

**PRIVATE & CONFIDENTIAL**

11 February 2010

Lord Myners  
Financial Services Secretary to The Treasury  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ

16 FEB 2010

*Dear Lord Myners,*

In response to your letter of 28 January, Jupiter considers that implementation of sustainable remuneration policies by banks is an important issue for all stakeholders. Jupiter maintains a robust conversation with all boards when we view compensation policies as excessive. We have engaged with banks on remuneration through meetings, teleconferences or written correspondence with the Chairmen of their Boards and Remuneration Committees and Chief Executive Officers. With regard to specific details of our engagement, we prefer that this remains a matter between ourselves and the companies (and our respective clients) as it is more likely to be effective and in the interests of what you are asking us, as shareholders, to undertake. However, where we considered it appropriate, Jupiter has made its views public.

Jupiter will continue to carefully review the Remuneration Reports of banks as to their policies, salary increases, bonus payments and incentive awards grants prior to issuing voting instructions. If Jupiter considers that remuneration practices are inconsistent with sustainable remuneration policies, we will vote against the Remuneration Report. In addition, we will also consider voting against members of the Remuneration Committee who are standing for re-election. We believe that shareholders' interests would be best served if the Chairmen of Remuneration Committees, or at the very least one member of the Remuneration Committee, had to stand for re-election annually.

*Yours sincerely,*  
*Edward Bonham Carter*

Edward Bonham Carter  
Chief Executive Officer

cc: John Chatfeild-Roberts, Chief Investment Officer