**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you are recommended to seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

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# Liontrust Asset Management Plc

(incorporated and registered in England and Wales under number 2954692)

## DIRECTORS' REMUNERATION POLICY

## AND

## NEW LONG-TERM INCENTIVE PLAN

## NOTICE OF GENERAL MEETING

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**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Remuneration Committee of the Board of Directors (the "Directors" or "Board") of Liontrust Asset Management Plc (the "Company" or "Liontrust"), which is set out in Part I of this document, in which the Board unanimously recommends that you vote in favour of the resolutions to be proposed at the General Meeting referred to below.**

A notice convening a general meeting (the "General Meeting") of the Company to be held at 9:00 a.m. on Wednesday 24 February 2016 in the Pinafore Room at The Savoy, Strand, London WC2R 0EU is set out in Part IV of this document.

Whether or not you propose to attend the General Meeting, please complete, sign and return the accompanying form of proxy (the "Proxy Form") in accordance with the instructions printed on it as soon as possible. The Proxy Form must be received by the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Kent BR3 4TU, by no later than 9:00 a.m. on Monday 22 February 2016.

As an alternative to completing the hard copy Proxy Form, shareholders can appoint proxies electronically via www.capitashareportal.com so that it is received by Capita Asset Services by no later than 9:00 a.m. on Monday 22 February 2016. CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Capita Asset Services (under CREST participant RA10) by no later than 9:00 a.m. on Monday 22 February 2016. The time of receipt will be taken to be the time from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and return of a Proxy Form or transmitting a CREST electronic Proxy Instruction will not prevent you from attending and voting at the General Meeting in person should you wish.

This document contains forward-looking statements which are subject to assumptions, risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, there can be no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by those forward-looking statements. Each forward-looking statement is correct only as of the date of the particular statement. The Company does not undertake any obligation publicly to update or revise any forward-looking statement as a result of new information, future events or other information, although such forward-looking statements will be publicly updated if required by the Listing Rules of the Financial Conduct Authority, the rules of London Stock Exchange Plc or by law.

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**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

| | |
|---|---|
| Latest time and date for receipt of Forms of Proxy for the General Meeting | 9:00 a.m. on 22 February 2016 |
| Date and time of General Meeting | 9:00 a.m. on 24 February 2016 |

Note:

All references to times in this document are to London times.

## PART I

### LETTER FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS OF LIONTRUST ASSET MANAGEMENT PLC

# Liontrust Asset Management Plc

(incorporated and registered in England and Wales under number 2954692)

**Registered Office:**
2 Savoy Court, London WC2R 0EZ

**Directors:**

Adrian Collins (Chairman)
John Ions (Chief Executive)
Vinay Abrol (Chief Operating Officer and Chief Financial Officer)
Mike Bishop (Senior Independent Director)
Alastair Barbour (Non-Executive Director)
George Yeandle (Non-Executive Director)

1 February 2016

*To the shareholders of Liontrust Asset Management Plc*

**Notice of General Meeting**

Dear Shareholder,

I am writing to you with details of a general meeting of the Company, in connection with the Directors' remuneration policy (the "Directors' Remuneration Policy") and proposed changes therein, including the proposed introduction of a new incentive scheme, the Liontrust Asset Management Plc Long Term Incentive Plan ("LTIP"), which we are holding at 9:00 a.m. on Wednesday 24 February 2016 in the Pinafore Room at The Savoy, Strand, London WC2R 0EU. The formal notice of the General Meeting is set out in Part IV of this document.

**Directors' Remuneration Policy**

The objective of Liontrust's Remuneration Committee (the "Committee") is to ensure that the remuneration paid to senior executives is appropriate in both amount and structure, is directly linked to the Group's annual and longer term performance and is in alignment with the interests of shareholders.

Liontrust's remuneration policy is designed to be market competitive in order to motivate, aid staff retention, improve individual and corporate performance and align employee/member behaviour with the interests of shareholders. The remuneration policy is, therefore, strongly linked to Liontrust's performance and corporate strategy, in particular in respect of the performance conditions applicable to the proposed LTIP awards to be granted to Executive Directors. Benchmarking data from comparable investment management businesses both in the quoted and private environment is used to ensure that total compensation is market competitive.

The Committee has considered the environmental, social and governance implications of the remuneration policy and is satisfied that it does not lead to irresponsible behaviour.

The Directors' Remuneration Policy is based on the following key principles:

- the terms of the remuneration policy are applied consistently;

- an emphasis on variable, performance-driven remuneration to ensure that salaries and fixed allocations are affordable and generally at market median levels and bonus and variable allocation payments are funded from retained profits;

- alignment to effective risk management;

- the need to provide market competitive total compensation;

- ensuring that higher levels of reward are only delivered for exceptional performance;

- consistency with the FCA's Remuneration Code;

- alignment with shareholders' interests through long term arrangements and significant share ownership to incentivise and encourage retention of Executive Directors; and

- clarity and consistency of process.

In setting Directors' remuneration, the Committee also takes into account the pay and membership/employment conditions of all the members and employees of Liontrust and its subsidiary undertakings (the "Group"). In particular, this includes considering the bonus/variable allocation pool split between all functions of the Group.

I have consulted with major institutional shareholders around the proposed changes and will continue to do so on any future changes to the policy.

**Background to the LTIP**

Liontrust continued to experience a rapid acceleration in growth over the past year, as:

1. Assets under management increased by 24% to £4,494m in FY15 and by a further 5% to £4,735m as at 31 December 2015;

2. Net inflows rose by 75% in FY15 to £667m with a further £163m in the first nine months of FY16;

3. Adjusted profit before tax increased by 45% to £12.1m in FY15 and by 16% to £5.9m in H1 FY16; and

4. The dividend increased by 167% to 8 pence per share in FY15 and the interim dividend for FY16 increased by 50% to 3 pence per share.

The positive financial results are underlined by the strength of our fund management capability, with seven out of our eight actively managed unit trusts being in the first or second quartiles of their respective sectors since launch or since the current fund managers were appointed. Our strategic objectives were also met, including outperformance, effective distribution and being a profitable business in pursuit of realising our vision of becoming one of the leading fund management companies in the UK and internationally.

This strong performance emphasises the need for a revised remuneration framework which retains and motivates an exceptional management team, focusing them on executing the business strategy and driving an increase in shareholders' returns over the next phase of the Company's development.

