raymond James in accordance with Rule 2.7 of the Code at the same time; or
- (B) the Scheme has not become effective by 11:59 p.m. on the Long Stop Date.

Other Irrevocable Undertakings

The following shareholders have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the special resolutions at the General Meeting in respect of their beneficial holdings of Charles Stanley Shares.

<i>Name of Charles Stanley Shareholder</i>	<i>Total number of Charles Stanley Shares</i>	<i>Percentage of existing issued share capital</i>
John Howard	3,778,049	7.2
Lady Valerie Howard	2,549,999	4.9
Queen Street Securities Limited	2,102,500	4.0
Caroline Dore	1,330,000	2.6
Robert Howard	1,297,030	2.5
Virginia Howard	717,816	1.4
Victoria Turner	600,000	1.2
Lady Magdalen Howard	57,970	0.1
TOTAL	12,433,364	23.8

9. Offer-related fees and expenses

9.1 Bidco Fees and Expenses

The aggregate fees and expenses incurred by Bidco in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:⁽¹⁾

<i>Category</i>	<i>Amount (£m)</i>
Financing arrangements	Nil
Financial and corporate broking advice	2.79
Legal advice ⁽²⁾	3.68
Accounting advice	0.38
Public relations advice	Nil
Other professional services	Nil
Other costs and expenses ⁽³⁾	0.29
Total	7.14

(1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.

(2) These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Effective Date.

(3) Includes, amongst other things, document fees payable to the Panel.

9.2 **Charles Stanley Fees and Expenses**

The aggregate fees and expenses incurred by Charles Stanley in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately⁽²⁾⁽³⁾:

<i>Category</i>	<i>Amount (£m)⁽¹⁾</i>
Financing arrangements	Nil
Financial and corporate broking advice ⁽⁴⁾	3.25
Legal advice ⁽²⁾⁽⁴⁾	1.18
Other professional services	Nil
Other costs and expenses	0.08
Total	4.51

(1) Amounts have been subjected to rounding adjustments.

(2) These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Effective Date.

(3) These services are charged, in part, based on the service volumes provided. The figures included reflect an estimate of the expected service volumes required.

(4) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.

10. **Financing arrangements relating to Bidco**

The cash consideration payable to the Charles Stanley Shareholders under the terms of the Acquisition will be financed by Raymond James from existing cash resources on its balance sheet.

11. **Cash confirmation**

RJFIL, as financial adviser to Raymond James, is satisfied that sufficient cash resources are available to Bidco to enable it to satisfy in full the cash consideration payable to Charles Stanley Shareholders under the terms of the Acquisition.

12. **No significant change**

There has been no significant change in the financial or trading position of Charles Stanley since 31 March 2021, being the date to which the latest audited financial statements of Charles Stanley were prepared.

13. **Consent**

Each of Rothschild & Co, Peel Hunt and RJFIL has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

14. Documents published on a website

Copies of the following documents will be available for viewing on Charles Stanley's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley and Raymond James' website at raymondjames.com/offer-for-charles-stanley up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (A) this document;
- (B) the Forms of Proxy;
- (C) the Loan Note Form of Election;
- (D) the Virtual Meeting Guide;
- (E) the articles of association of Charles Stanley;
- (F) the memorandum and articles of association of Bidco;
- (G) a draft of the articles of association of Charles Stanley as proposed to be amended at the General Meeting;
- (H) the Announcement;
- (I) the financial information relating to Charles Stanley referred to in Part A of Part 7 (*Financial and Ratings Information*) of this document;
- (J) the Confidentiality Agreement;
- (K) the Co-operation Agreement;
- (L) the Pension MOU;
- (M) the irrevocable undertakings referred to in section 8 above;
- (N) the Loan Note Instrument;
- (O) the written consents referred to in section 13 above; and
- (P) copies of the documents setting out the Rule 15 proposal that have been made to participants in the Charles Stanley Share Schemes referred to at section 11 of Part 2 (*Explanatory Statement*) of this document.

15. Sources of information and bases of calculation

15.1 The fully diluted share capital of Charles Stanley, being 54,143,997 Charles Stanley Shares, has been calculated as at the Latest Practicable Date on the basis of:

- (A) 52,132,834 Charles Stanley Shares in issue; and
- (B) 2,011,163 Charles Stanley Shares to be issued on the expected vesting of awards and the exercise of options granted or expected to be granted under the Charles Stanley Share Schemes being the maximum number of Charles Stanley Shares which could be issued on or after the date of this document on the vesting of awards or the exercise of options under the Charles Stanley Share Schemes.

15.2 Unless otherwise stated, all closing prices for Charles Stanley Shares are closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange on the relevant date(s).

15.3 The volume-weighted average prices of Charles Stanley Shares and trading volume data have been derived from Capital IQ and, in the case of volume-weighted average prices, have been rounded to the nearest single decimal place.

15.4 Unless otherwise stated, financial information concerning Charles Stanley has been extracted from the annual report and accounts of Charles Stanley for the year ended 31 March 2021.

