

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION TO BE TAKEN YOU SHOULD CONSULT AN INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000, OR AN OTHERWISE APPROPRIATELY QUALIFIED PERSON IMMEDIATELY. IF YOU HAVE SOLD OR TRANSFERRED ALL OF YOUR ORDINARY SHARES IN CLARKSON PLC, YOU SHOULD SEND THIS DOCUMENT, AND THE ENCLOSED FORM OF PROXY TO THE BANK, STOCKBROKER OR OTHER AGENT THROUGH WHOM THE SALE WAS EFFECTED FOR TRANSMISSION TO THE PURCHASER OR TRANSFEREE.



Notice of annual general meeting

Notice is hereby given that the thirty-ninth annual general meeting (“**AGM**”) of the members of Clarkson PLC (the “**Company**”) will be held at St. Magnus House, 3 Lower Thames Street, London EC3R 6HE on Friday 9 May 2014 at 12 noon to transact the business set out below.

This document should be read in conjunction with the Annual Report and Accounts in respect of the year ended 31 December 2013. This Notice of AGM and the Annual Report and Accounts are available on our website, www.clarksons.com. Your Board considers that the proposals set out in this Notice of AGM are in the best interests of the Company and its shareholders and recommends that you should vote in favour of all resolutions.

Resolutions 11 to 13 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary Business

1. To receive the accounts of the Company for the financial year ended 31 December 2013, together with the reports of the directors and of the auditors on those accounts.

Note to resolution 1:

The directors must present the Annual Report and Accounts for the year ended 31 December 2013. The report of the directors, the accounts and the report of the Company’s auditors on the accounts and on those parts of the directors’ remuneration report that are capable of being audited are contained within the annual report and accounts.

2. To receive and approve the annual statement by the chairman of the remuneration committee and the annual report on remuneration (excluding the directors’ remuneration policy referred to in Resolution 3 below), which may be found on pages 39 and 46 to 53 of the annual report and accounts for the financial year ended 31 December 2013.

Note to resolution 2:

Resolution 2 presents the annual statement by the chairman of the remuneration committee and the annual report on remuneration for the year ended 31 December 2013 to the members at the AGM. The annual statement provides a summary of the remuneration report while the annual report on remuneration gives details of your directors’ remuneration for the year ended 31 December 2013 and sets out the way in which the Company will implement the policy on directors’ remuneration. The Company’s auditors, PricewaterhouseCoopers LLP, have audited those parts of the annual report on remuneration capable of being audited and their report may be found on pages 57 to 59 of the annual report and accounts. The vote on the annual statement and the annual report on remuneration is advisory in nature in that payments made or promised to directors will not have to be repaid, reduced or withheld in the event that this resolution is not passed.

3. To receive and approve the directors’ remuneration policy, which may be found on pages 39 to 45 of the annual report and accounts for the financial year ended 31 December 2013, such directors’ remuneration policy to take effect from immediately after the end of the AGM.

Note to resolution 3:

Resolution 3 is a new resolution and has been introduced following changes to the Companies Act 2006 (the “**2006 Act**”) which came into force on 1 October 2013. Under these changes, the Company is now required to present the directors’ remuneration policy to members for separate approval at the AGM. The directors’ remuneration policy sets out the Company’s proposed policy on directors’ remuneration and is set out in the Annual Report and Accounts for the year ended 31 December 2013 which are available on our website. The vote on the directors’ remuneration policy is binding in nature in that the Company may not make a remuneration payment or payment for loss of office to a person in connection with holding office as a director of the Company unless that payment is consistent with the approved directors’ remuneration policy, or has otherwise been approved by a resolution of members. A remuneration policy will be put to members again no later than the Company’s AGM in 2017.

4. To declare a final dividend of 37 pence per ordinary share of 25 pence each in respect of the year ended 31 December 2013, making with the interim dividend of 19 pence per ordinary share already paid, a total dividend for the year of 56 pence per ordinary share.

Note to resolution 4:

A final dividend can only be paid after it has been approved by the members at a general meeting. If approved, the dividend will be paid on 6 June 2014 to members on the register at the close of business on 23 May 2014.

5. In accordance with article 111 of the Company’s articles of association, to re-elect Mr J D Woyda who retires by rotation, as an executive director of the Company.