In keeping with the Company's remuneration policy to incentivise key members of management through the widespread use of equity, it is essential to deliver a remuneration package containing a suitable equity incentive mechanism. This incentive should be both competitive in the market and feature stretching performance conditions which support the business strategy, thereby aligning the interests of management with shareholders. There is no long term incentive or retentive mechanism in place, however, following the full vesting of Liontrust Senior Incentive Plan awards two years ago as a consequence of the successful turnaround of the business by the current management team. The Committee has therefore designed the proposed LTIP to meet these objectives, with rationale and design set out in the remainder of this letter.

Amendments are also being proposed to other aspects of the Directors' Remuneration Policy, primarily around our short-term incentive arrangements, in order to increase simplicity and transparency and bring operation more in line with market practice amongst other listed asset managers. Further details are set out in Part III.

**Further rationale for the LTIP**

- A number of shareholders have raised concerns with the absence of a long term incentive plan in Liontrust's remuneration structure.

- The LTIP has been designed to reward management's performance in achieving financial and strategic metrics – which are directly linked to the business strategy – as well as driving value over the longer term.

- The LTIP will provide balance to the current short term nature of the remuneration structure for management and will further increase the weighting of their package towards variable pay and the provision of equity.

- The current incentive structure is out of line with the market norm (by reference to quoted asset managers) and the changing regulatory environment.

**Summary of operation**

- Participation will be limited to the Executive Directors (note that the Chairman will not participate in the LTIP) and other key executives.

- Maximum award levels have been set at the lower end of the market range of 200% to 500% of salary for other quoted asset managers (maximum of 250% of salary/fixed allocation for the LTIP) to ensure that total remuneration levels are competitive in the market in which the Company competes for talent.

- Awards will vest at the end of a three year performance period subject to the satisfaction of stretching targets around shareholder returns, earnings per share and strategic objectives as well as shareholding requirements.

- Threshold level of pay out against the relevant metrics will deliver vesting of 20%, rising to 100% for strong performance which has been set significantly in excess of current internal expectations.

- Shares will also be subject to a further two year holding period and phased release will apply, with 60% released after three years from grant, 20% after four years and 20% after five in order to increase the lock-in period for management and to allow for a five year period between grant and full release of awards, in line with corporate governance guidelines.

- A requirement to deliver strong performance against a wider range of metrics for full vesting demonstrates a tougher construct than the market norm.

- The vesting of any shares is dependent upon a participant having built up and retained a significant shareholding (2.5x salary/fixed allocation for the Executive Directors) at the end of the performance period, demonstrating strong alignment between the interests of shareholders and management.

- Further detail and rationale around the terms and conditions for the LTIP is set out in Part II.

**Next steps**

These proposals are subject to shareholder approval and are the reason for convening the General Meeting.

The Directors' Remuneration Policy is set out in Part III of this document and the principal features of the LTIP are summarised in Part II of this document. The Committee has consulted with a number of the Company's largest shareholders on the Directors' Remuneration Policy and the terms of and conditions to the LTIP during the design process and has incorporated their views and comments into the LTIP.

At the General Meeting, you will be asked to vote on two resolutions to approve the Directors' Remuneration Policy and to separately approve the terms of the LTIP and to authorise the grant of nil-price options under the LTIP.

If you would like to vote on the resolutions but cannot attend the General Meeting in person, please fill in the Proxy Form accompanying this document and return it to Capita Asset Services as soon as possible. They must receive it by no later than 9:00 a.m. on Monday 22 February 2016.

As an alternative to completing the hard copy Proxy Form, you can appoint proxies electronically via www.capitashareportal.com to be received by Capita Asset Services by no later than 9:00 a.m. on Monday 22 February 2016. CREST members can also appoint proxies by using the CREST electronic proxy appointment service and transmitting a CREST Proxy Instruction in accordance with the procedures set out in the CREST Manual so that it is received by Capital Asset Services (under CREST participant RA10) by no later than 9:00 a.m. on Monday 22 February 2016. The time of receipt will be taken to be the time from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

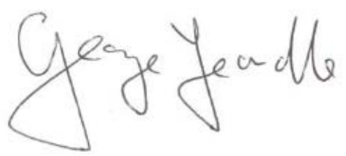
Appointment of a proxy will not prevent you from attending the General Meeting and voting in person should you wish to do so.

**Board recommendation**

The Directors of the Company consider that the resolutions to be proposed at the General Meeting are in the best interests of shareholders as a whole. It is also believed that the resolutions will prove effective in retaining the current management team and aligning their interests closely with those of shareholders so that they are incentivised to continue the successful execution of the business strategy and drive the creation of value for shareholders.

Accordingly, the Directors recommend that the shareholders vote in favour of such resolutions as they intend to do in respect of their beneficial holdings, amounting, in aggregate, to 2,272,951 Ordinary Shares representing approximately 5.0 per cent of the issued share capital of the Company.

Yours sincerely,



George Yeandle
**Chairman of the Remuneration Committee**

*Inspection of documents: The LTIP Rules will be available for inspection at 2 Savoy Court, London WC2R 0EZ, the registered office of the Company, from 1 February 2016 until the close of the General Meeting and at the Pinafore Room at The Savoy, Strand, London WC2R 0EU from 15 minutes before the General Meeting until it closes.*

## PART II

# Summary of the Principal Features of the Liontrust Asset Management Plc Long Term Incentive Plan (the "LTIP")

### Key terms of the LTIP

The following table sets out the key terms of the LTIP and rationale in further detail:-

| Term | Commentary | Rationale |
|---|---|---|
| ***Eligibility*** | • Participation will be limited to the Executive Directors (note that the Chairman will not participate in the LTIP) and other key executives of the Group. | • These are the key value drivers who are critical to executing the business strategy and driving the creation of value for shareholders. |
| ***Awards*** | • Awards will be made in the form of whole share awards. | • This is in line with standard market practice. |
| ***Award levels*** | • The Executive Directors will be granted awards as follows:<br>**Role** — **Award level (% of salary/fixed allocation)**<br>Chief Executive (John Ions) — 250%<br>COO/CFO (Vinay Abrol) — 175%<br>• The Committee will review award levels on an annual basis. | • The Committee believes that the award levels are appropriate given:<br>• The need to grant competitive award levels in order to attract and retain key talent in the dynamic market in which the Company operates; and<br>• The desire to strongly align the interests of the current management team and shareholders. |