PART 11

DEFINITIONS

Acquisition	the proposed acquisition by Bidco of the entire issued, and to be issued share capital of Charles Stanley to be implemented by means of the Scheme or, should Bidco so elect in accordance with the terms of the Co-operation Agreement with the consent of the Panel, by means of an Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof
Announcement	the announcement by Bidco of a firm intention to make an offer for Charles Stanley dated 29 July 2021 made pursuant to Rule 2.7 of the Code
associated undertaking	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
Base Rate	the Bank of England's base rate
Base Rate Differential	a positive amount equal to the difference between Initial Base Rate and Reference Base Rate
Bearer Shares	84,988 shares in the capital of Charles Stanley represented by Share Warrants
Bidco	Raymond James UK Wealth Management Holdings Limited, a private company incorporated in Jersey with registered number 136827, which is a wholly-owned subsidiary of Raymond James
Bidco Directors	the persons whose names are set out in paragraph 2.2 of Part 10 (<i>Additional Information</i>) of this document or, where the context so requires, the directors of Bidco from time to time
Bidco Group	Bidco and its direct and indirect subsidiary undertakings including, following completion of the Acquisition, the Charles Stanley Group
Board	as the context requires, the board of directors of Charles Stanley or the board of directors of Bidco and the terms Charles Stanley Board and Bidco Board shall be construed accordingly
Business Day	any day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business
Cancellation Resolution	the special resolution to be proposed and, if thought fit, to be approved at the General Meeting in connection with the proposed cancellation of the Share Warrants
Capital Reduction	the proposed reduction of Charles Stanley's share capital in accordance with sections 641 and 645 to 649 of the Companies Act, pursuant to the Capital Reduction Resolution as set out in the notice of General Meeting in Part 13 (<i>Notice of General Meeting</i>) of this document
Capital Reduction Hearing	the hearing of the Court at which Charles Stanley will seek the Capital Reduction Order

Capital Reduction Order	the order of the Court confirming the Capital Reduction Resolution (if approved by the requisite majority of Charles Stanley Shareholders at the General Meeting) under section 645 of the Companies Act
Capital Reduction Resolution	the special resolution to be proposed and, if thought fit, to be approved at the General Meeting in connection with the Capital Reduction
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST)
Charles Stanley	Charles Stanley Group PLC, incorporated in England and Wales with registered number 48796
Charles Stanley Directors	the persons whose names are set out in paragraph 2.1 of Part 10 (<i>Additional Information</i>) of this document or, where the context so requires, the directors of Charles Stanley from time to time
Charles Stanley Executive Directors	Paul Abberley and Benjamin Money-Coutts
Charles Stanley Group	Charles Stanley and its subsidiary undertakings and associated undertakings and where the context permits, each of them
Charles Stanley Non-Executive Directors	Sir David Howard, Andrew Didham, Hugh Grootenhuis, Marcia Campbell and Anna Troup
Charles Stanley Pension Scheme	the Charles Stanley & Co Retirement Benefits Scheme
Charles Stanley Shareholders	the holders of Charles Stanley Shares from time to time
Charles Stanley Share(s)	the existing unconditionally allotted or issued and fully paid ordinary shares of 25 pence each in the capital of Charles Stanley and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes Effective but excluding in both cases any such shares held or which become held in treasury
Charles Stanley Share Schemes	the following share incentive plans operated by Charles Stanley: (i) the Long Term Incentive Plan (Malvern); (ii) the Deferred Share Awards; (iii) the Performance Share Plan; (iv) the RSU Plan; (v) the Save-as You Earn Plan; and (vi) the Share Incentive Plan
Charles Stanley UK Regulated Entities	Charles Stanley & Co Limited and Myddleton Croft Limited
Closing Price	the closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange
CMA	the UK Competition and Markets Authority (or any successor body or bodies carrying out the same functions in the United Kingdom from time to time)
CMA Merger Investigation	an initial review by the CMA under sections 22, 33 and 34ZA of the Enterprise Act 2002 to decide whether the duty to make a CMA Phase 2 Reference applies
CMA Phase 2 Reference	a reference pursuant to sections 22, 33, 45 or 62 of the Enterprise Act 2002 to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013

Code	the City Code on Takeovers and Mergers issued by the Panel, as amended from time to time
Companies Act	the Companies Act 2006, as amended from time to time
Conditions	the conditions to the Acquisition and to the implementation of the Scheme set out in Part 3 (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this document
Confidentiality Agreement	the confidentiality agreement between Raymond James, Bidco and Charles Stanley dated 24 May 2021
Co-operation Agreement	the co-operation agreement between Raymond James, Bidco and Charles Stanley dated 29 July 2021
Court	the High Court of Justice in England and Wales
Court Meeting	the meeting of Scheme Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part 12 (<i>Notice of Court Meeting</i>) of this document, for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme
Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
Court Sanction Date	the date on which the Court grants the Court Order
COVID-19 Restrictions	the measures implemented by the UK Government from time to time in order to address the ongoing COVID-19 pandemic, together with the associated uncertainty as to any additional and/or alternative measures that may be put in place by the UK Government
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST Manual	the CREST Reference Manual published by Euroclear and referred to in agreements entered into by Euroclear, as amended from time to time
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
CSC	Charles Stanley & Co Ltd, which is wholly owned by Charles Stanley, is its principal operating subsidiary and is regulated by the FCA
Daily Official List	the daily official list of the London Stock Exchange
Dealing Disclosure	a dealing disclosure as required by Rule 8 of the Code
Disclosed	the information which has been fairly disclosed by or on behalf of Charles Stanley: (i) prior to the date of this document in the virtual data room operated by or on behalf of Charles Stanley in connection with the Acquisition; (ii) in Charles Stanley's published annual or half year report and accounts for the relevant financial period or periods referred to in the relevant Condition and published prior to the date of the this document; (iii) in a public announcement

