

# Hargreaves Lansdown Plc

## Notice of Annual General Meeting

Friday 27th November 2009 at 11:30 a.m. Premier Lounge, Ashton Gate Stadium, Bristol

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

If you are in any doubt as to the action you should take you should immediately consult your accountant, solicitor, bank manager, stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 or, if you are not in the United Kingdom, another appropriately authorised independent adviser. If you have sold or transferred all of your ordinary shares in Hargreaves Lansdown Plc, please send this document and the accompanying enclosures to the purchaser or transferee or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

### Chairman's Introduction

Dear Shareholder,

The Chairman and directors of Hargreaves Lansdown are pleased to serve notice of the Annual General Meeting of Hargreaves Lansdown Plc, which will take place at the Premier Lounge, Ashton Gate Stadium, Bristol on Friday 27th November 2009 at 11:30 a.m. to consider the resolutions set out in the Notice of Annual General Meeting on pages 1, 2 and 3.

Your directors consider that the resolutions set out in the Notice of Annual General Meeting are in the best interests of shareholders as a whole and, accordingly, unanimously recommend shareholders to vote in favour of the resolutions, as they intend to do in respect of their own shareholdings.

As a shareholder, you have the right to attend, speak and vote at the Annual General Meeting or at any adjournment(s) thereof. Please refer to the 'Notes' on pages 4 and 5 for further information regarding your rights as a shareholder. If you cannot attend the meeting in person you can appoint a proxy or proxies to attend, speak and vote on your behalf. The enclosed Form of Proxy will enable you to register your vote with the proxy or proxies you choose. We also require that you complete the enclosed attendance card and bring it with you to the meeting. Alternatively your proxy should bring it in your absence.

We look forward to welcoming you at the Annual General Meeting and to your input on the resolutions.



Stephen Lansdown  
Chairman

### Directions To The Venue

Premier Lounge, Ashton Gate Stadium, Bristol, BS3 2EJ

#### By Road

Leave the M5 motorway at junction 18, travel along the Portway (A4) following the signs for Bristol Airport/Taunton (A38). Over the swing bridge (Brunel Way), branching left into Winterstoke Road, and left again into Marsh Road for Ashton Gate.

#### By Air

The stadium is ten minutes by car from Bristol International Airport.

#### By Rail

The stadium is ten minutes by car from Bristol Temple Meads station.

#### By Bus

For the latest timetable and route information call First Group, provider of public transport in Bristol on 0845 606 4446.

On arrival at the AGM venue, all those entitled to vote will be required to register and collect a poll card. In order to facilitate these arrangements, please arrive at the AGM venue in good time and have your admittance pass to hand. You will be given instructions on how to complete your poll card at the meeting.

### Provisions For Those With Disabilities

The Premier Lounge within the Ashton Gate Stadium is situated on the first floor in the Williams Stand, and has access for wheelchair users. For further information please contact the Stadium on 0871 222 6666.

### AGM Timetable

Under the provisions of the Companies Act 2006, the directors are required in respect of each financial year to lay before the shareholders at a general meeting of the Company copies of the report of the directors, the independent auditors' report and the audited financial statements. Should any shareholder be concerned about the contents of the reports or financial statements or about any corporate governance issue, the directors welcome any comments or questions during this item of the agenda either at the meeting or in advance (see 'Right To Ask Questions' section on page 4). Discussion and voting will then take place on the resolutions set out in the following formal notice.

**Notice is hereby given that the Annual General Meeting of Hargreaves Lansdown Plc (the "Company") will be held at the Premier Lounge, Ashton Gate Stadium, Bristol on Friday 27th November 2009 at 11:30 a.m. to transact the following business:**

### Ordinary Business

#### RESOLUTION ONE - Receive and Consider the Report of Directors and Audited Accounts

To receive and consider the Report of the Directors and the audited financial statements for the year ended 30th June 2009.

#### RESOLUTION TWO - Approve Director's Report on Remuneration

To approve the Report of the Directors on Remuneration for the year ended 30th June 2009, as set out on pages 28 to 32 of the 2009 Annual Report.

#### RESOLUTION THREE - Re-Appointment of Auditors

To reappoint Deloitte LLP as auditors to the Company to hold office until the conclusion of the next Annual General Meeting at which financial statements

are laid before the Company and to authorise the directors to determine their remuneration.

#### **RESOLUTION FOUR - Election of Tracey Taylor - Group Finance Director**

To elect Tracey Taylor, who, having been appointed since the last Annual General Meeting retires in accordance with Article 87 of the Company's Articles of Association, and who being eligible, offers herself for election as Group Finance Director.

#### **RESOLUTION FIVE - Re-election of Jonathan Bloomer FCA - Senior Non Executive Director**

To re-elect Jonathan Bloomer who retires in accordance with Article 92 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Non Executive Director of the Company.

#### **RESOLUTION SIX - Re-election of Michael Evans - Non Executive Director**

To re-elect Michael Evans who retires in accordance with Article 92 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Non Executive Director of the Company and appointment as Non Executive Chairman.