***Performance conditions***

Vesting will be subject to satisfaction of the following performance conditions, assessed over a three year period, with the Committee reviewing performance conditions on an annual basis:

| Measure | Weighting | Details | Commentary |
|---|---|---|---|
| Absolute Total Shareholder Return ("TSR") | 40% | Performance will be assessed against the following targets:<br>**Absolute TSR growth p.a.** — **Vesting (% of maximum)**<br>10% — 20%<br>15% — 100%<br>There will be straight line vesting between points. | Using an absolute returns measure ensures that executives are only rewarded if successful execution of the business strategy leads to positive shareholder value creation and hence creates strong alignment of interests between management and shareholders. |
| Diluted Adjusted Earnings Per Share (excluding performance fees earnings) ("EPS") | 30% | Performance will be assessed against the following targets:<br>**EPS growth p.a.** — **Vesting (% of maximum)**<br>10% — 20%<br>15% — 100%<br>There will be straight line vesting between points. | Linking vesting to EPS growth ensures that participants are focused on maintaining the strong underlying financial health of the business which drives value creation. |

| **Term** | **Commentary** | | **Rationale** |
|---|---|---|---|
| **Measure** | **Weighting** | **Details** | **Commentary** |
| Strategic objectives | 30% | The Committee will assess performance against targets around the following areas in order to determine a level of vesting, using the same ‘20% - 100%’ vesting range as above (precise targets not disclosed prospectively due to commercial sensitivity):<br>• net inflows;<br>• growth in assets under management;<br>• fund performance; and<br>• other strategic measures.<br>Full disclosure will be made around the strategic objectives and actual performance against these targets, on a retrospective basis after vesting.<br><br>The Committee retains the discretion to determine that none of the shares subject to the strategic objectives targets will vest if an appropriate risk control and compliance environment has not been maintained (assessed on a qualitative basis). | The use of strategic measures allows the use of metrics which can be directly tailored to Liontrust’s specific circumstances and the evolving business strategy. |
| ***Release of awards*** | | • Awards will not be fully released until five years after grant, through the application of a two year holding period following vesting.<br>• 60% of vested award shares will be released three years after grant, 20% four years after grant and 20% five years after grant.<br>• The Committee may award dividend equivalents on shares to the extent that they vest. | • The application of a holding period serves to further align the interests of management and shareholders over a period longer than the traditional three year LTIP cycle.<br>• Provides an additional period of lock-in for the Executive Directors. |
| ***Shareholding requirement*** | | • A shareholding requirement of 2.5x salary/fixed allocation will be implemented for the Executive Directors, with vesting dependent on satisfaction against these targets (requirements will also apply to other participants).<br>• If the target shareholding is met on the vesting date of the first LTIP award (i.e. three years from the grant date) then this award will vest in full.<br>• If less than 50% of the target shareholding is met then the first award will lapse in full.<br>• If between 50% and 100% is met, vesting will be scaled back proportionately on a straight-line basis. For example, if the Executive Director reaches 75% of their target (midway between 50% and 100%), 50% of the first | • Through linking vesting to shareholding, the Executive Directors are encouraged to build up a significant shareholding in the Company and retain the same post-vesting, enabling them to share in the Company’s success.<br>• The shareholding requirement also serves to further align the long-term interests of the Executive Directors with shareholders.<br>• The levels of required shareholding have been set to be in excess of current best practice amongst UK listed companies. |

| Term | Commentary | Rationale |
|---|---|---|
| | award will vest (subject to attainment of applicable performance conditions).<br>• Participants will be required to build up and retain at least one-third of their target shareholding within 12 months of the date of grant of the first award and must build up and maintain at least 50% of the target during the following two year period. Failure to do so will impact the grant of subsequent awards.<br>• For subsequent LTIP awards, vesting is conditional on the target shareholding level being maintained.<br>• The shareholding requirement can be satisfied through shares under unexercised options under the Company's existing long term incentive plans, shares acquired through own resources and/or the deferral of annual bonuses/variable allocations into Company shares. | |
| ***Dilution*** | • The number of shares allocated under LTIP awards (or under any other share scheme) in a 10 year period and which are to be satisfied by newly issued or treasury shares cannot exceed 10% of the Company's issued share capital and 5% for awards granted to the current Executive Directors (excluding, for the 5% limit, the share awards granted under the Liontrust Senior Incentive Plan).<br>• The number of newly issued shares allocated under all Company share schemes in the last 10 years is 3,030,613 or 6.66% of the Company's issued share capital. | In line with UK corporate governance guidelines. |
| ***Malus and clawback*** | • The LTIP contains provisions to reduce the number of shares which are able to vest before the vesting date (malus) and to enable the recovery of vested awards (whether sold or not) (clawback) in the following circumstances:<br>  • discovery of a material misstatement which requires adjustment to the accounts;<br>  • erroneous assessment of performance targets/calculation of number of shares subject to an award;<br>  • fraud/gross misconduct; and/or<br>  • behaviour which causes reputational damage to Liontrust. | In line with UK corporate governance guidelines and recent revisions to the UK Corporate Governance Code. |
| ***Cessation of employment*** | • **Good Leaver:** A good leaver is someone whose employment is terminated by reason of death, injury, ill health, disability, retirement, redundancy, sale of the participant's employing company or business or such other reason as the Committee may determine. | In line with UK corporate governance guidelines. |

| Term | Commentary | Rationale |
| --- | --- | --- |
| | • On termination of employment a good leaver does not lose vested share awards. At the discretion of the Committee unvested share awards will vest on the normal vesting date or the date of cessation. In determining the proportion of awards which vest the Committee will take into account if the performance conditions have been achieved and time where appropriate.<br>• **Bad Leaver:** Anyone who is not a good leaver will be a bad leaver.<br>• On termination of employment, all unvested/ unreleased share awards will lapse, subject to the Committee determining otherwise. | |
| ***Change of control*** | All unvested awards will vest on a change of control of the Company. The level of vesting will be determined by the proportionate achievement of the performance conditions as at the date of change of control (and time elapsed since grant to change of control at the discretion of the Committee). | In line with UK corporate governance guidelines. |

**Summary of the operation of the LTIP**

1. Operation

   The Committee, the members of which are Non-Executive Directors, supervises the operation of the LTIP in respect of the Executive Directors and other key executives of the Company.

2. Eligible participants

   Only Executive Directors and key executives are eligible to participate in the LTIP. Non-Executive Directors are ineligible.

3. Grant and vesting of awards

   Awards may be granted to participants within a 42 day period following the date of publication of the annual results of the Company, the approval of the LTIP by shareholders, or such other period as may be determined by the Committee in exceptional circumstances while institutional investor guidelines require this.

   The vesting of awards will be subject to continued employment or membership and any other terms or conditions determined at grant. The Committee may award dividend equivalents on shares to the extent that they vest.