	by Charles Stanley prior to the date of this document by way of any Regulatory Information Service; or (iv) in this document
Disclosure Guidance and Transparency Rules document	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA
Effective	this circular dated 25 August 2021 addressed to Charles Stanley Shareholders containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act
Effective Date	means: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its terms; or (ii) if the Acquisition is implemented by way of an Offer, the Offer having been declared or become wholly unconditional in accordance with the requirements of the Code
Effective Date	the date on which the Acquisition becomes Effective
Enlarged Group	the enlarged group following the Acquisition, comprising the Raymond James Group and the Charles Stanley Group
Euroclear	Euroclear UK & Ireland Limited
Excluded Shares	(i) any Charles Stanley Shares which are registered in the name of, or beneficially owned by, any member of Bidco Group (or their nominees) immediately prior to Scheme Record Time; and (ii) any Charles Stanley Shares held in treasury
Explanatory Statement	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in Part 2 (<i>Explanatory Statement</i>) of this document
FCA	the UK Financial Conduct Authority
Form(s) of Proxy	either or both (as the context demands) of the blue Form of Proxy in relation to the Court Meeting and the yellow Form of Proxy in relation to the General Meeting
FSMA	the Financial Services and Markets Act 2000
General Meeting	the general meeting of Charles Stanley convened by the notice set out in Part 13 (<i>Notice of General Meeting</i>) of this document, including any adjournment thereof
HMRC	HM Revenue and Customs
Howard Family	the following Charles Stanley Shareholders John Howard; Lady Valerie Howard; Caroline Dore; Robert Howard; Virginia Howard; Victoria Turner; and Lady Magdalen Howard
holder	a registered holder and includes any person(s) entitled by transmission
Initial Base Rate	0.1 per cent. per annum
Interest Rate	has the meaning given in section 3 of Part 2 (<i>Explanatory Statement</i>) of this document
IVC	Investor Code

Latest Practicable Date	close of business on 23 August 2021, being the latest practicable date before publication of this document
Link Group	Link Group, being the trading name of Link Market Services Limited
Listing Rules	the listing rules made by the FCA under section 73A of FSMA
Loan Note	the interest bearing unsecured guaranteed loan notes to be issued by Bidco pursuant to the Loan Note Alternative
Loan Note Alternative	the alternative whereby Charles Stanley Shareholders (other than Restricted Scheme Shareholders or persons acting on a non-discretionary basis on behalf of Restricted Scheme Shareholders) may elect to receive Loan Notes in lieu of part or all of the cash consideration to which they would otherwise be entitled under the Acquisition
Loan Note Deadline	11.00 a.m. on the Business Day prior to the date of the Sanction Hearing (or such later time (if any) to which the right to make an election may be extended)
Loan Note Election	an election under the Loan Note Alternative
Loan Note Form of Election	the green Loan Note Form of Election relating to the Loan Note Alternative which accompanies the Scheme Document
Loan Note Instrument	the instrument constituting the Loan Notes
Loan Note Register	the register of Loan Notes
London Stock Exchange	London Stock Exchange plc
Long Stop Date	31 January 2022 or such later date as Raymond James and Charles Stanley may agree and the Panel and (if required) the Court may allow
Lumi	Lumi AGM UK Limited
Market Abuse Regulation	Regulation (EU) No 596/2014, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018
Meetings	the Court Meeting and the General Meeting
Noteholder	a person for the time being entered on the register of noteholders of Bidco as the holder of a Loan Note
Offer	if the Acquisition is implemented by way of a takeover offer (as that term is defined in section 974 of the Companies Act), the offer to be made by or on behalf of Raymond James, or an associated undertaking thereof, to acquire the entire issued and to be issued ordinary share capital of Charles Stanley including, where the context admits, any subsequent revision, variation, extension or renewal of such offer
Offer Period	the period commencing on the date of the Announcement and ending on: (a) the earlier of the date on which the Scheme becomes Effective or lapses or is withdrawn (or such other date as the Panel may decide); or (b) the earlier of the date on which the Offer has become or has been declared unconditional as to acceptances or

	lapses or is withdrawn (or such other date as the Panel may decide), in each case other than where such lapsing or withdrawal is a result of Raymond James exercising its right to implement the Acquisition by way of an Offer
Official List	the official list maintained by the FCA pursuant to Part 6 of FSMA
Opening Position Disclosure	has the same meaning as in Rule 8 of the Code
Overseas Shareholders	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
Panel	the UK Panel on Takeovers and Mergers
Peel Hunt	Peel Hunt LLP, joint financial adviser and corporate broker to Charles Stanley
Pension MOU	the non-binding memorandum of understanding entered into between Raymond James, CSC and the Pension Scheme Trustees on 29 July 2021 in relation to the Charles Stanley Pension Scheme
Pension Scheme Trustees	the trustees of the Charles Stanley Pension Scheme being, at the time of this document, Sir David Howard (Chairman of trustees), Ben Money-Coutts (Employer nominated trustee), Darren Ager (Member nominated trustee) and Allan Marshall (Member nominated trustee)
Permitted Dividend	has the meaning given in section 2 of Part 1 (<i>Letter from the Chairman of Charles Stanley</i>) of this document
Raymond James	Raymond James Financial, Inc., a company incorporated in Florida, USA with its registered office at 880 Carillon Parkway, St. Petersburg, FL 33716
Raymond James Directors	the directors of Raymond James
Raymond James Group	Raymond James and its subsidiary and associated undertakings
Reference Base Rate	in respect of any interest period in respect of the Loan Notes, the Base Rate in effect on the first day of the relevant interest period
Registrar of Companies	means the registrar of companies in England and Wales
Regulatory Information Service	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Charles Stanley Shareholders in that jurisdiction, including without limitation, the United States, Japan, South Africa and Australia
Restricted Scheme Shareholders	a Scheme Shareholder who is (i) a citizen, resident or national of any Restricted Jurisdiction or (ii) located in the United States
RJFIL	Raymond James Financial International Limited, financial adviser to Raymond James and Bidco
RJIS	Raymond James Investment Services and Raymond James' UK wealth management business