Note to resolution 5:

Jeff Woyda was appointed a director of the Company on 1 November 2006. Having qualified with KPMG, Jeff spent 13 years at GNI where he was Chief Operating Officer and a member of the Gerrard Group plc Executive Committee. Jeff then spent time in the software industry with Membertrack and Immersive Education. The Board considers that Jeff’s performance continues to be effective and demonstrates commitment to the role. Accordingly, the Board unanimously recommends Jeff’s re-election, which will take effect at the conclusion of the meeting.

6. In accordance with article 111 of the Company’s articles of association, to re-elect Mr E W Warner who retires by rotation, as a non-executive director of the Company.

Note to resolution 6:

Ed Warner was appointed as a director of the Company on 27 June 2008 and is chairman of the remuneration committee and a member of the audit and nomination committees. He is chairman of investment bank Panmure Gordon, derivatives exchange LMAX and the Standard Life European Private Equity Trust plc. He is a non-executive director of Grant Thornton UK LLP, a leading accountancy and advisory practice, and the Blackrock Commodities Income Investment Trust plc. He was previously chief executive of IFX Group PLC and of Old Mutual Financial Services UK, Head of Pan European Equities at BT Alex Brown, and head of global research at Dresdner Kleinwort Benson. He is chairman of UK Athletics, the sport’s governing body.

The Board considers that Ed’s performance continues to be effective and demonstrates commitment to the role, including his commitment of time for Board and committee meetings. The Board is content that Ed is independent in character and there are no relationships or circumstances likely to affect his character or judgement. Accordingly, the Board unanimously recommends Ed’s re-election, which will take effect at the conclusion of the meeting.

7. In accordance with article 118 of the Company’s articles of association, to elect Mr P Backhouse as a non-executive director of the Company.

Note to resolution 7:

Peter Backhouse was appointed as a non-executive director of the Company on 16 September 2013, and as Senior Independent Director on 5 November 2013. Having been appointed by the Board, in accordance with the Company’s articles of association, he holds office only until the first AGM following his appointment. He now stands for election by members.

Peter is a non-executive director at BG Group plc, the international energy company, and is a member of the advisory board of US private equity firm, Riverstone Energy Partners. Peter has 40 years of experience in the international energy business and considerable experience in international gas development. Former appointments include: chairman and chief executive of BP Europe; executive vice-president of global refining and marketing, head of North Sea oil development and head of mergers and acquisitions at BP PLC.

The Board believes this information is sufficient to enable members to make an informed decision on Peter’s election. In reviewing the recommendations of the Nomination Committee concerning this election, the Board concluded that Peter is independent in character and there are no relationships or circumstances likely to affect his character or judgement and that he will make effective and valuable contributions to the Board and will demonstrate commitment to the role. Accordingly, the Board unanimously recommends Peter’s election, which will take effect from the conclusion of the meeting.

8. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid.

Note to resolution 8:

The auditors of a company must be re-appointed at each general meeting at which accounts are laid. Resolution 8 proposes the re-appointment of the Company's existing auditors, PricewaterhouseCoopers LLP, until the conclusion of the next general meeting of the Company at which accounts are laid.

9. To authorise the directors of the Company to agree the remuneration of the auditors.

Note to resolution 9:

Resolution 9 gives authority to the directors to determine the auditors' remuneration.

Special Business

10. That:

- (a) the directors be and are hereby generally and unconditionally authorised pursuant to Section 551 of the 2006 Act to:

- (i) allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:

(A) up to a maximum aggregate nominal amount of £1,582,058; and

(B) comprising equity securities (as defined in the 2006 Act) up to a maximum aggregate nominal amount of £3,164,115 (including within such limit any shares issued or rights granted under paragraph (A) above) in connection with an offer by way of a rights issue:

(I) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and

(II) to people who are holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities;

and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;

such authority to expire on the conclusion of the AGM of the Company in 2015 (or, if sooner, 15 months from the date of passing this resolution) but to be capable of previous revocation or variation from time to time by the Company in a general meeting and of renewal from time to time by the Company in a general meeting for a further period not exceeding one year; and

- (ii) make any offer or agreement before the expiry of the authority conferred by this resolution that would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after this authority has expired and the directors may allot shares and grant rights in pursuance of any such offer or agreement as if this authority had not expired; and

- (b) the authority conferred by this resolution shall be in substitution for and to the exclusion of all and any previous authorities given to the directors pursuant to Section 551 of the 2006 Act but without prejudice to the continuing authority of the directors to allot shares, or grant rights to subscribe for or convert any security into shares, pursuant to an offer or agreement made or entered into by the Company before the expiry of the authority pursuant to which such offer or agreement was made.