4. Limits

   The Committee will be monitoring the issue of shares during any ten year period. It should be noted that where the Company uses treasury shares (if applicable) to satisfy its obligations under share arrangements they shall be added to the number of shares issued for the purposes of this limit.

   LTIP awards may be satisfied by a mixture of shares already held in the Company's existing discretionary employee benefit trust (the "Employee Trust"), additional market purchased shares and/or newly issued or treasury shares.

   The Committee will determine in its absolute discretion how share awards will be satisfied taking into account the interests of shareholders and the costs to the Company.

   Where the Committee determines to satisfy awards using newly issued or treasury shares, the Company will not issue more than 10 per cent of its issued share capital within a 10 year period to satisfy awards to participants under the LTIP and any other employee share scheme adopted by the Company and 5 per cent for awards granted to the current Executive Directors (excluding the share awards granted under Liontrust Senior Incentive Plan).

5. Taxation

   The vesting or exercise of awards is conditional upon the participant paying any relevant taxes due.

6. Allotment and transfer of shares

   Shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the shares are acquired. However, dividend equivalents may be paid on vested awards. Application will be made for the admission of the new shares to be issued to the Official List of the Financial Conduct Authority, and to trading on, the relevant exchange following the vesting and/or exercise of awards.

7. Variation of share capital

   On a variation of the capital of the Company, the number of shares subject to awards and their terms and conditions may be adjusted in such manner as the Committee determines and the advisors of the Company confirm to be fair and reasonable.

8. Duration

The LTIP will operate for a period of 10 years from the date of approval by shareholders. The Committee may not grant awards under the LTIP after this date.

9. Amendments

Amendments to the rules of the LTIP may be made at the discretion of the Committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation, individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital together with the limitations on the number of shares that may be issued cannot be altered to the advantage of participants without prior shareholder approval. This requirement does not apply to minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Company. However, participants should be notified of any amendment which would materially detrimentally affect their existing rights and such amendments must be approved by the majority of participants affected.

The Committee may add to, vary or amend the rules of the LTIP by way of a separate schedule in order that the LTIP may operate to take account of local legislative and regulatory treatment for participants or the relevant group company, provided that the parameters of these arrangements will provide no greater benefits than the rules of the LTIP as summarised above.

10. Employee Trust

The Company may utilise the Employee Trust. The Employee Trust is established as an employees' share scheme within the meaning of s.1166 of the UK Companies Act 2006 and will have full discretion with regard to the application of the trust fund (subject to recommendations from the Committee). The Company will be able to fund the Employee Trust to acquire shares in the market and/or to subscribe for shares at nominal value in order to satisfy awards granted under the LTIP. Any shares issued to the Employee Trust in order to satisfy LTIP awards will be treated as counting towards the dilution limits that apply to the LTIP. For the avoidance of doubt, any shares acquired by the Employee Trust in the market will not count towards these limits.

The Employee Trust currently holds 430,205 shares of the Company (representing approximately 0.9 per cent of the issued share capital of the Company as at 1 February 2016).

The shares used to satisfy LTIP awards may be sourced from a mixture of the following: (i) the use of the Employee Trust's holding of shares or shares subscribed for by the Employee Trust for that purpose, as detailed above; (ii) through the purchase in the market of shares from existing cash resources of the Company; and/or (iii) through the issue of new shares (although shareholders will not thereby be diluted by more than 10 per cent in any 10 year period under the limit in section 4 above).

11. General

Awards and any other rights granted pursuant to the LTIP are non-pensionable.

The Committee may deliver the LTIP awards in a tax efficient manner (where possible and practicable). However, the gross value delivered via any tax efficient method can never exceed the gross aggregate value of a participant's LTIP award.

12. Non-transferability of awards

Awards are not transferable except in the case of a participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the participant or by will or the laws of descent and distribution.

Please note this summary does not form part of the rules of the LTIP and should not be taken as affecting the interpretation of its detailed terms and conditions. The Committee reserves the right at any time to make such non-material amendments and additions to the rules of the LTIP as it considers necessary or desirable at its sole discretion subject to the provisions of section 9 of this Part II.

Copies of the LTIP rules will be available for inspection at 2 Savoy Court, London WC2R 0EZ, the registered office of the Company, from 1 February 2016 until the close of the General Meeting and at the Pinafore Room at The Savoy, Strand, London WC2R 0EU from 15 minutes before the General Meeting until it ends.

## PART III

# Directors' Remuneration Policy

### Elements of reward

The following table summarises each of the elements of Liontrust's total compensation package and the ongoing remuneration policy for the Executive Directors, with additional information provided in the sections following the table:

| | Objective and Link to strategy | Operation | Maximum opportunity | Performance measures and assessment |
|---|---|---|---|---|
| Base salary or Fixed allocations | To provide a satisfactory base salary/fixed allocation within a total package comprising salary/fixed allocation and bonus/variable allocation. The level of salary/fixed allocation broadly reflects the value of the individual, their role, skills and experience. It is also designed to attract and retain talent in the market in which the individual is employed and/or a member. | Salaries and fixed allocations are reviewed annually effective in April taking account of market levels, corporate performance, individual performance and levels of increase for the broader employee/member population. Reference is made to median – upper quartile levels within the FTSE and industry comparators. | There is no guaranteed or maximum annual increase. The Committee considers it important that base salary and fixed allocation increases are kept under tight control given the potential multiplier effect of such increases on future costs. The Committee will aim to keep, on a rolling five year basis, base salaries/fixed allocations in line with the cost of living. | Not applicable. |
| Annual bonus or variable allocation | The annual bonus or variable allocation rewards good performance of the Group and individual Executive Director and is based on the Group's profits, which is considered one of the most prominent KPIs. | The annual bonus pool or variable allocation pool is based on a percentage of the Group's pre-cash bonus/variable allocation Adjusted Profit Before Tax. The Committee believes that this ensures that annual bonuses or variable allocations are affordable. Annual bonus/variable allocation payments to Executive Directors are made from this aggregate annual bonus/variable allocation pool in which all employees and members participate and which is approved by the Committee each year. The actual level of annual bonus/variable allocation payment to the individual Executive Director takes into account a number of factors relating to the individual's role and performance from both a personal and corporate perspective. In addition, the Committee will also apply further measures such as assets under management, gross/net flows, cost control, corporate governance and risk management. Details | Liontrust does not explicitly link total incentive awards to a multiple of base salary or fixed allocation or cap total awards to individuals but it should be noted that the aggregate annual bonus and variable allocation pool for all employees and members including Executive Directors is capped. This is to ensure that high performers can be rewarded in line with the market on a total cash (salary/fixed allocation plus bonus/variable allocation) basis. This also reduces the need to increase base salaries/fixed allocations and thereby increase fixed costs.<br>The aggregate pool is capped at no more than 30% of pre-cash bonus/variable allocation adjusted profit before tax. There will also be an individual cap for Executive Directors in relation to the cash element of the annual bonus/variable allocation of 200% of salary/fixed allocation, in order to increase deferral potential and place more value at risk for the Executive Directors.<br>The Committee will review these caps after three years to ensure that they remain appropriate.<br>Due to the nature of the | Individual risk and compliance behaviour is also considered in detail for relevant roles and factored into the assessment of performance and the determination of the bonus/variable allocation amount payable. The Chief Operating Officer & Chief Financial Officer, who is responsible for risk and compliance at board level, attends at least two Committee meetings each year to provide input on risk and compliance.<br>A claw back principle applies to the annual bonus and/or variable allocations. This enables the Committee to recoup annual bonus or variable allocations in the exceptional event of: misstatement or misleading representation of performance, a significant failure in risk management and control, or serious misconduct of an individual. |