Rothschild & Co	N.M. Rothschild & Sons Limited, Rule 3 adviser under the Code and lead financial adviser to Charles Stanley
Sanction Hearing	the hearing of the Court at which Charles Stanley will seek the Court Order and, if such hearing is adjourned, reference to commencement of any such hearing shall mean the commencement of the final adjournment thereof
Save-as You Earn or SAYE	the Charles Stanley SAYE Option Plan
SBEEA	Small Business, Enterprise and Employment Act 2015
Scheme or Scheme of Arrangement	the proposed scheme of arrangement under Part 26 of the Companies Act between Charles Stanley and Scheme Shareholders, as set out in Part 4 (<i>The Scheme of Arrangement</i>) of this document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Bidco and Charles Stanley
Scheme Record Time	6.00 p.m. on the Business Day immediately after the Sanction Hearing
Scheme Shareholders	holders of Scheme Shares
Scheme Shares	the Charles Stanley Shares: <ul style="list-style-type: none"> (A) <ul style="list-style-type: none"> (i) in issue at the date of this document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of this document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time but at or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme which remain in issue at the Scheme Record Time, <p>and in each case other than the Excluded Shares; and</p> <ul style="list-style-type: none"> (B) which are registered in the name of any person pursuant to the surrender of any Share Warrants
SEC	the US Securities and Exchange Commission
Share Warrants	share warrants representing the Bearer Shares
significant interest	a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act)
Special Resolution	the special resolution to be proposed and, if thought fit, to be approved at the General Meeting in connection with, among other things, the approval of the Scheme and the alteration of the articles of association of Charles Stanley and such other matters as may be necessary to implement the Scheme and the de-listing of Charles Stanley Shares, excluding, for the avoidance of doubt, the Capital Reduction Resolution and the Cancellation Resolution

subsidiary	has the meaning given in section 1159 of the Companies Act
subsidiary undertaking	has the meaning given in section 1162 of the Companies Act
Third Party	any government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction
TTE Instruction	transfer to escrow instruction
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Government	the government of the UK
uncertificated or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
US or United States	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
US Exchange Act	the US Securities Exchange Act 1934
U.S. person	a US person as defined in Regulation S of the US Securities Act
US Securities Act	the US Securities Act 1933
Virtual Meeting Guide	the guide prepared by Lumi explaining how Charles Stanley Shareholders and Scheme Shareholders can remotely access and participate in the Meetings via the Virtual Meeting Platform
Virtual Meeting Platform	the virtual meeting platform hosted by Lumi
Voting Record Time	6.30 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Meeting
Wider Bidco Group	Bidco Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent
Wider Charles Stanley Group	Charles Stanley and its subsidiary undertakings, associated undertakings and any other undertaking in which Charles Stanley or such undertakings (aggregating their interests) have a significant interest (in each case, from time to time) but excluding the Wider Raymond James Group
Wider Raymond James Group	Raymond James and its subsidiary undertakings, associated undertakings and any other undertaking in which Raymond James or such undertakings (aggregating their interests) have a significant interest (in each case, from time to time) but excluding the Wider Charles Stanley Group
£ or GBP	Pounds Sterling, the lawful currency for the time being of the UK and references to “pence” and “p” shall be construed accordingly

All references to GBP, pence, Sterling, Pounds, Pounds Sterling, p or £ are to the lawful currency of the United Kingdom. All references to USD, \$, US\$, US dollars, United States dollars and cents are to the lawful currency of the United States of America.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, amended, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All the times referred to in this document are London times unless otherwise stated.

References to the singular include the plural and vice versa.

PART 12

NOTICE OF COURT MEETING

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES COMPANIES COURT (ChD)**

CR-2021-001321

IN THE MATTER OF CHARLES STANLEY GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 20 August 2021 made in the above matters, the High Court of Justice in England and Wales (the “**Court**”) has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme (as defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 between Charles Stanley Group PLC (the “**Company**”) and the Scheme Shareholders (the “**Scheme**”) and that such meeting will be held at 10.00 a.m. on 16 September 2021 at 55 Bishopsgate, London, EC2N 3AS, at which places and time all holders of the Scheme Shares are requested to attend either in person, by proxy or via the virtual meeting platform provided by Lumi AGM UK Limited (the “**Virtual Meeting Platform**”).

A copy of the Scheme and a copy of the statement required to be published pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part. Capitalised terms used and not otherwise defined in this notice have the respective meanings ascribed to them in that document.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine.