Note to resolution 10:

The Directors may only allot shares or grant rights to subscribe for, or convert any security into shares if authorised to do so by the Company's members. The authority conferred on the directors at last year's AGM under Section 551 of the 2006 Act to allot shares expires on the date of the forthcoming AGM. Paragraph (A) of Resolution 10 seeks to grant a new authority under Section 551 of the 2006 Act to authorise the directors to allot shares (including treasury shares) in the Company or grant rights to subscribe for, or convert any security into shares in the Company up to a maximum nominal amount of £1,582,058, equivalent to approximately one-third of the Company's existing issued ordinary share capital (excluding treasury shares) as at 24 March 2014, being the latest practicable date prior to publication of this notice. In accordance with the latest institutional guidelines published by the Association of British Insurers, paragraph (B) of Resolution 10 will also authorise the directors to allot, including the shares referred to in paragraph (A), further ordinary shares in connection with a pre-emptive offer to existing members by way of a rights issue (with exclusions to deal with fractional entitlements to shares and overseas members to whom the rights issue cannot be made due to legal and practical problems) up to a maximum aggregate nominal amount of £3,164,115. This amount represents approximately two-thirds of the Company's existing issued share capital (excluding treasury shares) as at 24 March 2014, being the latest practicable date prior to publication of this Notice. This authority will expire on the conclusion of the AGM of the Company next year. The Board has no present intention to exercise this authority. However it is considered prudent to maintain the flexibility that this authority provides. The Company's directors intend to renew this authority annually. As at 24 March 2014, being the latest practicable date before the publication of this Notice, the Company held no shares in treasury.

11. That the directors be and are hereby generally empowered pursuant to Section 570 and Section 573 of the 2006 Act, subject to and conditional upon the passing of resolution 10 above, and in place of all existing powers, to allot equity securities (as defined in the 2006 Act) for cash, pursuant to the authority conferred by resolution 10 above, as if Section 561(1) of the 2006 Act did not apply to any such allotment. This power:

- (a) shall expire on the conclusion of the AGM of the Company in 2015 (or, if sooner, 15 months from the date of passing this resolution) unless previously renewed, varied or revoked by the Company in a general meeting;
- (b) shall enable the Company to make any offer or agreement before such power expires that would or might require equity securities to be allotted after such power expires and the directors may allot equity securities in pursuance of any such offer or agreement as if the power hereby conferred had not expired;
- (c) shall be limited to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 10(a)(i)(B) above, by way of a rights issue only):
 - (i) to ordinary members in proportion (as nearly as may be practicable) to their existing holdings; and
 - (ii) to people who hold other equity securities, if this is required by the rights of those securities, or, if the directors consider it necessary, as permitted by the rights of those securities,and so that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (d) in the case of the authority granted under resolution 10(a)(i)(A) above, shall be limited to the allotment of equity securities for cash otherwise than pursuant to paragraph (c) up to a maximum aggregate nominal amount of £237,309.

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 2006 Act as if in the first paragraph of this resolution the words "pursuant to the authority conferred by resolution 10 above" were omitted.

Note to resolution 11:

Pursuant to Section 561(1) of the 2006 Act, an allotment of equity securities must first be offered to existing members in proportion to their existing holdings, unless this disapplication of this requirement has been authorised by the members. Resolution 11 seeks to grant a new authority under Section 570 and 573 of the 2006 Act to authorise the directors to allot ordinary shares, or grant rights to subscribe for, or convert securities into ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) otherwise than to existing members pro rata to their existing holdings. This power was last granted at the 2013 AGM until the conclusion of the 2014 AGM.

If approved, other than in connection with a rights issue or any other pre-emptive offer concerning equity securities, the authority contained in Resolution 11 will be limited to the issue of shares for cash up to an aggregate nominal value of £237,309 (which includes the sale on a non pre-emptive basis of any shares held in treasury) which represents approximately 5 per cent. of the Company's issued ordinary share capital as at 24 March 2014, being the latest practicable date prior to the publication of this Notice. In accordance with the Pre-emption Group's Statement of Principles, the Board confirms its intention that no more than 7.5 per cent. of the issued share capital (excluding treasury shares) will be issued for cash on a non pre-emptive basis during any rolling three year period.

Resolution 11 seeks a disapplication of the pre-emption rights on a rights issue so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which, for example, might arise with overseas members. The directors intend to renew this authority annually.

As at 24 March 2014, being the latest practicable date before the publication of this Notice, the Company held no shares in treasury.