### **Special Business**

#### **RESOLUTION SEVEN - Authority to Purchase Own Shares**

To consider and, if thought fit, to pass the following resolution, as a **special resolution**:

THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the 'Act') to make one or more market purchases (within the meaning of section 693(4) of the Act) of fully paid ordinary shares of 0.4 pence each in the capital of the Company provided that:

- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 47,431,862 (representing 10 percent of the Company's issued ordinary share capital);
- (b) the minimum price which may be paid for an ordinary share is 0.4 pence per share (exclusive of expenses);
- (c) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall not be more than 5 percent above the average of the market values for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary share is contracted to be purchased;
- (d) unless previously renewed varied or revoked, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting; and
- (e) the Company may make a contract or contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

#### **RESOLUTION EIGHT - Authority to Allot Shares**

To consider and, if thought fit, to pass the following resolution, as an **ordinary resolution**:

THAT, in substitution for all existing authorities, to the extent unused, the directors be and are hereby authorised pursuant to section 551 of the Companies Act 2006 to allot shares and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount (within the meaning of sections (551(3) of the Act) of £202,725.50. This authority, unless renewed, shall expire at the conclusion of the next Annual General Meeting of the Company. save that the Company may make an offer or agreement before such expiry which would or might require relevant securities to be allotted after this authority has expired and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

#### **RESOLUTION NINE - Authority to Dis-apply Statutory Pre-emption Rights**

To consider and, if thought fit, to pass the following resolution, as a **special resolution**:

THAT, subject to the passing of resolution 8, the directors be and are hereby given power pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Act) wholly for cash pursuant to the authority conferred by resolution 8 as if section 561 (1) of the Act did not apply to the allotment provided that this power shall be limited to the allotment of equity securities for cash;

(a) In connection with or pursuant to an offer or invitation in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them at the record date for such allotment but, subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(b) In the case of the authority granted under resolution 8, and otherwise pursuant to sub-paragraph (a) of this resolution, for cash up to an aggregate nominal amount of £94,863.72.

This power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may make an offer or agreement before this authority has expired which would or might require equity securities to be allotted after this authority has expired and the directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

#### **RESOLUTION TEN - Approval of the Save as You Earn Share Option Scheme**

To consider and, if thought fit, to pass the following resolution, as an **ordinary resolution**:

THAT the Hargreaves Lansdown Save as You Earn Scheme (the SAYE Scheme), the main features of which are summarised in Appendix 1 and a copy of the rules of which is produced to the meeting and initialled by the chairman for the purposes of identification, be hereby approved and adopted and the Company's board be hereby authorised to do all acts and things which it considers necessary or desirable to carry the same into effect and to maintain the scheme.

#### **RESOLUTION ELEVEN - Approval of the Library Information Services Share Option Scheme**

To consider and, if thought fit, to pass the following resolution, as an **ordinary resolution**:

THAT the 2009 Library Information Services Limited Share Option Scheme (the LIS Option Scheme), the main features of which are summarised in Appendix 2 and a copy of the rules of which is produced to the meeting and initialled by the chairman for the purposes of identification, be hereby approved and adopted and the Company's board be hereby authorised to do all acts and things which it considers necessary or desirable to carry the same into effect and to maintain the scheme.

#### **RESOLUTION TWELVE - Approval of the Executive Joint Share Ownership Plan**

To consider and, if thought fit, to pass the following resolution, as an **ordinary resolution**:

THAT the 2009 Executive Joint Share Ownership Plan (the JSOP), the main features of which are summarised in Appendix 3 and incorporated within a pro-forma joint share ownership deed both of which are produced to the meeting and initialled by the chairman for the purposes of identification, be hereby approved and adopted and the Company's board be hereby authorised to do all acts and things which it considers necessary or desirable to carry the same into effect and to maintain the scheme.

#### **RESOLUTION THIRTEEN - Adoption of New Articles of Association**

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To consider and, if thought fit, to pass the following resolution, as a **special resolution**:

- (a) the Articles of Association of the Company be hereby amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 Companies Act 2006, are to be treated as provisions of the Company's Articles of Association; and
- (b) The Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

By order of the Board

**Simon Power | Company Secretary**

Registered in England and Wales No. 2122142



Hargreaves Lansdown Plc, Kendal House, 4 Brighton Mews, Clifton, Bristol, BS8 2NX.

27th October 2009

#### **NOTE TO RESOLUTION TWO - Approve Directors' Report on Remuneration**

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It is mandatory for all listed companies to put their report on Directors' remuneration to an advisory shareholder vote. This vote is advisory and does not affect the actual remuneration paid to any individual Director. The report on Directors' remuneration is set out in full on pages 28 to 32 of the 2009 Annual Report.

#### **NOTE TO RESOLUTION THREE - Re-appointment of Auditors**

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Deloitte LLP have expressed their willingness to continue as auditors to the Company.

#### **NOTE TO RESOLUTION FOUR - Election of Tracey Taylor FCCA - Group Finance Director**

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The Company's Articles of Association require that any directors appointed by the Board retire and seek election at the first Annual General Meeting after their appointment. Accordingly, Tracey Taylor, who was appointed on 22nd November 2008, wishes to stand for election.