COVID-19

Scheme Shareholders who wish to attend the Court Meeting in person will be able to do so, subject to any COVID-19 Restrictions in force at the time, but are asked to register their intention to attend as soon as possible, by emailing LegalandCoSec@charles-stanley.co.uk. Whilst failure by a Charles Stanley Shareholder to register an intention to attend the Court Meeting in person will not preclude entry or attendance on the day, registration will assist the Company in preparing the venue in advance of the Court Meeting in line with any site guidelines in place at the time in relation to health, safety and security. If a Scheme Shareholder is attending the Court Meeting in person, we will require them to adhere to the site guidelines in place at the time. For the safety of others, in line with COVID-19 Restrictions, please do not attend the Court Meeting in person if you are experiencing any of the symptoms connected with COVID-19 or are otherwise required to isolate or quarantine. We strongly encourage all Scheme Shareholders to vote in advance by submitting the blue Form of Proxy (or alternatively appointing a proxy online or electronically through CREST) as soon as possible. Further information on action to be taken to appoint a proxy is set out below. Please be advised that we are continually monitoring the impact of COVID-19, including the latest COVID-19 Restrictions, and how this may affect the arrangements for the Court Meeting. Any changes to the arrangements of the Court Meeting will be posted on www.charles-stanley.co.uk/recommended-offer-for-charles-stanley. Please ensure that you keep this under review.

Instructions for accessing the Virtual Meeting Platform

Scheme Shareholders will be given the opportunity to remotely attend, submit questions and vote at the Court Meeting via the Virtual Meeting Platform.

Scheme Shareholders can access the Virtual Meeting Platform using a web browser, on any PC or equivalent thereof or smartphone device. The web browser must be compatible with the latest browser versions of

Chrome, Firefox, Edge and Safari. To remotely attend, submit questions and vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser on a PC or equivalent thereof or smartphone device, you will be asked to enter the Lumi Meeting ID which is 111-670-037. You will then be prompted to enter your unique 11 digit Investor Code (**IVC**) including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a Scheme Shareholder.

Your IVC can be found on your blue Form of Proxy or share certificate, or a Signal Shares user (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Link Group on +44 (0) 371 277 1020*

Access to the Court Meeting via the Virtual Meeting Platform will be available from 9.30 a.m. on 16 September 2021, although questions cannot be submitted until the Court Meeting is declared open and the voting functionality will not be enabled until the Chairman of the Court Meeting declares the poll open. Scheme Shareholders will be permitted to submit questions via the Virtual Meeting Platform to the Company's Directors during the course of the Court Meeting. The Chairman of the Court Meeting will ensure that relevant matters relating to the formal business of the Court Meeting are addressed in the Court Meeting, unless no response is required to be provided under the Companies Act 2006 or the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of the Company or the good order of the Court Meeting.

If you wish to appoint a proxy other than the Chairman of the Court Meeting and for them to attend and vote remotely via the Virtual Meeting Platform on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 371 277 1020* in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the Court Meeting.

If your Scheme Shares are held by a nominee and you wish to attend and vote remotely via the Virtual Meeting Platform, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group as soon as possible and at least 72 hours (excluding non-business days) before the Court Meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend and vote remotely via the Virtual Meeting Platform.

*Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales), calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

During the Court Meeting, you must ensure you are connected to the internet at all times in order to submit questions and vote when the Chairman commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the Court Meeting via your Wi-Fi. The Virtual Meeting Guide contains further information on accessing and participating in the Court Meeting remotely via the Virtual Meeting Platform and is available on the Company's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

Right to Appoint a Proxy; Procedure for Appointment

Scheme Shareholders are entitled to attend, speak and vote at the Court Meeting and are entitled to appoint another person or persons, whether or not a member of the Company, as their proxy or proxies to exercise all or any of their rights to attend, speak and vote at the Court Meeting.

Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting as soon as possible, using any of the methods (online, electronically through CREST, by post or by hand) set out below. Scheme Shareholders are also strongly encouraged to appoint the Chairman of the Court Meeting as their proxy rather than any other named person. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the Court Meeting, whether in person or remotely via the Virtual Meeting Platform.

The return of a completed blue Form of Proxy, the online appointment of a proxy or the submission of a proxy electronically via CREST will not prevent you from attending, raising questions and voting at the Court Meeting,

or any adjournment thereof, in person or remotely via the Virtual Meeting Platform if you are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the Court Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

(a) **Online appointment of proxies**

Proxies may be appointed online by logging on to the following website: www.signalshares.com and following the instructions therein. If you have not previously registered for electronic communications you will first be asked to register as a new user, for which you will require your IVC which can be found on your blue Form of Proxy or share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Link Group not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the Court Meeting or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy online are given on the website.

If you are unable to locate your investor code or if you prefer, you may request a hard copy proxy form directly by calling Charles Stanley's registrars, Link Group on +44 (0) 371 664 0321 or by writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL stating your name, and the address to which the hard copy should be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

(b) **Electronic appointment of proxies through CREST**

If you hold Charles Stanley Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a **CREST Proxy Instruction**) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Link Group (ID: RA10) not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the Court Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. If the CREST proxy appointment or instruction is not received by this time, the blue Form of Proxy may be handed to the Chairman of the Court Meeting (or to a representative of Link Group at the Court Meeting on behalf of the Chairman) any time prior to the commencement of the Court Meeting or any adjournment thereof.

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

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

(c) ***Sending blue Forms of Proxy by post or by hand***

As an alternative to appointing proxies online or electronically through CREST, Scheme Shareholders may request a blue Form of Proxy for use at the Court Meeting. Instructions for its use are set out on the form. It is requested that the blue Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Link Group, by post to Link Group, PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to be received as soon as possible and in any event not later than 10.00 a.m. on 14 September 2021 (or, in the case of an adjournment of the Court Meeting, 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time appointed for the adjourned Court Meeting).