12. That the Company is hereby generally and unconditionally authorised for the purposes of Section 701 of the 2006 Act to make one or more market purchases (as defined in Section 693(4) of the 2006 Act) on the London Stock Exchange of ordinary shares of 25p each of the Company provided that:
- (a) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 1,898,469 (representing 10 per cent. of the Company's issued ordinary share capital at the date of this notice);
 - (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 25p;
 - (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share will not be more than the price permitted by the Listing Rules of the UK Listing Authority at the time of purchase (which is currently the higher of an amount equal to 105 per cent. of the average of the middle market quotations of an ordinary share of the Company as derived from the Daily Official List of the London Stock Exchange for the 5 business days immediately preceding the day on which such share is contracted to be purchased and an amount equal to the higher of (i) the price of the last independent trade of an ordinary share and (ii) the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System ("SETS"));
 - (d) unless previously renewed, revoked or varied, this authority shall expire on the conclusion of the AGM of the Company in 2015 (or, if sooner, 15 months from the date of passing this resolution); and
 - (e) under this authority the Company may make a contract or contracts to purchase ordinary shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares in pursuance of any such contract or contracts as if this authority had not expired.

Note to resolution 12:

The directors consider that it would be appropriate and that it would promote the success of the Company for the benefit of its members as a whole to seek authority to make market purchases of its ordinary shares on the London Stock Exchange up to a limit of 10 per cent. of its issued ordinary share capital. The maximum and minimum prices are stated in Resolution 12. Any ordinary shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to a share scheme. The Board has no present intention to exercise the authority to purchase the Company's ordinary shares but will keep the matter under review taking into account the overall financial position of the Company. The authority will be exercised only if the directors believe that to do so would be likely to promote the success of the Company for the benefit of its members as a whole. As at 24 March 2014, being the last practicable date prior to the publication of this Notice, there were options over 591,222 ordinary shares in the capital of the Company which represent 3.11 per cent. of the Company's issued ordinary share capital at that date. If the authority to purchase the Company's ordinary shares was exercised in full, these options would represent 3.46 per cent. of the Company's issued ordinary share capital. It is the Board's intention to seek to renew the authority at the next AGM and to make such renewal part of the regular business of the AGM.

13. That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

Note to resolution 13:

The 2006 Act provides that the minimum notice period for general meetings of the Company is 21 clear days unless members approve a shorter notice period. The passing of Resolution 13 would enable the Company to call general meetings (other than AGMs) on a minimum of 14 clear days' notice. It is intended that the shorter notice period would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of members as a whole. The Company undertakes to meet the requirements for electronic voting under the Companies (Shareholders' Rights) Regulations 2009 before calling a general meeting on 14 clear days' notice. If given, the approval will be effective until the Company's next AGM.

14. That the aggregate maximum level of ordinary remuneration permitted to be paid to the non-executive directors of the Company per annum, pursuant to article 142 of the Company's articles of association, be and is hereby increased from £400,000 to £500,000.

Note to resolution 14:

Article 142 of the Company's articles of association provide that the ordinary remuneration of the non-executive directors of the Company shall not exceed in aggregate £400,000 per annum or such higher sum as is determined by ordinary resolution of the Company. The purpose of Resolution 14 is to increase this maximum aggregate limit to £500,000 per annum. The limit was last increased when the Company's articles of association were updated in 2010.

The proposed cap of £500,000 will provide flexibility to respond to competitive and market conditions in structuring the fees of individual directors and ensure that there is adequate headroom for future appointments to the Board.

15. That the rules of the Clarkson 2014 Long Term Incentive Plan (the "LTIP") produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the directors be authorised to:

- (a) make such modifications to the LTIP as they may consider appropriate to take account of the requirements of best practice and for the implementation of the LTIP and to adopt the LTIP as so modified and to do all such other acts and things as they may consider appropriate to implement the LTIP; and
- (b) establish further plans based on the LTIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the LTIP.

16. That the rules of the Clarkson 2014 Share Option Plan (the "SOP") produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the directors be authorised to:

- (a) make such modifications to the SOP as they may consider appropriate to take account of the requirements of HMRC and for the implementation of the SOP and to adopt the SOP as so modified and to do all such other acts and things as they may consider appropriate to implement the SOP; and
- (b) establish further plans based on the SOP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the SOP.