##### **Biography of the Nominated Group Finance Director:**

Tracey Taylor joined Hargreaves Lansdown in 1999 and since that time her responsibilities within the Group have included systems, HR, group finance, client accounting and the Company Secretarial function. In 2001 Tracey was appointed to the role of Company Secretary and in 2006 was appointed to the role of Group Accounting Director and to the Executive Committee. In 2008 she was appointed to the Board and to the position of Group Finance Director. Tracey holds an MSc in Finance and is also a Member of the Securities & Investment Institute (MSI).

#### **NOTE TO RESOLUTION FIVE - Re-election of Jonathan Bloomer FCA – Senior Non Executive Director**

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To re-elect Jonathan Bloomer, who retires in accordance with Article 92 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Non Executive Director of the Company.

##### **Biography of the Nominated Senior Non Executive Director:**

Jonathan Bloomer became a Non Executive Director of the Company in September 2006. Jonathan is currently a partner in Cerberus European Capital Advisers LLP, Executive Chairman of Lucida Plc and Chairman of Scottish RE Group Limited. Previously, Jonathan was Chief Executive of Prudential Plc. He also spent twenty years in practice with Arthur Andersen LLP. Jonathan was Chairman of the Practitioner Panel of the FSA. His previous positions also include board membership of the Association of British Insurers, Geneva Association (International Association for the Study of Insurance Economics) and Railtrack Plc. Jonathan is also a Trustee and the Treasurer of the NSPCC.

#### **NOTE TO RESOLUTION SIX - Re-election of Michael Evans FIA – Non Executive Director**

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To re-elect Michael Evans, who retires in accordance with Article 92 of the Company's Articles of Association and who, being eligible, offers himself for re-election as a Non Executive Director of the Company, to serve as Non Executive Chairman from 1st December 2009 following Stephen Lansdown's decision to step down from his role of Executive Chairman.

##### **Biography of the Nominated Non Executive Director:**

Michael Evans became a Non Executive Director of the Company in September 2006. Michael is a qualified actuary with 27 years' industry experience. He is Non Executive Chairman of the Unitholders' Advisory Committee of the ING Real Estate Select Global Osiris Fund and also Non Executive Chairman of the Manager's Advisory Committee of the ING Real Estate Income Trust Limited and has recently completed a two year assignment as Director of Life Insurance at Pinsent Masons LLP. Michael was formerly Chief Operating Officer at Skandia UK Limited.

#### **NOTE TO RESOLUTION SEVEN – Authority to Purchase Own Shares**

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This resolution gives the directors authority to make market purchases of up to 47,431,862 ordinary shares, representing approximately 10 percent of the Company's issued ordinary share capital at 26th October 2009, being the latest practicable date prior to the publication of the Notice of Meeting. The maximum price to be paid on any exercise of the authority would not exceed 105 percent of the average of the middle market quotations for the Company's shares for the five business days immediately preceding the date on which the Company agrees to purchase the shares concerned. The authority sought will expire at the end of the next Annual General Meeting.

The directors are seeking this authority permitting the Company to purchase its own shares to provide a certain amount of flexibility. The directors have no present intention to use the authority. Any purchase of shares would only be made if the directors were satisfied that such a purchase would result in an increase in future earnings per share, after taking account of other investment opportunities, the level of borrowing and the Company's overall financial position. Any ordinary shares so purchased would be either held as treasury shares or cancelled. Implementation of any purchase would result in a reduction in the issued share capital of the Company.

#### **NOTE TO RESOLUTION EIGHT – Authority to Allot Shares**

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This resolution renews the directors' authority to allot shares. The maximum nominal value of relevant securities that may be allotted pursuant to the authority is £202,725.50 (representing 50,681,375 Ordinary Shares). This amount represents approximately 10.7 percent of the Company's issued share capital as at 26th October 2009. The authority being sought is in accordance with the guidelines of the Association of British Insurers. The directors do not have any present intention of exercising such authority and the authority will expire at the conclusion of the next Annual General Meeting.

## NOTE TO RESOLUTION NINE – Authority to Dis-apply Statutory Pre-emption Rights

This resolution renews the directors' authority to issue new shares for cash, without following the statutory pre-emption procedures, so long as the aggregate nominal amount of such issue does not exceed £94,863.72 (This aggregate nominal amount represents 5 percent of the issued share capital as at 26th October 2009) or as long as the issue is a rights issue, open offer or other pre-emptive offer, or pursuant to a scrip dividend alternative. The directors do not have any present intention of exercising such authority and this authority will expire at the end of the next Annual General Meeting. The Company intends to have regard to the Pre-emption Group guidelines in relation to any exercise of this authority. These guidelines state that, inter alia, a company should not, without prior consultation, issue more than 7.5 percent of its issued share capital on a non pre-emptive basis in any rolling three year period.