If the blue Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to the Chairman of the Court Meeting (or to a representative of Link Group at the Court Meeting on behalf of the Chairman) any time period to the commencement of the Court Meeting or any adjournment thereof.

Voting Record Time

Entitlement to attend, speak and vote (whether in person, remotely via the Virtual Meeting Platform or by proxy) at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of the Company at 6.30 p.m. on 14 September 2021 or, if the Court Meeting is adjourned, 6.30 p.m. on the date which is two Business Days before the date fixed for the adjourned Court Meeting.

Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote (whether in person, remotely via the Virtual Meeting Platform or by proxy) at the Court Meeting.

Joint Holders

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

Corporate Representatives

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

Nominated Persons

Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a **Nominated Person**) does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under agreement with the shareholder who nominated them, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting.

The Court has appointed Sir David Howard, or failing him, Paul Abberley, or, failing him, Benjamin Money-Coutts, or failing him, any other Charles Stanley director or the Charles Stanley company secretary to act as Chairman of the Court Meeting and has directed the Chairman to report the result to the Court.

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

Dated 25 August 2021

NORTON ROSE FULBRIGHT LLP
3 More London Riverside
London SE1 2AQ

Solicitors for the Company

PART 13

NOTICE OF GENERAL MEETING CHARLES STANLEY GROUP PLC

Notice is hereby given that a general meeting of Charles Stanley Group PLC (the **Company**) will be held at 55 Bishopsgate, London, EC2N 3AS on 16 September 2021 at 10.15 a.m. (or as soon thereafter as the Court Meeting (as defined in Part 11 (*Definitions*)) of the document of which this notice forms part) concludes or is adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions.

SPECIAL RESOLUTION 1

THAT:

- (A) for the purpose of giving effect to the scheme of arrangement dated 25 August 2021 (the **"Scheme"**) between the Company and the holders of Scheme Shares (as defined in the Scheme), a copy of which has been produced to this meeting and for the purposes of identification signed by the Chairman of this meeting, in its original form or with or subject to any modification, addition, or condition agreed by the Company and Bidco and approved or imposed by the High Court of Justice of England and Wales, the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for implementing the Scheme; and
- (B) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 201.

"201. Scheme of Arrangement

- (a) In this Article 201, references to the "Scheme" are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 25 August 2021 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Raymond James UK Wealth Management Holdings Limited (**Bidco**)) and (save as defined in this Article) terms defined in the Scheme shall have the same meanings in this Article.
- (b) Notwithstanding any other provisions in these Articles, if the Company issues or transfers out of treasury any Charles Stanley Shares (other than to Bidco, any subsidiary of Bidco, any parent undertaking of Bidco or any subsidiary of such parent undertaking, or any nominee of Bidco (each a **Bidco Company**)) or registers the bearer of any Share Warrants as the holder of Charles Stanley Shares upon the surrender of such Share Warrants on or after the date of the adoption of this Article 201 and prior to the Scheme Record Time, such Charles Stanley Shares shall be issued, transferred or registered in the name of the relevant person subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or subsequent holder or holders of such Charles Stanley Shares shall be bound by the Scheme accordingly.
- (c) Notwithstanding any other provision of these Articles, subject to the Scheme becoming Effective, any shares issued, transferred out of treasury or transferred pursuant to Article 201(d) below, to any person or registered in the name of any bearer of Share Warrants upon the surrender of such Share Warrants (other than a Bidco Company) after the Scheme Record Time (a **New Member**) (each a **Post-Scheme Share**) shall be issued, transferred or registered in the name of the relevant person on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue, transfer or registration (but subject to the terms of Articles 201(d) and 201(e) below)), be immediately transferred to Bidco (or such person as it may direct) (the **Purchaser**), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of Bidco to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration to which a New Member would have been entitled under the Scheme had such Post-Scheme Share been a Scheme Share.
- (d) Any person who is beneficially entitled to shares issued or transferred to a New Member (other than, for the avoidance of doubt, a person who becomes beneficially entitled to shares by virtue of a transfer

pursuant to this Article 201(d)) may, prior to the issue or transfer of Post-Scheme Shares to the New Member pursuant to the exercise of an option under one of the Charles Stanley Share Schemes (as defined in the Scheme), give not less than two business days' written notice to the Company in such manner as the Board shall prescribe of his or her intention to transfer the beneficial ownership of some or all of such Post-Scheme Shares to his or her spouse or civil partner and may, if such notice has been validly given, on or before such Post-Scheme Shares being issued or transferred to the New Member, immediately transfer to his or her spouse or civil partner beneficial ownership of any such Post-Scheme Shares, provided that such Post-Scheme Shares (including both legal and beneficial ownership thereof) will then be immediately transferred to the Purchaser pursuant to Article 201(c) above. If notice has been validly given pursuant to this Article 201(d) but the beneficial owner does not immediately transfer to his or her spouse or civil partner both the legal and beneficial ownership of the Post-Scheme Shares in respect of which notice was given, such legal and beneficial ownership will be transferred to the Purchaser pursuant to Article 201(c) above. If notice is not given pursuant to this Article 201(d), both the legal and beneficial ownership of the Post-Scheme Shares will be immediately transferred to the Purchaser pursuant to Article 201(c) above.

