

Notice of Annual General Meeting

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Please see notes on page 4 for a brief explanation of each of the proposed resolutions.

Notice is hereby given that the annual general meeting of Panmure Gordon & Co. plc (the "Company") will be held at Moorgate Hall, 155 Moorgate, London EC2M 6XB on Monday, 23 May 2011 at 2.00 pm for the following purposes:

Ordinary business

To consider and, if thought fit, pass the following resolutions numbered 1 to 6 (inclusive) as ordinary resolutions:

1. To receive the Company's financial statements together with the reports of the directors and auditors for the year ended 31 December 2010.
2. To re-elect Simon Heale, who retires by rotation, as a director of the Company.
3. To re-elect Tim Linacre, who retires by rotation, as a director of the Company.
4. To re-appoint KPMG Audit Plc as auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next meeting at which the accounts are to be laid.
5. To authorise the directors to agree the remuneration of the auditors.
6. To approve the directors' remuneration report for the year ended 31 December 2010.

Special business

To consider and, if thought fit, pass the following resolutions of which resolution 7 will be proposed as an ordinary resolution and resolutions 8 and 9 will be proposed as special resolutions.

Ordinary resolution

7. Authority to allot shares

That, in substitution for all existing authorities granted to the directors in respect of the allotment of relevant securities but without prejudice to the proper exercise of such authorities, the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 561 of the Act) up to an aggregate nominal amount of £1,969,308 provided that such authority shall expire at the end of the annual general meeting of the Company in 2012 save that the Company may, before such expiry, make an offer or agreement which would, or might, require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

Special resolutions

8. Authority to disapply pre-emption rights

That, subject to, and conditional upon, the passing of resolution 7, the directors be empowered, pursuant to section 570 of the Act, to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 7 as if section 561 of the Act did not apply to such allotment but without prejudice to the prior exercise of such authorities, provided that this power shall be limited to the allotment of equity securities:

- (a) in connection with an offer of such securities by way of rights to holders of ordinary shares, open for acceptance for a fixed period by the directors on a fixed record date, in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange in any territory; and
- (b) otherwise than pursuant to sub-paragraph 8(a) above, up to an aggregate nominal amount of £590,792;

and shall expire at the end of the annual general meeting of the Company in 2012, save that the Company may, before such expiry, make an offer or agreement which would, or might, require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 560(3) of the Act as if in the first paragraph of this resolution the words "pursuant to the authority conferred by resolution 7" were omitted.

9. Authority to purchase own shares

That the Company be generally and unconditionally authorised, in accordance with section 693 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 4p each in the capital of the Company ("Ordinary Shares") on such terms as the directors think fit, and where such shares are held as treasury shares, the Company may use them for the purposes set out in section 727 of the Act, including for the purpose of its employee share schemes, provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 14,769,813 Ordinary Shares (representing 10% of the Company's issued share capital);
- (b) the minimum price, exclusive of expenses, which may be paid for each Ordinary Share is 4p;
- (c) the maximum price, exclusive of any expenses, which may be paid for each Ordinary Share is an amount equal to the higher of: (a) 105 per cent of the average of the middle market quotations for Ordinary Shares, as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the Ordinary Share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003; and
- (d) the authority hereby conferred shall, unless previously revoked or varied, expire at the end of the annual general meeting of the Company in 2012 except in relation to the purchase of Ordinary Shares the contract for which was concluded before the expiry of this authority and which will or may be executed wholly or partly after such expiry.

By order of the board

Sarah Wigley
Company Secretary
7 April 2011

Notes

1. Only holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend, vote and speak at the meeting. A member so entitled may appoint (a) proxy(ies), who need not be (a) member(s), to attend, speak and vote on his/her behalf. A form of proxy is enclosed with this notice.
2. To be effective, a completed and signed form of proxy and any power of attorney under which it is signed (or a notarially certified copy of such power of attorney) must be lodged with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY (tel: 0870 707 1236), by 2.00 pm on Thursday, 19 May 2011. Completion and return of a form of proxy will not preclude a shareholder from attending and voting at the meeting in person.
3. Pursuant to article 123.2 of the articles of association of the Company, only those members registered on the Register of Members of the Company not later than 48 hours before the time of the meeting (or, if the meeting is adjourned, those members registered on the Register of Members of the Company not later than 48 hours before the time fixed for the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend or vote at the AGM.
4. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the Register of Members will be accepted to the exclusion of other joint holders.
5. 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(s) thereof by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment 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's specifications and must contain the information required for such instructions, as described in the CREST Manual (www.euroclear.com/CREST). The message must be transmitted so as to be received by the issuer's agent (ID 3RA50), by 2.00 pm on Thursday, 19 May 2011. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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

The 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 (as amended). Please refer to the CREST Manual at www.euroclear.com/CREST.

Explanatory Notes

To the Notice of Annual General Meeting

Resolution 1 – Report and accounts

The directors are required to lay the accounts for the year ended 31 December 2010 before a general meeting.

Resolutions 2 and 3 – Re-appointment of directors

The articles of association of the Company require one third of the directors to retire at each annual general meeting. Simon Heale and Tim Linacre will retire by rotation and seek re-election.

Resolution 4 – Re-appointment of auditors

The Company is required to appoint auditors at each annual general meeting to hold office until the next general meeting at which accounts are presented. It is proposed that the Company's current auditors, KPMG Audit Plc, be re-appointed.

Resolution 5 – Remuneration of auditors

It is proposed that the directors be authorised to agree the remuneration of the auditors.

Resolution 6 – Remuneration report

In the interests of good corporate governance, the members of the Company are invited to approve the directors' remuneration report for the year ended 31 December 2010.

Resolution 7 – Authority to allot shares

The Company requires the flexibility to allot equity securities from time to time. Accordingly, this resolution seeks to grant the directors authority to allot equity securities up to an aggregate nominal amount of £1,969,308, being approximately one-third of the Company's issued share capital. If granted, such authority would expire at the end of the annual general meeting of the Company in 2012. Save in respect of the issue of new Ordinary Shares pursuant to the employee share schemes, the directors currently have no plans to allot relevant securities but the directors believe it to be in the interests of the Company for the board to be granted this authority to enable the board to take advantage of appropriate opportunities which may arise in the future.

Resolution 8 – Authority to disapply pre-emption rights

This resolution seeks to disapply the pre-emption rights provisions of section 561 of the Companies Act 2006 in respect of the allotment of equity securities pursuant to rights issues and other pre-emptive issues and in respect of other issues of equity securities for cash up to an aggregate nominal value of £590,792, being approximately 10% of the issued ordinary share capital. If given, this power will expire at the same time as the authority referred to in resolution 7. The directors consider this power desirable due to the flexibility afforded by it. They have no present intention of issuing any equity securities pursuant to this disapplication.

Resolution 9 – Authority to purchase own shares

The articles of association of the Company provide that the Company may from time to time purchase its own shares subject to any conditions imposed by law. Such purchases must be authorised by the shareholders at a general meeting. This resolution seeks to grant (until the end of the annual general meeting of the Company in 2012) the directors authority to purchase the Company's own shares up to a maximum of 10% of the issued share capital. In proposing this resolution, the directors consider that it is in the best interests of the Company and its shareholders that the directors should maintain the ability to make market purchases of the Company's own shares.