## NOTE TO RESOLUTION TEN – Approval of the Save as You Earn Share Option Scheme

The Company currently operates HM Revenue & Customs (HMRC) approved Save as You Earn (SAYE) Scheme which expired on its 10th anniversary in January 2009. All employees are invited to participate in the scheme on the same basis. It allows staff, at the end of a regular savings period, to buy shares based on the share price at the start of the savings period, up to prescribed limits. The current scheme, which was previously approved by shareholders, expired in 2009. We are therefore asking you to approve a replacement scheme. The changes to the terms of the replacement scheme simply reflect changes in the legislation and give no further benefits to employees. The main terms of the replacement scheme are summarised in Appendix 1.

## NOTE TO RESOLUTION ELEVEN – Approval of the Library Information Services Share Option Scheme

Library Information Services Limited ("LIS") is an 85 percent owned subsidiary company in the Hargreaves Lansdown Group. It provides a funds library service to a number of customers, including Hargreaves Lansdown. The Remuneration Committee has reviewed the long-term incentive plans operated for key staff and wishes to introduce a new plan focussed on the performance of LIS, by awarding options over LIS shares. It is hoped that the provision of a share incentive plan to key employees of LIS will further promote the growth and profitability of the subsidiary. The main terms of the Library Information Services Share Option Plan are summarised in Appendix 2.

## NOTE TO RESOLUTION TWELVE – Approval of the Executive Joint Share Ownership Plan

During the year the Remuneration Committee has reviewed the long-term incentive plans operated for senior executives (including executive directors) and wishes to introduce a new plan, the 2009 Executive Joint Share Ownership Plan (the JSOP). The objectives of the proposed long-term incentive arrangements are as follows:

- To provide share incentives in the most overall cost effective manner,
- To ensure that packages for the executive directors include a strong emphasis on the absolute growth in shareholder value.

Under the JSOP selected eligible employees may be granted awards, the vesting of which will be dependent upon continued employment and may be subject to Company and/or personal performance conditions measured over a period of not less than three years. The main terms of the JSOP are summarised in Appendix 3.

## NOTE TO RESOLUTION THIRTEEN – Adoption of New Articles of Association

It is proposed in resolution 13 to adopt new articles of association (the New Articles) in order to update the Company's current articles of association (the Current Articles) primarily to take account of the coming into force of the Companies (Shareholders' Rights) Regulations 2009 (the Shareholders' Rights Regulations) and the implementation of the Companies Act 2006, the final stage of which came into force on 1st October 2009.

The principal changes introduced in the New Articles are summarised in Appendix 4. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006, the Shareholders' Rights Regulations or the Uncertificated Securities Regulations 2001, or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills have not been noted in the Appendix.

The New Articles showing all the changes to the Current Articles are available for inspection at the Annual General Meeting and will be displayed within the Group's website ([www.h-l.co.uk](http://www.h-l.co.uk)) prior to the AGM.

## Notes

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

Each resolution will be decided on a show of hands unless a poll is determined in accordance with the provisions of the Articles of Association of the Company. Save for resolutions 7, 9 and 13 which are proposed as special resolutions and which will be decided by a majority of at least three-quarters of the votes cast, each proposal will be decided by a simple majority of the votes cast.

**DOCUMENTS AVAILABLE FOR INSPECTION.** The following documents will be available for inspection at the registered office of the Company, Kendal House, 4 Brighton Mews, Clifton, Bristol, BS8 2NX (registered number 2122142), during normal business hours on any weekday (Saturdays, Sundays and Bank Holidays excepted) from the date of this notice until the date of the Annual General Meeting; and on that day will be available for inspection at the place of the meeting from 11:15 a.m. to the conclusion of the meeting:

- The proposed new articles of association and the mark up of the current articles of association.
- Copies of the key features/rules of the share plans referred to in resolutions 10, 11 and 12.
- Copies of the Contracts of Service of the Executive Directors of the Company and of the letters of appointment of the Non-Executive Directors of the Company.

A copy of this AGM notice, and other information required by section 311(A) of the Act can be found at the company's website at [www.h-l.co.uk](http://www.h-l.co.uk).

**RIGHT TO ASK QUESTIONS.** Any member attending the AGM 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.

**RIGHT TO ATTEND AND VOTE:** Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has decided that only shareholders registered in the Company's shareholder register at 6.00 p.m. on 25th November 2009 (or if the meeting is adjourned, at 6.00 p.m. on the date which is two days prior to the adjourned meeting) shall be entitled to attend and vote at the meeting and only in respect of the number of shares registered in their name at that time. Changes to the shareholder register after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

**APPOINTMENT OF PROXIES:** Any shareholder entitled to attend and vote at the meeting may appoint one or more proxies to exercise any or all of his/her rights to attend, speak and vote instead of him/her. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares held by the shareholder.

A Form of Proxy is enclosed. To be effective it must be deposited at the office of the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, BN99 6ZL, by 11.30 a.m. on 25th November 2009 so as to be received not less than 48 hours before the time appointed for holding the meeting. Completion of the Form of Proxy does not preclude a shareholder from subsequently attending and voting at the meeting if he or she so wishes.