- (e) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date (as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under Article 201(c) shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article 201 to such shares shall, following such adjustment, be construed accordingly.
- (f) To give effect to any transfer of Post-Scheme Shares required pursuant to Article 201(c), the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to Article 201(c) above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder), or by any alternative method communicated by the Purchaser to the New Member, for the purchase price of such Post-Scheme Shares no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.
- (g) If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) section 6(B) of the Scheme, this Article 201 shall cease to be of any effect.
- (h) Notwithstanding any other provision of these Articles, both the Company and the Board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser pursuant to the Scheme."

SPECIAL RESOLUTION 2

THAT, subject to the confirmation of the High Court of Justice in England and Wales, the issued share capital of the Company be reduced by cancelling and extinguishing capital to the extent of £21,247 by the cancellation of 84,988 ordinary shares of 25 pence each in the capital of the Company represented by share warrants to bearer.

SPECIAL RESOLUTION 3

THAT upon the reduction of capital provided for in Special Resolution 2 becoming effective or failing that, upon the grant of the order to sanction the Scheme by the High Court of Justice of England and Wales, the share warrants to bearer referred to in Special Resolution 2 be cancelled.

By Order of the Board

Julie Ung
General Counsel and Company Secretary
Charles Stanley Group PLC

Registered Office:

55 Bishopsgate,
London EC2N 3AS
Registered in England No. 48796

25 August 2021

Notes:

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

1. COVID-19

Charles Stanley Shareholders who wish to attend the General Meeting in person will be able to do so, subject to any COVID-19 Restrictions in force at the time, but are asked to register their intention to attend as soon as possible, by emailing LegalandCoSec@charles-stanley.co.uk. Whilst failure by a Charles Stanley Shareholder to register an intention to attend the General Meeting in person will not preclude entry or attendance on the day, registration will assist the Company in preparing the venue of the General Meeting in line with any site guidelines in place at the time in relation to health, safety and security. If a Charles Stanley Shareholder is attending the General Meeting in person, we will require them to adhere to the site guidelines in place at the time. For the safety of others, in line with COVID-19 Restrictions, please do not attend the General Meeting in person if you are experiencing any of the symptoms connected with COVID-19 or are otherwise required to isolate or quarantine. We strongly encourage all Charles Stanley Shareholders to vote in advance by submitting the yellow Form of Proxy (or alternatively appointing a proxy online or electronically through CREST) as soon as possible. Further information on action to be taken to appoint a proxy is set out below. Please be advised that we are continually monitoring the impact of COVID-19, including the latest COVID-19 Restrictions, and how this may affect the arrangements for the General Meeting. Any changes to the arrangements of the General Meeting will be posted on www.charles-stanley.co.uk/recommended-offer-for-charles-stanley. Please ensure that you keep this under review.

2. Instructions for accessing the Virtual Meeting Platform

Charles Stanley Shareholders will be given the opportunity to remotely attend, submit questions and vote at the General Meeting via a virtual meeting platform provided by Lumi AGM UK Limited (the **Virtual Meeting Platform**).

Charles Stanley Shareholders can access the Virtual Meeting Platform using a web browser, on any PC or equivalent thereof or smartphone device. The web browser must be compatible with the latest browser versions of Chrome, Firefox, Edge and Safari. To remotely attend, submit questions and vote using this method, please go to <https://web.lumiagm.com>.

Once you have accessed <https://web.lumiagm.com> from your web browser on a PC or equivalent thereof or smartphone device, you will be asked to enter the Lumi Meeting ID which is 111-670-037. You will then be prompted to enter your unique 11 digit Investor Code (IVC) including any leading zeros and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a Charles Stanley Shareholder.

Your IVC can be found on your yellow Form of Proxy or share certificate, or a Signal Shares user (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Link Group on +44 (0) 371 277 1020*

Access to the General Meeting via the Virtual Meeting Platform will be available from 9.30 a.m. on 16 September 2021, although questions cannot be submitted until the General Meeting is declared open and the voting functionality will not be enabled until the Chairman of the General Meeting declares the poll open. Charles Stanley Shareholders will be permitted to submit questions via the Virtual Meeting Platform to the Company's Directors during the course of the General Meeting. The Chairman of the General Meeting will ensure that relevant matters relating to the formal business of the General Meeting are addressed in the General Meeting, unless no response is required to be provided under the Companies Act 2006 or the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

If you wish to appoint a proxy other than the Chairman of the General Meeting and for them to attend and vote remotely via the Virtual Meeting Platform on your behalf, please submit your proxy appointment in the usual way before contacting Link Group on +44 (0) 371 277 1020* in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the General Meeting.

If your Charles Stanley Shares are held by a nominee and you wish to attend and vote remotely via the Virtual Meeting Platform, you will need to contact your nominee as soon as possible. Your nominee will need to present a corporate letter of representation to Link Group as soon as possible and at least 72 hours (excluding non-business days) before the General Meeting, in order that they can obtain for you your unique IVC and PIN to enable you to attend and vote remotely via the Virtual Meeting Platform.

During the General Meeting, you must ensure you are connected to the internet at all times in order to submit questions and vote when the Chairman commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the General Meeting via your Wi-Fi. The Virtual Meeting Guide contains further information on accessing and participating in the General Meeting remotely via the Virtual Meeting Platform and is available on the Company's website at www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

*Lines are open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales), calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

3. Entitlement to attend and vote

Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those Charles Stanley Shareholders registered on the register of members of the Company at 6.30 p.m. on 14 September 2021 (the **Voting Record Time**) (or, if the meeting is adjourned to a time more than 48 hours after the Voting Record Time, by 6.30 p.m. on the day which is two days prior to the time of the adjourned meeting) shall be entitled to attend and vote (either in person, remotely via the Virtual Meeting Platform or by proxy) at the General Meeting in respect of the number of shares registered in their name at that time.