Note to resolution 15 and 16:

The Company's existing Long Term Incentive Plan will shortly reach the end of its ten year life. Consequently, the Remuneration Committee of the Company has undertaken a full scale review of the Company's long-term incentive provision and has determined that two new plans should be established in 2014 to replace the existing Long Term Incentive Plan: the 2014 Long Term Incentive Plan, under which both performance-related free share awards and deferred shares relating to annual bonus may be granted; and the 2014 Share Option Plan, under which both tax-favoured and non tax-favoured share options may be granted. Whilst executive directors may participate in the 2014 Share Option Plan, there is currently no intention for them to do so.

The Remuneration Committee believes that the new plans will result in a strategically-focused equity-based long-term incentive provision that will create a genuinely strong alignment of interests between management and members.

Resolutions 15 and 16 therefore seek members' approval to introduce the new share incentive plans to replace the existing Long Term Incentive Plan. The new plans will share many of the features of the Long Term Incentive Plan but have been updated to reflect current legislation, best practice and corporate governance requirements. The main terms of the new plans are summarised in the Appendix to this Notice.

By order of the Board

Penny Watson
Secretary

1 April 2014

Registered office:
St. Magnus House
3 Lower Thames Street
London EC3R 6HE

Notes

1 Entitlement to attend and vote

The right to attend and vote at the meeting is determined by reference to the Company's register of members. Only a member entered in the register of members at 12 noon on 7 May 2014 (or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting) is entitled to attend and vote at the meeting and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

2 Proxies

A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend, speak and vote at the meeting in his stead. A proxy need not be a member of the Company. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.

As an alternative to completing and returning the printed proxy form, you may submit your proxy electronically by accessing www.investorcentre.co.uk/eproxy. For security purposes, members will need to provide their control number, shareholder reference number (SRN) and personal identification number (PIN) to validate the submission of their proxy online. Members' individual control, SRN and PIN numbers are shown on the printed proxy form. For further information, see the instructions printed on the proxy form. You may not use any electronic address provided in this notice of meeting to communicate with the Company for any purposes other than those expressly stated. If a member wishes to appoint more than one proxy, the member should contact the Computershare Contact Centre on telephone number 0870 707 1055. In any case your proxy form must be received by the Company's registrars no later than 12 noon on Wednesday, 7 May 2014 (or, if this meeting is adjourned, 48 hours before the time of any adjourned meeting).

To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent (ID number 3RA50) by 12 noon on Wednesday, 7 May 2014 (or, if this meeting is adjourned, 48 hours before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual. We may treat a proxy appointment sent by CREST as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Completion and return of a proxy form, or electronic proxy appointment, or any CREST proxy instruction will not prevent you from attending and voting at the meeting, if you wish. Further details of the appointment of proxies are given in the notes to the proxy form enclosed with this pack.

3 Signing Procedures

In the case of joint holders, (i) only one needs to sign, and (ii) the vote of the senior holder who tenders a vote, whether in person or by proxy or (in the case of a corporation) by an authorised representative, will alone be counted. For this purpose seniority will be determined by the order in which the names appear in the register of members in respect of the joint holding. If the form of proxy is signed by someone else on your behalf, the power of attorney or any other authority under which it is signed (or a duly certified copy of such power of authority) must be included with the proxy form.

4 Corporate representatives

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

5 Nominated persons

Any person to whom this notice is sent who is a person nominated under Section 146 of the 2006 Act to enjoy information rights (a "Nominated Person") should note that the provisions in Notes 2 and 3 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member do not apply to a Nominated Person as only members have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between him/her and the member by whom he/she was nominated to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right, or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

6 Total number of shares and voting rights

As at 24 March 2014 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consisted of 18,984,691 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 24 March 2014 are 18,984,691.

7 Members' requests under Section 527 of the 2006 Act

Under Section 527 of the 2006 Act, members meeting the threshold requirements set out in that Section have the right to require the Company to publish a statement on a website setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor'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 last AGM.

The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under Section 527 of the 2006 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 2006 Act to publish on a website.

8 Members' rights to ask questions

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: (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

9 Inspection of documents

Copies of (i) all directors' service contracts and letters of appointment with the Company or its subsidiaries; (ii) the rules of the Clarkson 2014 Long Term Incentive Plan; and (iii) the rules of the Clarkson 2014 Share Option Plan are available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the close of the AGM on 9 May 2014, and also on the date and at the place of the meeting for at least 15 minutes prior to and during the AGM.

10 Website

A copy of this notice and other information required by Section 311A of the 2006 Act, can be found at www.clarksons.com.