**EUROCLEAR MEMBERS:** CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting (and any adjournment thereof) by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

For a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message (regardless of whether it constitutes the appointment of a proxy or an amendment to an instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Company's agent, Equiniti (ID RA19) no later than 48 hours before the time of the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

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.

**CORPORATE SHAREHOLDERS:** Pursuant to the Company's Articles of Association, a shareholder which is a corporation and which wishes to be represented at the meeting by a person with authority to speak and vote (a "corporate representative") must appoint one or more corporate representatives by resolution of its directors, who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

**JOINT SHAREHOLDERS:** In the case of joint shareholders the vote of the senior who tenders a vote, whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

**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 her/him and the shareholder by whom she/he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, she/he 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 the paragraph headed "Appointment of Proxies", above, does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

**VOTING RIGHTS:** As at 5pm on 26th October 2009 (being the last day prior to publication of this notice), the Company's issued share capital comprised 474,318,625 ordinary shares of 0.4p each carrying one vote each. Therefore, the total number of voting rights in the Company as at 26th October 2009 is 474,318,625.

**WEBSITE PUBLICATION OF AUDIT CONCERNS.** Shareholders should note that it possible that under section 527 of the Act, pursuant to requests made by members of the Company meeting the threshold requirements under that section, the Company may be required to publish on its website a statement setting out any matter relating to; (i) the audit of the Company's accounts (including the auditors's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.

**ELECTRONIC COMMUNICATIONS.** Any website or electronic address (within the meaning of section 333(4) of the act Act) provided either in this Notice of Annual General Meeting or in the related documents (including the chairman's letter and the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

## Appendix 1

Summary of the principal terms of the Hargreaves Lansdown Save as You Earn Share Option Plan (the SAYE scheme)

The summary below does not form part of the rules of the SAYE scheme and should not be taken as affecting the interpretation of its detailed rules.

**Introduction** - The 1999 SAYE scheme expired in 2009, and it is proposed that it is replaced by the 2009 SAYE scheme. The rules of the SAYE scheme have been updated for legislative changes only, and confer no greater benefits on the employees than the scheme it is replacing.

**Eligibility** - A participant in the 2009 SAYE scheme must be an employee or officer of the Company or any of its subsidiaries (together, the "Group"), and must have been an employee of the Group for at least 2 years at the date of grant. Participants must be subject to tax under section 15-21 ITEPA 2003. The scheme is open to all eligible employees on the same terms.

**Timing of share awards** - No options may be granted under the SAYE scheme more than 10 years after its adoption by the Board. No option may be granted within a closed period.

**Savings contract** - All options must be linked to a savings contract entered into by each participant with a building society or bank. Under current HMRC regulations participants may save for 3 or 5 years and contribute between £5 and £250 per month (subject to scaling down if aggregate applications exceed the number of Ordinary Shares to be made available). No participant may save a cumulative of greater than £250 per month under any number of SAYE schemes. The number of Ordinary Shares over which a participant is granted an option will be the number which can be acquired at the exercise price with the accumulated savings plus the terminal bonus.

**Exercise price** - The exercise price cannot be less than the higher of the nominal value of an Ordinary Share and 80 percent of the market value of an Ordinary Share on the day on which invitations are issued (where 'market value' shall be the lower of (i) the mid-market closing price on the dealing day preceding the date that invitations are issued and (ii) the average of the mid-market closing price on the three dealing days preceding the date that invitations are issued, in either case, as derived from the London Stock Exchange Daily Official List).

**Voting, dividend and other rights** - Participants will have no voting or dividend rights in respect of the Ordinary Shares under option until the options are exercised. Options are non-transferable and non-pensionable.

**Leaving employment with the Group** - If an employee leaves before the exercisable date of the option by reason of death, disability, ill health, retirement or re-

dundancy he becomes entitled to exercise his option and purchase the pro-rated number of shares to which he would be fully entitled to. If a participant leaves before the exercisable date of the option for any other reason, the employee forfeits the right to purchase shares under the scheme.

**Takeover, reconstruction or winding-up** - Special provisions allow early exercise in the event of a change in control, reconstruction or winding-up of the Company. Alternatively, options may, by agreement with the acquiring Company, be rolled over into equivalent options over ordinary shares in the acquiring Company.

**Overall limit** - Not more than 10 percent of the Company's issued Ordinary Share capital may be placed under option under the 2009 SAYE scheme and any other share option plan in any ten year period.

**Amendment of the SAYE scheme** - The 2009 SAYE scheme may be amended by the Board of Directors. No amendment may be made to the rules of the 2009 SAYE scheme if it would adversely affect the rights of participants.

The prior approval of the Company in general meeting will be required for amendments to the advantage of participants or potential participants to the key provisions of the 2009 SAYE scheme.

Minor amendments to benefit the administration of the 2009 SAYE scheme, to take account of legislation or to obtain or maintain favourable tax, exchange control, or regulatory treatment may, however, be made without the approvals set out above where such amendments do not alter the basic principles of the 2009 SAYE scheme.

No amendment to the 2009 SAYE scheme shall take effect without the prior approval of HMRC where it is required.