| | | | | |
|---|---|---|---|---|
| | | of the performance metrics used to measure performance in each financial year will be disclosed where appropriate in the annual report on remuneration.<br>The structure of the annual bonus or variable allocation is reviewed annually at the start of the financial year to ensure that it is appropriate and continues to support the Group's strategy.<br>The Committee will determine how much of the bonus/variable allocation is deferred into funds. | factors used by the Committee to determine level of annual bonus/variable allocation it is not possible to set out the minimum level of performance and any further levels of performance. However, annual bonuses/variable allocations will be conservative at threshold levels of corporate performance.<br>The risk controls incorporated in the Group's investment process and financial controls ensures that the uncapped annual bonus and variable allocations encourage both excellent performance and prudent risk management. | |
| Deferred Bonus and Variable Allocation Plan ("DBVAP") | The DBVAP provides a deferral element to annual bonuses and variable allocations, to ensure a link to longer term performance and to align the interests of Executive Directors with shareholders. | The DBVAP offers deferral into Liontrust funds, in line with the current regulatory landscape and to create alignment directly with core business performance. Release will occur annually over three years (subject to a continuing employment and/or membership requirement).<br><br>The Committee may award dividend/distribution equivalents on Liontrust funds to the extent that awards are released. | Awards under the DBVAP are compulsory and are calculated on a formulaic basis such that a proportion of annual bonuses or variable allocations take the form of an award under the DBVAP, subject to an individual cap for Executive Directors in relation to the cash element of the annual bonus/variable allocation of 200% of salary/fixed allocation.<br><br>The deferred amount will be a minimum of 33.3%* of the (total) annual bonus/variable allocation, subject to the cap on the cash bonus and variable allocation as detailed above. | No further performance conditions apply to DBVAP awards as, in determining the original annual bonus or variable allocation amount, the Committee has been satisfied that performance objectives have been met. |
| Long Term Incentive Plan ("LTIP") | The LTIP is intended to provide long term reward, incentivise strong performance and retain the Executive Directors. Vesting will be subject to a continuing employment/membership requirement and performance conditions which are linked to the Company's strategy/KPIs. | LTIP awards are granted annually and vesting is dependent on the achievement of performance conditions (including a shareholding requirement). Performance is measured over a three-year period.<br><br>The operation of the LTIP is reviewed annually to ensure that grant levels, performance criteria and other features remain appropriate to the Company's current circumstances.<br><br>Awards will then be released on a staggered basis over five years as follows:<br>• 60% will be released immediately on vesting, three years after grant;<br>• 20% will be released four years after grant; and | The maximum annual award which can be made under the LTIP is equal to 250% of base salary/fixed allocation (based on the market value at the grant date).<br><br>At target performance 25% of the award vests. | Awards are subject to continued employment and achievement of a range of balanced and holistic performance conditions that are linked closely to the Company's business strategy/KPIs.<br><br>The current performance criteria are total shareholder return (40%), earnings per share (30%) and other strategic objectives (30%) which include net inflows, growth in assets under management, fund performance and other strategic measures.<br><br>There is also a shareholding requirement of 2.5x salary/fixed allocation for Executive Directors that is linked to LTIP awards as follows:<br>• if the target shareholding is met on the vesting date of the first LTIP award (i.e. three years from the grant date) then this award will vest in full; |

| | | | | |
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| | | • 20% will be released five years after grant.<br><br>The Committee may award dividend equivalents on shares to the extent that they vest. | | • if less than 50% of the target shareholding is met then the first award will lapse in full;<br>• if between 50% and 100% is met, vesting will be scaled back proportionately on a straight-line basis;<br>• participants will be required to build up and retain at least one-third of their target shareholding within 12 months of the date of grant of the first award and must maintain at least 50% of the target during the following two-year period. Failure to do so will impact the grant of subsequent awards;<br>• for subsequent LTIP awards, vesting is conditional on the target shareholding level being maintained; and<br>• the shareholding requirement can be satisfied through unexercised options under the Company's existing long term incentive plans, shares acquired through own resources and/or the deferral of annual bonuses/variable allocation into Company shares. |
| Share Incentive Plan ("SIP") | The SIP allows the Executive Directors to purchase Company shares with a matching element, to build up an interest in Company shares and increase alignment of interests with shareholders. | An all-employee HMRC approved share plan that allows the Executive Directors to purchase shares, in a tax efficient manner and subject to limits, which are matched by the Company. In line with the normal operation of a SIP envisaged by HMRC, there are no performance conditions on matching shares. | Up to a maximum of £1,800 to purchase Partnership Shares which are matched by the Company on a 2 for 1 basis. | Not applicable. |
| Benefits | To provide benefits which are appropriately competitive. | Executive Directors are entitled to a range of benefits including:<br>• private medical insurance<br>• life assurance;<br>• disability assurance,<br>• travel insurance; and;<br>• access to a employee/member assistance programme.<br>Where relocation payments or allowances are paid it will be limited to 50% of salary/fixed allocation. | The maximum opportunity for benefits is defined by the nature of the benefit itself and the cost of providing it. As the cost of providing such insurance benefits varies according to premium rates and the cost of other benefits is dependent on market rates and other factors, there is no formal maximum monetary value. | Not applicable. |
| Pension | To provide competitive levels of retirement benefit. | Executive Directors' pension contributions are made at a percentage of base salary/fixed allocation into the Liontrust | The current Executive Directors receive a contribution or cash equivalent payment equal to 15% of base salary or fixed allocation. | Not applicable. |

| | | | | |
|---|---|---|---|---|
| | | Group Pension Plan. Executive Directors have the choice of taking an equivalent cash payment in lieu of pension contributions, which (unless the relevant Executive Director is not able to contribute to a pension scheme), must be contributed to a personal pension plan. | | |

*This is the equivalent to the previous policy of a minimum 50% deferral in relation to the cash bonus/variable allocation.