APPENDIX

Summary of the principal terms of the Clarkson 2014 Long-Term Incentive Plan (the “LTIP”) and the Clarkson 2014 Share Option Plan (the “SOP”) (together, the “Plans”)

This Appendix describes the unique features of each Plan and then describes those features which are common to both Plans.

1. Principal terms of the LTIP

Grant of awards

The remuneration committee of the Board of directors of the Company (the “**Committee**”) may grant awards to acquire ordinary shares in the Company (“**Shares**”) within six weeks following the Company’s announcement of its results for any period. The Committee may also grant awards within six weeks of shareholder approval of the LTIP or at any other time when the Committee considers there are exceptional circumstances which justify the granting of awards.

The Committee may grant awards as conditional shares, nil (or nominal) cost options or as restricted shares. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards or to satisfy share-based awards in cash, although it does not currently intend to do so.

The Committee may grant Performance Awards and/or Deferred Awards under the LTIP, the terms of which are described in more detail below.

It is currently intended that the first Performance Awards will be made to executive directors shortly following adoption of the LTIP and that the first Deferred Awards will be made in 2015, subject to eligible employees receiving a bonus.

Performance Awards

Performance Awards are awards granted under the Plan which are not linked to annual bonus (“**Performance Awards**”). Specific terms applying to Performance Awards are described below.

Individual limit

An employee may not receive Performance Awards in any financial year over Shares having a market value in excess of 150 per cent. of his annual base salary in that financial year. In exceptional circumstances, such as recruitment or retention, this limit is increased to 200 per cent of an employee’s annual base salary.

It is the Committee’s current intention that, in line with current policy, executive directors will receive Performance Awards of 150 per cent. of salary.

Performance conditions

The Committee will impose performance conditions on the vesting of all Performance Awards granted to executive directors of the Company.

Performance Awards made to executive directors in 2014 will be subject to two performance conditions measured over a period of three financial years: one-half of an award will be based on the Company’s earnings per share (“**EPS**”) performance in the 2016 financial year; and the other half of the award will be subject to a sliding scale of relative total shareholder return (“**TSR**”) targets, measured against the constituent companies of the FTSE SmallCap Index (excluding investment trusts).

The extent to which initial Performance Awards will vest is as follows:

EPS performance condition applying to one-half of the total number of Shares held under an initial Performance Award	
Company's EPS for the financial year ending on 31 December 2016	Percentage of one-half of an initial Performance Award that vests
Less than 120 pence	0%
120 pence	25%
160 pence or more	100%
Between 120 pence and 160 pence	Between 25% and 100% on a straight-line basis

TSR performance condition applying to one-half of the total number of Shares held under an initial Performance Award	
Rank of the Company's TSR against the TSR of the members of the comparator group	Percentage of one-half of an initial Performance Award that vests
Below median	0%
Median	25%
Upper quartile	100%
Between median and upper quartile	Between 25% and 100% on a straight-line basis

The Committee can set different performance conditions for executive directors of the Company from those described above for future Performance Awards provided that, in the reasonable opinion of the Committee, the new targets are not materially less challenging in the circumstances than those described above.

The Committee may set different or no performance conditions for participants who are not executive directors.

The Committee may vary any performance conditions applying to existing Performance Awards if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Vesting of Performance Awards

Performance Awards granted to executive directors normally vest three years after grant. Performance Awards granted to employees outside of this population may vest at such time set by the Committee.

Performance Awards will vest to the extent that any applicable performance conditions have been satisfied and provided the participant is still employed in the Company's group. Performance Awards in the form of nil (or nominal) options will normally be exercisable up to the tenth anniversary of grant unless they lapse earlier.

Leaver rules applying to Performance Awards

As a general rule, a Performance Award will lapse upon a participant ceasing to hold employment or be a director within the Company's group. However, if a participant ceases to be an employee or a director because of his death, ill-health, injury, disability, retirement, redundancy, his employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Committee ("**good leaver circumstances**"), then he will be entitled to keep his Performance Award, as described below. In good leaver circumstances other than death and ill-health, Performance Awards will normally vest on the date when it would have vested if the employee had not ceased employment or office.

The extent to which a Performance Award will vest in these situations will depend upon two factors:

- (i) the extent to which any performance conditions have been satisfied on the normal vesting date (i.e. at the time they would have been assessed had the participant not ceased employment or office); and
- (ii) the pro-rating of the Performance Award to reflect the reduced period of time between its grant and vesting, although the Committee can decide not to pro-rate a Performance Award if it regards it as inappropriate to do so in the particular circumstances.