## Appendix 2

Summary of the principal terms of the Library Information Services Share Option Plan (the LIS Option Scheme)

The summary below does not form part of the rules of the scheme and should not be taken as affecting the interpretation of its detailed rules.

**Introduction** - Library Information Services Limited ("LIS") is an 85 percent owned subsidiary Company within the Hargreaves Lansdown Group. It provides a funds library service to a number of customers, including Hargreaves Lansdown. It is hoped that the provision of a share incentive plan to key employees of LIS will further promote the growth of the Company, which will, in turn, lead to it becoming profit making.

The Board of Directors of Hargreaves Lansdown Plc will be responsible for granting options to and operating the scheme with regard to Executive Directors of LIS. The Board of LIS is responsible for granting options to and operating the scheme with regard to all other employees.

**Eligibility** - A participant in the scheme must be an employee or officer of LIS, and will be selected for inclusion in the scheme by the Board of Directors.

**Timing of share awards** - No options may be granted under the scheme more than 10 years after the scheme's adoption by the Board. No option may be granted within a closed period. Awards shall only be granted during either a period of the 30 days following the date of approval of the LIS Option Scheme by shareholders at the AGM, or a period commencing on the sixth dealing day after the date of announcement to the London Stock Exchange of the annual or halfyearly results of Hargreaves Lansdown Plc and ending 42 days following the date of the relevant announcement.

**Structure of awards** - Options over ordinary shares in LIS may be granted under the scheme as market value options. The options will have a vesting period of between nil and 5 years, and may be subject to performance conditions. No payment will be required for the grant of an award. Options will not be transferable except on death nor will they be pensionable.

**Exercise price** - The exercise price will not be less than the higher of the nominal value of an Ordinary Share and the market value of an Ordinary Share on the day on which invitations are issued. Market value will be agreed with HM Revenue & Customs.

**Leaving employment with the Group** - If an employee leaves before the exercisable date of the option by reason of death, disability, ill health, retirement or redundancy he becomes entitled to exercise his option. If a participant leaves before the exercisable date of the option for any other reason, the employee forfeits the right to his option.

**Voting, dividend and other rights** - Participants will have no voting or dividend rights in respect of the Ordinary Shares under option until the options are exercised. Options are non-transferable and non-pensionable.

**Takeover, reconstruction or winding-up** - Special provisions allow early exercise in the event of a change in control, reconstruction or winding-up of LIS. Alternatively, options may, by agreement with the acquiring company, be rolled over into equivalent options over ordinary shares in the acquiring company.

**Overall limit** - The Company may issue shares for the purposes of making LIS Option Scheme Awards. However, the number of shares that may be issued or placed under option under the LIS Option Scheme or any other LIS employee share plan in any 10 year period may not exceed such number of shares as represents 10 percent of the ordinary shares in issue from time to time. The number of shares that may be issued or placed under option under the LIS Option Scheme or any other LIS executive share plan in any 10 year period may not exceed such number of shares as represents 5 percent of the ordinary shares in issue from time to time.

**Amendment of the scheme** - The scheme may be amended by the Board, however, no amendment may be made to the rules of the scheme if it would adversely affect the rights of participants, or give them substantially greater rights than under the scheme currently. Minor amendments to benefit the administration of the scheme, to take account of legislation or to obtain or maintain favourable tax, exchange control, or regulatory treatment may, however, be made without the approvals set out above where such amendments do not alter the basic principles of the scheme. Where such approval is required, no amendment to the scheme shall take effect without the prior approval of HMRC.

## Appendix 3

The summary below shows only the key features of the JSOP and should not be taken as affecting the interpretation each Joint Share Ownership Deed ("Agreement").

**Operation and eligibility** - The Remuneration Committee of the board of directors of the Company (the "Committee") will supervise the operation of the JSOP. A Participant in the JSOP must be an employee or officer of the Company or any of its subsidiaries (together, the "Group"). Actual participation in the JSOP will be at the discretion of the board of directors of the Company (the "Board") or, in the case of executive directors, the Committee.

**Timing of share awards** - No JSOP Awards may be made more than ten years after the passing of the resolution of shareholders approving the JSOP. No award may be granted within a closed period. Awards shall only be made during either a period of the 42 days following the date of approval of the JSOP by shareholders at the AGM, or a period commencing on the sixth dealing day after the date of announcement to the London Stock Exchange of the annual or halfyearly results of the Company and ending 42 days following the date of the relevant announcement.

**Structure of a JSOP award** - The Committee will invite selected employees to enter into a joint acquisition Agreement with a "Co-Owner" to acquire a number of ordinary shares in the capital of the Company. Unless regulatory requirements dictate otherwise, the Co-Owner will usually be an employee benefit trust

("EBT") established by the Company. The acquisition agreement, which will take the form of a "Joint Share Ownership Deed" will set out the respective rights of the two joint purchasers. For legal purposes, the shares will be held in the name of the Co-Owner, however the Agreement will give the Participant a beneficial interest in those shares. Provided any performance targets set have been met, the beneficial interest conferred will entitle the Participant to receive a proportion of the proceeds of sale of the shares. Their entitlement will be to receive all sale proceeds in excess of a threshold amount.