Non-Executive Directors

The following table summarises each of the elements of Liontrust's total compensation package and the ongoing remuneration policy for the Non-Executive Directors:

| | Objective and link to strategy | Operation | Maximum opportunity | Performance measures and assessment |
|---|---|---|---|---|
| Non-Executive Director fees | To provide a satisfactory level of Non-Executive Director fees which is sufficient to attract individuals with appropriate knowledge and experience to review and support the implementation of the Group's strategy. | Non-Executive Director fees are reviewed annually effective April.<br><br>This is reflected in the policy of positioning Non-Executive Director fees at, generally, around what the Executive Directors believe is median in the market for a company of similar size and complexity from the FTSE and industry comparators. This may also include fees for membership/ chairmanship of subcommittees of the Board or other Group committees.<br><br>The Executive Directors are responsible for setting the remuneration of the Non-Executive Directors.<br><br>Non-Executive Directors do not participate in any variable remuneration element. | Non-Executive Chairman fees are capped at £200,000.<br><br>Other Non-Executive Director fees are capped at £150,000.<br><br>Fee increases are determined by reference to individual responsibilities, inflation and an appropriate comparator group. | Not applicable. |

Fund manager remuneration

Elements of reward for fund manager remuneration are broadly similar to elements of reward for the Executive Directors, other than:

- Annual base remuneration for fund managers is capped at £150,000. Fund managers also receive a share of a pool that is calculated as a percentage of the net management and performance fees received by the Group in relation to funds and customer accounts that are managed by the relevant fund management team minus the annual base remuneration for the fund managers in the relevant fund management team.

- Fund managers do not participate in the DBVAP.

- The Pool is not treated as a bonus or variable allocation for the purposes of the calculation of the annual bonus or variable allocation pool for employees and members, including the Executive Directors, but excluding the fund managers.

Performance measures and targets

Short and long term performance measures have been selected by the Committee in order to provide a direct connection to the Company's strategy by being linked to the key fundamental performance indicators. The Committee regularly reviews these measures to ensure that they remain appropriate.

Other member and employee remuneration

Elements of reward for other member and employee remuneration are broadly similar to elements of reward for the Executive Directors. Other members and employees may be eligible to receive a bonus/variable allocation, although they do not participate in the DBVAP. Members may participate in the Liontrust Members Incentive Scheme ("LMIS") and employees may participate in the Liontrust Option Plan (which is an HMRC approved Company Share Option Plan) and the all-employee Liontrust Share Incentive Plan. Employees may participate in the LTIP. Members may also participate in a plan based on the LTIP on similar terms as employees, to the extent relevant to their status as members.

Changes to remuneration policy from previous policy

Changes since the last remuneration policy and associated rationale are set out in the table below:

| Element | Change from the previous policy | Rationale |
|---|---|---|
| Non-Executive Director fees | Introduction of Non-Executive Chairman fee provision/cap of £200,000. | No specific fee provision/cap existed in the previous policy. |
| Annual bonus or variable allocations and Deferred Bonus and Variable Allocation Plan ("DBVAP") | • An individual cap has been introduced in relation to the cash element of the annual bonus/variable allocation of 200% of salary/fixed allocation.<br>• Any element under the DBVAP is deferred into funds rather than shares and will be released on an annual basis.<br>• The aggregate cap has been re-calibrated to 30% of pre-cash bonus/variable allocation adjusted profit before tax. | • The cash bonus/variable allocation cap has been introduced to provide a greater percentage of the reward package in a form that will incentivise management to ensure that the Company performs strongly in its core business activities.<br>• It will also provide more certainty around maximum cash bonus cost to the Company.<br>• Deferral into funds is in line with the current regulatory landscape.<br>• The aggregate cap is being recalibrated in order to:<br>  • increase simplicity of target calibration;<br>  • enhance transparency of operation; and<br>  • move towards market practice for listed asset managers. |
| LTIP | A new LTIP is being introduced, as described in the policy table above. | • There was previously no long term incentive or retentive mechanism in place, which is out of line with the market norm.<br>• A number of shareholders had raised concerns with the absence of a long term incentive scheme in Liontrust's remuneration structure.<br>• The LTIP provides balance to the previous short term nature of the remuneration structure for management and other key executives and further increases the weighting of their package towards variable pay and the provision of equity. |
| Recruitment and loss of office policy | The only changes will be to include the LTIP as part of the package that can be offered to a new Executive Director joiner, as well as including the associated cessation of employment/ change of control terms in the loss of office policy. | This treatment is in line with normal market practice. |

## Approach to recruitment remuneration

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role. Our principle is that the pay of any new recruit would be assessed following the same principles as for the Executive Directors and the policy previously summarised, unless specific circumstances arise that the Committee deems as appropriate, to secure a desired candidate accompanied by a clear business case.

The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure the preferred candidate and is cognisant of guidelines and shareholder sentiment regarding one-off or enhanced short or long term incentive payments made on recruitment and the appropriateness of any performance conditions associated with an award.

| Element | Policy |
|---|---|
| **Base salary/fixed allocation/fees and benefits** | Directors will be provided with a satisfactory base salary and/or fixed allocation or fee level within a total package. Performance-related components and certain benefits for Executive Directors are calculated by reference to base salary/fixed allocation. The level of salary/variable allocation/fee broadly reflects the value of the individual, their role, skills and experience.<br><br>Executive Directors shall be eligible to receive benefits in line with the Group's benefits policy as set out in the remuneration policy table. |
| **Pension** | Executive Directors will be provided with post-retirement pension benefits or a cash alternative in line with the Group's pension policy as set out in the remuneration policy table. |
| **Annual bonus/variable allocation** | Executive Directors will be eligible to participate in the annual bonus/variable allocation arrangements as set out in the remuneration policy table. |
| **Long-term incentives** | Executive Directors will be eligible to participate in the LTIP set out in the remuneration policy table. |
| **Sign-on payments / recruitment rewards** | It is not the Committee's policy to provide sign-on payments other than in exceptional circumstances.<br><br>Where sign-on payments/recruitment rewards are paid it will be limited to 100% of base salary/fixed allocation. The Committee will also seek to structure any replacement awards such that overall they are no more generous in terms of quantum or vesting period than the awards due to be forfeited. In determining quantum and structure of these commitments, the Committee will seek to replicate the fair value and, as far as practicable, the timing and performance requirements of remuneration foregone or if considered appropriate. The Committee may determine in its absolute discretion on whether such awards will be made in cash, shares or a combination of both. |
| **Relocation policies** | It is the Committee's policy to avoid relocation payments or allowances other than in exceptional circumstances.<br><br>Where relocation payments or allowances are paid it will be limited to 50% of base salary/fixed allocation. |