The Committee can decide that the employee's Performance Award will vest on the date of cessation, subject to: (i) any applicable performance conditions measured at that time; and (ii) pro-rating by reference to the time of cessation as described above.

In the case of the employee's death or ill-health, his Performance Award will vest on the date of cessation, subject to any applicable performance conditions measured at that time. Time pro-rating will not apply in these circumstances.

Takeover or winding up of the Company

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation), Performance Awards will vest early subject to the extent that any performance conditions applying to Performance Awards have been satisfied at that time. To the extent that any applicable performance conditions have been met, the Committee will consider whether to time pro-rate the Performance Awards (unless previously contractually agreed that time pro-rating will not apply).

Deferred Awards

In order to participate in the deferral part of the LTIP, an employee must receive a discretionary cash bonus ("**bonus**"). In normal circumstances, the bonus will relate to all or part of the immediately preceding financial year; however, in exceptional circumstances, the bonus may be awarded for other reasons (e.g. recruitment). If the employee receives such a bonus, all or a proportion of the total gross bonus will be deferred into shares ("**Deferred Award**").

Specific terms applying to Deferred Awards are described below.

Individual limit

There is no limit on the market value of the Shares subject to a Deferred Award that may be granted to an employee in any financial year as the Deferred Awards are linked to the bonus received.

Vesting of Deferred Awards

Deferred Awards will vest at such time set by the Committee. In line with current practice under the expiring Long Term Incentive Plan, the Committee's current intention is for Deferred Awards to vest four years after grant provided the participant is still employed in the Company's group. Deferred Awards will not be subject to performance conditions.

Deferred Awards in the form of nil (or nominal) options will normally be exercisable up to the tenth anniversary of grant unless they lapse earlier.

Leaver rules applying to Deferred Awards

As a general rule, a Deferred Award will lapse upon a participant ceasing to hold employment or be a director within the Company's group. However, if a participant ceases to be an employee or a director in a good leaver circumstance (as described under '*Performance Awards*' above), his Deferred Award will vest in full on the employee's cessation of employment.

Takeover or winding up of the Company

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation), Deferred Awards will vest early and in full.

General provisions applying to Performance Awards and Deferred Awards

Dividend equivalents

Unless the Committee determines otherwise, participants will receive a payment (in cash and/or Shares) on or shortly following the settlement of their awards, of an amount equivalent to the dividends that would have been paid on those Shares between the time when the awards were granted and the time when they vest. This amount may assume the reinvestment of dividends.

Dividend equivalents do not apply to awards in the form of restricted Shares under the terms of which a Participant is entitled to receive dividends.

Internal reorganisation or demerger

In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover as described above.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

Variation of capital

In the event of any variation of the Company's share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the Shares, the Committee may make such adjustment as it considers appropriate to the number of Shares subject to an award and/or the exercise price payable (if any).

2. Principal terms of the SOP

General

The SOP is divided into two parts, both of which are identical in all material respects unless otherwise indicated in this summary. Part A is intended to be approved by HM Revenue & Customs ("HMRC") so that options granted under it may qualify for beneficial tax treatment in the UK. Part B will be used to grant non-tax favoured options.

Grant of options

The Committee may grant options to acquire Shares within six weeks following the Company's announcement of its results for any period. The Committee may also grant options within six weeks of shareholder approval of the SOP or at any other time if the Committee considers there are exceptional circumstances which justify the granting of options.

Individual participation

An employee may not receive options in any financial year over Shares with a market value exceeding 150 per cent. of his annual base salary in that financial year. In exceptional circumstances, such as recruitment or retention, this limit is increased to 200 per cent. of an employee's annual base salary.

Under Part A of the SOP, the aggregate market value of Shares at the date of grant subject to unexercised HMRC approved options granted by the Company shall not exceed £30,000 (or such other limit as may from time to time apply under the relevant legislation) per employee.

Option price

The price per Share payable upon exercise of an option will not be less than:

- (a) the middle-market price of a Share on the London Stock Exchange on the dealing day immediately before the date of grant (or such other dealing day(s) as the Committee may decide); and
- (b) if the option relates only to new issue Shares, the nominal value of a Share.

Performance conditions

The Committee will impose performance conditions on the exercise of all options granted to executive directors of the Company. There is currently no intention to grant options to executive directors under the SOP.

The Committee may set different or no performance conditions for participants who are not executive directors.