The threshold amount will be fixed by the Committee when a JSOP Award is made. It will be set at not less than the market value of the shares at the time of acquisition. It may be set at more than the market value of the shares at the date of acquisition. In normal circumstances, the Participant would therefore benefit from growth in value in the shares after acquisition. On sale, the Co-Owner will be entitled to the balance of the proceeds from the sale.

There are some important differences between a JSOP and a share option. The JSOP requires that the Participant acquire a restricted beneficial interest in shares from the outset. They will be required to pay a nominal value for that interest at the date of award, rather than making payment at the date of realisation of the award as would be the case for an option. However, in common with an option, the JSOP will reward the Participant for growth in share value; it will not be transferable and will not confer dividend rights on Participants. The Participants will be able to vote their shares in limited circumstances only. Performance targets based on personal or corporate performance may be set on individual JSOP awards. If Participants fail to meet performance targets set, the Co-Owner may exercise its right to require the Participant to sell the shares and to receive a proportionally lower share of the proceeds than the Participant would otherwise be entitled to.

The Award is non-transferable.

**Leaving employment with the Group** - If a Participant leaves:

- at any time by reason of death, disability, ill health, retirement, redundancy, if the business or subsidiary in which she/he is employed is sold outside the Group or if she/he is dismissed without reasonable cause (to be determined by the Remuneration Committee), the Co-Owner may exercise its right to require the Participant to sell her/his JSOP interest. In these circumstances, the price would be determined as the excess of market value of a whole share in excess of the threshold value.

- at any time for any other reason, the Co-Owner will have the right to require the Participant to sell her/his interest within a period specified by the Co-Owner, at a price equal to the price paid by the Participant for her/his interest, reduced proportionally if the Award Shares have fallen in value.

**Change in Participant's circumstances** - In the event of a Participant being adjudicated bankrupt, the Co-Owner will immediately require the Participant to sell her/his interest in the shares.

**Change of Control or other corporate event** - In the event of a change of control of the Company (as defined in the Agreement) all of the Award Shares shall become vested provided any performance targets have been satisfied on a pro rata basis.

**Realising the value of a JSOP Award** - From the time when a JSOP Award is made, the employee and the Co-Owner will together own the JSOP Award shares on unequal terms. At any time after the awards have vested the Participant may ask the Co-Owner to jointly sell her/his holdings of Shares. If the Shares have not been sold after 10 years from the date of grant of the Award, or within 1 year of the Award vesting, whichever is later, the Co-Owner can require the Participant to sell the shares. A Participant may be required to exchange her/his beneficial interests for an equivalent value of whole shares.

**Company reorganisations and reconstructions** - If there is a reorganisation or reconstruction which results in a new holding of shares which are equated with the original holding for capital gains tax purposes, the shares or other securities comprised in the new holding shall be held subject to the terms of the Agreement.

**Individual Participant Limits** - The Committee may issue awards under the JSOP to members of the executive team for incentivisation purposes. However, such awards will be limited in value such that the initial value of shares acquired jointly with the Co-owner under the award will not exceed 300% of a Participant's gross annual salary. This limit is to be determined by reference to the initial value of the Participant's interest, not the whole shares acquired. The limit may be amended by the Remuneration Committee.

**Overall Limits on the Issue of Shares** - The Company may issue shares for the purposes of making JSOP Awards. However, the number of shares that may be issued or placed under option under the JSOP or any other employee share plan in any 10 year period may not exceed such number of shares as represents 10 percent of the ordinary shares in issue from time to time. The number of shares that may be issued or placed under option under the JSOP or any other executive share plan in any 10 year period may not exceed such number of shares as represents 5 percent of the ordinary shares in issue from time to time. Award Shares will be sourced from the existing issued share capital of the Company to avoid dilution of share capital, however these shares so sourced will continue to count towards these limits for so long as this is required by institutional investor guidelines.

**Amendment of the JSOP** - The Committee may amend the JSOP as they consider necessary or appropriate, provided that any amendment does not conflict in any material respect with the above summary. However, the provisions relating to the eligibility of Participants, and the basis for adjusting a Participant's entitlement to interests in shares if there is a variation of capital, cannot be altered to the advantage of Participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the JSOP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants in the JSOP or for any member of the Group).

## Appendix 4

Summary of the proposed changes to the Company's current Articles of changes Association (the "Current Articles")

It is proposed in resolution 13 to adopt new articles of association (the New Articles) in order to update the Current Articles primarily to take account of changes in English company law brought about by the Companies Act 2006 (the 2006 Act).

The outline below is intended to be a summary of the proposed amendments to the Current Articles. The principal changes introduced in the New Articles are summarised in this Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the 2006 Act have not been noted in the Appendix. The full terms of the New Articles showing all the changes to the Current Articles are available for inspection at the registered office of the Company or within the investor relations section of the Group website ([www.h-l.co.uk](http://www.h-l.co.uk)).