## Service contracts and payment for loss of office

The Directors' employment contracts or letters of appointment or limited liability partnership membership agreements/side letters are as follows:

| Director | Type of contract | Date of contract | Un-expired term | Notice period by the Company/Group entity or Director |
|---|---|---|---|---|
| **Executive Director** | | | | |
| Adrian Collins | Employee | 31 December 2010 | N/A | 6 months |
| John Ions | Member | 8 July 2010 | N/A | 6 months |
| | Employee | 24 January 2014 | N/A | 6 months |
| Vinay Abrol | Member | 8 July 2010 | N/A | 12 months |
| | Employee | 24 January 2014 | N/A | 12 months |
| **Non-Executive Directors** | | | | |
| Alastair Barbour | Letter of Appointment | 1 April 2011 | N/A | 3 months |
| Mike Bishop | Letter of Appointment | 1 May 2011 | N/A | 3 months |
| George Yeandle | Letter of Appointment | 2 January 2015 | N/A | 3 months |

None of the Directors' employment contracts or letters of appointment or limited liability partnership membership agreements/side letters contain provisions for compensation for loss of office. The Group's policy on compensation for loss of office is set out below:

| Element | Approach | Discretion |
|---|---|---|
| Base salary, fixed allocation, benefits and pension | In the event of loss of office, there will be no compensation in respect of base salary or fixed allocation, benefits or pension. | The Committee has absolute discretion to determine that, if appropriate, a payment in lieu of notice may be made, if it is in the best interests of the Group. |
| Annual bonus | Where an Executive Director's employment or membership is terminated after the end of a performance year but before the payment is made, the Executive Director may be eligible for a bonus/variable allocation for that performance year subject to an assessment based on performance achieved over the period. No bonus or variable allocation will be made in the event of gross misconduct.<br>Where an Executive Director's employment or membership is terminated during a performance year, a pro-rata award/allocation for the period worked in that performance year may be payable subject to an assessment based on performance achieved over the period and provided the individual is a "good leaver". If a good leaver, any bonus under deferral will also vest in full.<br>The good leaver definition is the same as for the LTIP as set out below. | The Committee has absolute discretion to determine:<br>• whether a payment is due in the instance of termination after the end of a performance year but before payment, subject to performance achieved; and<br>• that the reason for termination is classified in the same manner as those described in the "good leaver" definition set out below. |
| Long-term incentive | The treatment of unvested LTIP awards is governed by the rules of the LTIP.<br>On termination of employment or membership before the performance measurement date, all unvested/unreleased awards will lapse, unless the following circumstances apply: | The Committee has absolute discretion to determine that the reason for termination is classified in the same manner as those described adjacent. |

| | | |
|---|---|---|
| | • death;<br>• ill-health, injury or disability;<br>• redundancy;<br>• retirement (with the agreement of the Company);<br>• the employing company and/or limited liability partnership in which the Executive Director is an employee and/or member ceasing to be a member of the group;<br>• transfer of the business or part of the business to which the participant's employment or membership relates to a person who is not a member of the group; or<br>• any reason, permitted by the Board in its absolute discretion in any particular case.<br><br>If an Executive Director leaves under a circumstance described above, that individual is classified as a "good leaver" and does not lose vested share awards. At the discretion of the Committee unvested share awards will vest on the vesting date or the date of cessation. In determining the proportion of awards which vest the Committee will take into account if the performance conditions have been achieved and time where appropriate. | The Committee can determine that the number of shares that vests is a higher or lower number than calculated, provided that this number does not exceed the total number of shares subject to the award.<br><br>The Committee has the discretion to determine that the end of the performance period is the date of cessation, whether and to what extent the performance measures have been satisfied or waived, whether to pro-rate the number of vested shares to reflect the performance period completed and whether to accelerate the vesting date to the date on which the Committee makes its final determination of the number of shares which vest.<br><br>It should be noted that it is the Committee's policy to only apply its discretion in limited circumstances. |
| Change of control | All unvested awards under the DBVAP and LTIP will vest on a change of control (regardless of underlying corporate performance or satisfaction of the shareholding requirement).<br>All unvested awards under the DBVAP will vest in full.<br>The level of vesting of LTIP awards will be determined by the proportionate achievement of the performance conditions as at the date of change of control (and time elapsed since grant to change of control at the discretion of the Committee). | None. |
| Other contractual obligations | There are no other contractual provisions agreed prior to 27 June 2012. | None. |

The Directors' employment contracts or letters of appointment or limited liability partnership membership agreements/side letters are available for inspection at 2 Savoy Court, London WC2R 0EZ.

**Consideration of employment/member conditions elsewhere in the Group in developing policy**

Employment and membership conditions within the Group were considered by the Committee to ensure that, where possible, there is consistency in terms of approach for each of the elements of reward. However, the Committee has not formally consulted with employees and members in drawing up this policy.

**Compliance with the FCA Remuneration Code**

The Committee regularly reviews its remuneration policies to ensure compliance with the principles of the Remuneration Code of the UK financial services regulator as applicable to the Company. The remuneration policy is designed to be consistent with the prudent management of risk, and the sustained long term performance of the Company. The Chief Operating Officer & Chief Financial Officer, who is responsible for Risk at Board level, is involved in reviewing the remuneration policy and practice to ensure that it is aligned with sound risk management, and keeps the Committee informed of the Group's risk profile so that this can be taken into account in remuneration decisions.

**Consideration of shareholder views**

The Committee has consulted with the Company's larger shareholders, and where relevant, taken their views into account in the formulation of this policy.