The Committee may vary any performance conditions applying to existing options if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Exercise of options

Options granted to executive directors of the Company will normally become capable of exercise three years after grant. Options granted outside of this population may become capable of exercise at such time set by the Committee.

Options will become exercisable to the extent that any performance conditions have been satisfied and provided the participant remains employed in the Company's group. Options will lapse on the day before the tenth anniversary of the date of grant or after such shorter period as determined by the Committee at the time of grant.

Shares will be allotted or transferred to participants within 30 days of exercise.

The Committee can decide to satisfy Part B options which are not tax-advantaged by the payment of a cash amount or by delivering Shares equal in value to the gain made on the exercise of the option.

Leaving employment

As a general rule, an option will lapse upon a participant ceasing to hold employment or be a director within the Company's group. However, if a participant ceases to be an employee or director in the Company's group by reason of his death, ill-health, injury, disability, redundancy, retirement, TUPE transfer, his employing company or the business for which he works being sold out of the Company's group or in other circumstances at the discretion of the Committee, then his option will become exercisable on the date of his cessation and remain exercisable for a limited period thereafter.

The extent to which an option will become exercisable in these situations will depend upon the extent to which any performance conditions have been satisfied by reference to the date of cessation.

Corporate events

In the event of a takeover or winding up of the Company (not being an internal corporate reorganisation) all options will become exercisable early and remain exercisable for a limited period. The extent to which options will become exercisable in these situations will depend upon the extent to which any performance conditions have been satisfied by reference to the date of the corporate event.

In the event of an internal corporate reorganisation, options will be replaced by equivalent new options over shares in a new holding company unless the Committee decides that options should become exercisable on the basis which would apply in the case of a takeover as described above.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that options will vest on the basis which would apply in the case of a takeover as described above.

Variation of capital

In the event of any variation in the Company's share capital, the Committee may make such adjustment as it considers appropriate to the number of Shares under option and the price payable on the exercise of an option. However, no adjustment may be made to tax-advantaged options granted under Part A of the SOP without the prior approval of HMRC.

Options granted under Part B of the SOP which are not tax-advantaged may also be adjusted in the event of a demerger, special dividend or other similar event which materially affects the market price of Shares.

3. Principal terms common to the Plans

Operation

The Committee will supervise the operation of the Plans.

Eligibility

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to participate in the Plans at the discretion of the Committee.

Grant of LTIP awards/SOP options

An LTIP award/SOP option may not be granted more than 10 years after shareholder approval of the Plans.

No payment is required for the grant of an LTIP award/SOP option. LTIP awards/SOP options are not transferable, except on death. LTIP awards/SOP options are not pensionable.

Overall Plan limits

LTIP awards/SOP options may be satisfied using new issue Shares, treasury Shares or Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than:

- (a) 10 per cent of the issued ordinary share capital of the Company under the Plans and any other employee share plan adopted by the Company; and
- (b) 5 per cent of the issued ordinary share capital of the Company under the Plans and any other executive share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of these limits unless institutional investors decide that they need not count.

Participants' rights

LTIP awards/SOP options will not confer any shareholder rights until the awards have vested or the options have been exercised and the participants have received their Shares. Holders of LTIP awards of restricted Shares will have shareholder rights from when the awards are made (except they may be required to waive their rights to receive dividends).

Rights attaching to Shares

Any Shares allotted when an LTIP award vests or an SOP option is exercised under the Plans will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Clawback

The Plans contain clawback provisions which apply to LTIP awards and Part B non-tax favoured options granted to executive directors. Under these provisions, the LTIP awards and/or Part B non-tax favoured options may be subject to clawback within a set period from the date of vesting if the Committee determines that there has been a material misstatement of the Company's financial results or an error in assessing any applicable performance conditions. The Committee may require the satisfaction of the clawback by reducing future incentive compensation, including but not limited to the amount of any unpaid bonus, the number of shares under a vested but unexercised LTIP award/Part B option and/or a requirement to make a cash payment.

Alterations to the Plans

The Committee may, at any time, amend the provisions of the Plans in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired and the adjustment of awards/options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

Prior shareholder approval will also not be required for any amendment to performance conditions applying to a Performance Award/SOP option granted under the Plans.

No alteration to a key feature of Part A of the SOP may be made without the approval of HMRC.

Overseas Plans

The shareholder resolutions to approve the Plans will allow the Board of directors, without further shareholder approval, to establish further plans for overseas territories, any such plan to be similar to the relevant Plan, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the relevant Plan.