If the General Meeting is adjourned to a time not more than 48 hours after the Voting Record Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote (whether in person, remotely via the Virtual Meeting Platform or by proxy) at the meeting.

4. Appointment of proxies

A member entitled to attend and vote at the General Meeting may appoint one or more proxies to exercise all or any of the member's rights to attend, submit questions and, on a poll, to vote (either in person or remotely via the Virtual Meeting Platform), instead of him or her. A proxy need not be a member of the Company but must attend the General Meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the General Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member.

Charles Stanley Shareholders are encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (online, electronically through CREST, by post or by hand) set out below. Charles Stanley Shareholders are also strongly encouraged to appoint the Chairman of the General Meeting as their proxy rather than any other named person. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the General Meeting, whether in person or remotely via the Virtual Meeting Platform.

The return of a completed Form of Proxy, the online appointment of a proxy or the submission of a proxy electronically via CREST will not prevent you from attending, speaking and voting at the General Meeting, or any adjournment thereof, in person or remotely via the Virtual Meeting Platform if you are entitled to do so (subject to any COVID-19 Restrictions in force at the time). If you choose to attend the General Meeting in person or remotely via the Virtual Meeting Platform and vote, any vote(s) submitted by your proxy(ies) in respect of the same Charles Stanley Shares will be invalid.

(a) Online appointment of proxies

Proxies may be appointed online by logging on to the following website: www.signalshares.com and following the instructions therein. If you have not previously registered for electronic communications you will first be asked to register as a new user, for which you will require your IVC. Your IVC can be found printed on your yellow Form of Proxy or share certificate. For an electronic proxy appointment to be valid, the appointment must be received by Link Group not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the General Meeting or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy online are given on the website.

If you prefer, you may request a hard copy proxy form directly by calling Charles Stanley's registrars, Link Group between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales) +44 (0) 371 664 0321 or by writing to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, stating your name, and the address to which the hard copy should be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

(b) Electronic appointment of proxies through CREST

If you hold Charles Stanley Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the General Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Link Group (ID: RA10) not later than 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time fixed for the General Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Group is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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

Charles Stanley may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

(c) Sending yellow Forms of Proxy by post or by hand

As an alternative to appointing proxies online or electronically through CREST, Charles Stanley Shareholders may request a yellow Form of Proxy for use at the General Meeting. Instructions for its use are set out on the form. It is requested that the

yellow Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Link Group, either by post or (during normal business hours only) by hand to Link Group Limited, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, so as to be received as soon as possible and in any event not later than 10.15 a.m. on 14 September 2021 (or, in the case of an adjournment of the General Meeting, 48 hours (excluding any part of such 48-hour period falling on a non-working day) before the time appointed for the adjourned meeting).

If the yellow Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

5. Joint holders

In the case of joint holders, the vote of the senior who tenders a vote will be accepted to the exclusion of the vote(s) of the other joint holder(s). Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holding.

6. Corporate representatives

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares: if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and in other cases, the power is treated as not exercised.

7. Votes to be taken by a poll and results

At the General Meeting voting on the special resolutions to be proposed thereat will be by poll. The results of the poll will be announced through a Regulatory Information Service and published on the Company's website as soon as reasonably practicable following the conclusion of the General Meeting.

8. Nominated persons

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

The statement of the rights of shareholders in relation to the appointment of proxies in section 3 above does not apply to Nominated Persons. The rights described in that section can only be exercised by shareholders of the Company.

9. Website providing information regarding the General Meeting

Information regarding the General Meeting, including information required by section 311A of the Companies Act 2006, and a copy of this Notice may be found on our website at: www.charles-stanley.co.uk/recommended-offer-for-charles-stanley.

10. Issued share capital and total voting rights

As at 23 August 2021 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 52,132,834 ordinary shares of 25 pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 23 August 2021 were 52,132,834 votes. As at such date, the Company's share register records the existence of 84,988 ordinary shares in the capital of the Company represented by share warrants to bearer Pursuant to paragraph 3(3) of Schedule 4 of the Small Business, Enterprise and Employment Act 2015 all rights attaching to bearer shares represented by share warrants were suspended with effect from 26 December 2015, including any voting rights and any right to receive a dividend or distribution.

11. Further questions and communication

Under section 319(a) of the Companies Act 2006, any shareholder attending the General Meeting has the right to ask questions. As set out above, Charles Stanley Shareholders will be permitted to submit questions either in person, remotely via the Virtual Meeting Platform or by proxy, to the Charles Stanley Directors during the course of the General Meeting. The Chairman of the General Meeting will ensure that all such questions relating to the formal business of the General Meeting are addressed during the General Meeting, unless no response is required to be provided under the Companies Act 2006 or the provision of a response would, at the Chair's discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.

Charles Stanley Shareholders who have any queries about the General Meeting should contact the Shareholder Helpline operated by Link Group, Charles Stanley's registrars, between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales) on +44 (0) 371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Link Group cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Charles Stanley Shareholders may not use any electronic address or fax number provided in this Notice or in any related documents to communicate with the Company for any purpose other than those expressly stated. Any electronic communications, including the lodgement of any electronic proxy form, received by the Company, or its agents, that is found to contain any virus will not be accepted.