## PART IV

# Liontrust Asset Management Plc

(incorporated and registered in England and Wales under number 2954692)

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of the Company will be held at 9:00 a.m. on Wednesday 24 February 2016 in the Pinafore Room at The Savoy, Strand, London WC2R 0EU for the purposes of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

**Ordinary resolutions**

(1) THAT the Directors' Remuneration Policy, as set out in Part III of the circular to shareholders dated 1 February 2016 of which this notice of general meeting forms Part IV (the "Circular") (subject to such immaterial modifications (if any) as the Committee considers, in its absolute and sole discretion, necessary or desirable) be and is hereby approved, and that the Directors of the Company be and are hereby authorised to do all acts and things necessary to establish and carry the same into effect;

(2) THAT (i) the rules of the Liontrust Asset Management Plc Long Term Incentive Plan ("LTIP"), the principal features of which are summarised in Part II of the Circular (subject to such immaterial modifications (if any) as the Committee considers, in its absolute and sole discretion, necessary or desirable) and (ii) the grant of nil-price options under the LTIP as set out in the Award Levels section in Part II of the Circular be and are hereby approved, and that the Directors of the Company be and are hereby authorised to do all acts and things necessary to establish and carry the same into effect.

1 February 2016
By order of the Board
Mark Jackson
Company Secretary

Registered Office:
2 Savoy Court, London WC2R 0EZ
Registered in England and Wales No. 2954692

## NOTICE OF GENERAL MEETING
### Notes

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If members wish to appoint more than one proxy, please photocopy the form of proxy and lodge all forms together at the address provided.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post (during normal business hours only) or by hand at Capita Asset Services, PXS, 34 Beckenham Road, Kent BR3 4TU by no later than 9:00 a.m. on 22 February 2016. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a duly certified copy of such power or authority.

   Completion of the proxy form or the appointment of a proxy electronically via www.capitashareportal.com or through CREST (as described below) will not prevent a member from attending and voting in person.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.

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

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

6. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6:00 p.m. on 22 February 2016 (or, in the event of any adjournment, 48 hours before the time of 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 at the meeting.

7. As at 1 February 2016 (being the last business day prior to the publication of this Notice) the Company's issued share capital consisted of 45,471,555 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 1 February 2016 was 45,471,555. As at 1 February 2016, the Company held no ordinary shares as treasury shares.

8. As an alternative to completing the proxy form, shareholders can appoint proxies electronically via www.capitashareportal.com. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrars, Capita Asset Services, no later than 9:00 a.m. on 22 February 2016.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 9:00 a.m. on 22 February 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/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. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

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

14. You may not use any electronic address provided in this notice of General Meeting for communicating with the Company for any purposes other than those expressly stated.

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# Form of Proxy

For use at the General Meeting to be held in the Pinafore Room at The Savoy, Strand, London WC2R 0EU on Wednesday 24 February 2016 at 9:00 a.m.

I/we* (BLOCK CAPITALS) ………………………………………………………………………………………

of ……………………………………………………………………………………………………………

in respect of ALL my/our shares
OR
insert number of shares if not all …………………………………………

being a member/members of Liontrust Asset Management Plc hereby appoint [the Chairman of the General Meeting]** or

…………..………………………………………………………………………………………………

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the General Meeting to be held on Wednesday 24 February 2016 at 9:00 a.m. and at any adjournment thereof.

I /we require my/our proxy to vote in particular as follows:

| **Resolutions**<br>***Please mark 'X' to indicate how you wish to vote*** | ***For*** | ***Against*** | ***Vote Withheld*** *** |
|---|---|---|---|
| (1) To approve the Directors' Remuneration Policy. | | | |
| (2) To approve the Long Term Incentive Plan and the grant of awards pursuant thereto. | | | |

Signature……………………………….. ………………………………………………………………….

Dated this ………..……. day of …………………………2016

In the absence of instructions, the proxy is authorised to vote (or abstain from voting) at his or her discretion on the specified resolutions. The proxy is also authorised to vote (or abstain from voting) at his or her discretion on any business which may properly come before the meeting.

(To be valid, this Form of Proxy must be signed and dated.)

This Form of Proxy must be lodged by 9:00 a.m. on Monday 22 February 2016.

**FORM OF PROXY**
**NOTES**

1. *Please complete in BLOCK CAPITALS with your full name and address.

2. **If you wish to appoint a proxy other than the Chairman of the General Meeting, please delete the words in brackets and insert the full name and address of your chosen proxy in BLOCK CAPITALS on the line provided and initial alterations. If you sign and return this proxy form with no name inserted on the line, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman of the meeting, it is your responsibility to ensure that that person attends the meeting and is aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman of the meeting and give that person your directions.

3. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend and to speak and vote at a meeting of the Company. A proxy does not need to be a member of the Company. You may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you wish to appoint more than one proxy, please photocopy the form of proxy and lodge all forms together at the address provided, deleting the word "ALL" and specifying (on each form) the number of shares in respect of which that proxy is appointed.

4. If you want your proxy to vote in a certain way on the resolution(s) specified please place a mark in the relevant box. If you fail to select any of the given options your proxy can vote as he or she chooses or can decide not to vote at all. The proxy can also do this on any other business (including a motion to adjourn the General Meeting or to amend a resolution) which may properly come before the General Meeting.

5. ***The "Vote withheld" option is provided to enable you to abstain on a resolution. However it should be noted that a "Vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" or "Against" the resolution.

6. To be valid, this Form of Proxy must be received by post or (during normal business hours only) by hand at Capita Asset Services, PXS, 34 Beckenham Road, Kent, BR3 4TU, NOT LATER THAN 9:00 a.m. on 22 February 2016 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting), together with the power of attorney or other authority (if any) under which it is signed or a duly certified copy such power or authority. The completion and return of this Form of Proxy will not, however, preclude you from attending and voting at the General Meeting if you so wish.

7. If you submit more than one valid proxy appointment in respect of the same share for the purposes of the same meeting, the appointment last delivered or received shall prevail in conferring authority on the person named in it to attend the meeting and speak and vote.

8. Any alterations to this Form of Proxy should be initialled.

9. In the case of joint holders, the signature of the first named on the register of members will be accepted, but the names of all joint holders should be given.

10. This form must be signed and dated by the member or his or her attorney duly authorised in writing. In the case of a corporation, this Form of Proxy should be either given under its common seal or signed on its behalf by an officer or attorney duly authorised.

11. You may not use any electronic address provided in this Form of Proxy or in any accompanying document for delivering this Form of Proxy or communicating with the Company for any purposes other than those expressly stated.

12. Please return your signed proxy form to the Registrar in a sealed envelope addressed to **FREEPOST CAPITA PXS (please use BLOCK CAPITALS).**

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