**General** - Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills.

**The Company's objects** - The provisions regulating the operations of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities which the Company is authorised to undertake. Under the 2006 Act, the objects clause and all other provisions which are currently contained in the Company's memorandum (except for those regarding the names of the subscribers and the number of subscriber shares) will be deemed to be transferred to and contained in the Company's articles of association, with the effect that existing objects clauses will continue to restrict the Company's capacity. Such restrictions can, however, be removed by special resolution. The Company is therefore proposing a special resolution to remove the object clauses and all other provisions deemed to be transferred to the New Articles. With such clauses consequently being absent from the New Articles, the objects of the Company will be unrestricted. As the effect of this resolution will also be to remove the statement in the memorandum of association regarding the limited liability of the Company's shareholders, the New Articles also contain an express statement that the liability of each shareholder is limited.

**Authorised share capital and unissued shares** - The 2006 Act abolishes the requirement for a Company to have an authorised share capital and the new Articles of Association reflect this. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the 2006 Act, save in respect of employee share schemes.

**Change of name** - Previously, the Company can only change its name by special resolution. Under the 2006 Act a company will be able to change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

**Redeemable shares** - At present, if a company wishes to issue redeemable shares, it must set out in its articles the terms and manner of redemption. The 2006 Act removes this restriction and enables directors to determine such matters instead, provided they are so authorised by the articles. The New Articles contain this authority. It should be noted, however, that if the Company issues redeemable shares it will still need the shareholders to authorise any such issue (though not redemption) in the usual way.

**Authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital** - The Current Articles specifically enable the Company, with shareholder approval, to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves. This is because the previous legislation required such enabling provisions to be set out in the Articles. Under the 2006 Act, the requirement for these provisions to be set out in the articles is removed and instead, the Company will require only shareholder authority to do any of these things. Consequently, the relevant enabling provisions have been removed from the New Articles.

**Form of resolution** - References to extraordinary resolutions within the Current Articles have been removed as the concept of extraordinary resolutions has not been retained under the 2006 Act. The Current Articles also enable members to act by written resolution. Under the 2006 Act, public companies can no longer pass written resolutions. These provisions are therefore obsolete and have been removed from the New Articles.

**Votes of members** - The New Articles reflect provisions of the 2006 Act whereby proxies are entitled to vote on a show of hands. Under the Current Articles proxies are only entitled to vote on a poll. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may also be appointed. All of these provisions are reflected in the New Articles.

The Shareholders' Rights Regulations have amended the Act so that it now provides each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New articles remove provisions in the Current Articles dealing with proxy voting on the basis that these are dealt with in the Act and contain a provision clarifying how the provision of the Act giving a proxy a second vote on a show of hands should apply to discretionary authorities.

The New Articles remove the provision giving the chairman a casting vote in the event of an equality of votes as this is no longer permitted under the Act.

A provision has been included in the New Articles to clarify that there is no obligation on the Company to check that a proxy or corporate representative is voting in accordance with instructions. This follows the instruction of a new section in the Act which requires a proxy to vote in accordance with instructions.

**Vacation of office by directors** - The New Articles include updated provisions regarding the circumstances in which directors must vacate their office in order to reflect the approach taken on mental and physical incapacity by the Department for Business, Enterprise and Regulatory Reform (BERR).

**Conflicts of interest** - The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. The New Articles contain detailed provisions relating to conflicts of interest.

Under the 2006 Act a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another Company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The 2006 Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position. There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict.

First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

**Records to be kept** - The provision in the Current Articles requiring the directors to keep accounting records has been removed as this requirement is contained in the 2006 Act.

**Variation of class rights** - The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are now contained in the 2006 Act. The relevant provisions have therefore been amended in the New Articles to reflect the 2006 Act.

**Suspension of registration of share transfers** - The Current Articles permit the directors to suspend the registration of transfers by closing the Company's share register. Under the 2006 Act, however, share transfers must be registered as soon as practicable. Accordingly, this power has been removed from the New Articles.

**Notice of board meetings** - Under the Current Articles, when a director is abroad he can request that notice of directors' meetings are sent to him at a specified address and if he does not do so he is not entitled to receive notice while he is away. This provision has been removed and replaced with a more general provision that a director is treated as having waived his entitlement to notice, unless he supplies the Company with the information necessary to ensure that he receives notice of a meeting before it takes place.

**Use of seals** - A company currently requires authority in its articles to have an official seal for use abroad. Under the 2006 Act such authority is no longer required and accordingly the relevant authorisation has been removed in the New Articles. The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve.

**Distribution of assets otherwise than in cash** - The Current Articles contain provisions dealing with the distribution of assets in kind in the event of the Company going into liquidation. These provisions have been removed from the New Articles on the grounds that a provision about the powers of liquidators is a matter for insolvency law rather than the articles and that the Insolvency Act 1986 confers powers on the liquidator which would enable it to do what is envisaged by the Current Articles.

**Directors' indemnities and loans to fund expenditure** - The 2006 Act has in some areas widened the scope of the powers of a Company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a Company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the Company's activities as trustee of the scheme. In addition, the existing exemption allowing a Company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated Companies. The New Articles reflect these extended powers.