

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from an independent professional adviser authorised under the Financial Services and Markets Act 2000 or another appropriately authorised independent financial adviser.

If you have sold or transferred all your Ordinary Shares, please forward this document, together with the enclosed form of proxy, as soon as practicable to the purchaser or transferee, or to the stockbroker, bank or other person through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Terms used in this document shall have the meanings set out in Appendix 2.



Arden Partners plc

Proposed new Arden Partners share plan

Notice of an extraordinary general meeting of Arden Partners plc to be held at Nicholas House, 3 Laurence Pountney Hill, London EC4R 0EU at 11.00am on 7 August 2007 is set out at the end of this document. The enclosed form of proxy for use at the meeting should be completed and returned in accordance with the instructions stated on it to the Company's registrars, Capita Registrars, Proxies, 34 Beckenham Road, Beckenham BR3 4BZ, as soon as possible but in any event so as to be received no later than 5.00pm on 3 August 2007. Completion and return of a form of proxy will not preclude a Shareholder from attending the meeting and voting in person.

Arden Partners plc

(Registered in England and Wales: Number 4427253)

Directors:

Sir David Rowe-Ham - *Non Executive Chairman*
Tony Bartlett - *Chief Executive Officer*
Trevor Norris - *Group Finance Director and Company Secretary*
Jonathan Keeling - *Executive Director*
Philip Dayer - *Non Executive Director*
Grahame Whateley - *Non Executive Director*

Registered Office

Arden House
Highfield Road
Edgbaston
Birmingham
B15 3DU

20 July 2007

To: Shareholders and, for information only, to the holders of options or awards over Ordinary Shares

Dear Shareholder

New Arden Partners Share Plan

The Board of Directors of the Company propose the adoption of the Arden Partners Share Plan 2007 ("APSP 2007") at the forthcoming Extraordinary General Meeting to be held on 7 August 2007 at 11.00am.

Remuneration policy

Arden Partners exists in an environment where bonuses and share options are an essential feature used to attract, motivate and retain high quality individuals. Whilst the Company has an existing share option scheme the Board of Directors wish to put in place a new scheme to deliver the potential for high incentives linked to the delivery of shareholder value. It believes that this new scheme is appropriate for the Company's business. In order to help implement this policy, and in common with many other companies particularly within the financial services industry, the Company wishes to have the capacity to make long term incentive awards mainly in the form of conditional shares, rather than share options. The Board believes that nominal value awards are less dilutive to existing shareholders than option awards and that imposing performance parameters further aligns the interests to those of senior employees to shareholders.

The proposed new share plan, the APSP 2007, is intended to be used as the main long term incentive plan of the Company. The existing Arden Partners 2006 Share Option Scheme, which has not been utilised thus far, will be cancelled.

Key features of the New Arden Partners Share Plan

The key features of the proposed APSP 2007 are set out below. Further details are contained in Appendix 1 to this document.

Participation in the APSP 2007, which is to be administered by the Remuneration Committee ("the Committee") is intended to be available to executive directors and selected senior management.

The APSP 2007 will allow for the grant of awards in the form of conditional shares, or nil or nominal price options over Ordinary Shares, with a face value of up to a maximum of £500,000 for any qualifying individual in any year except where the Committee determines that an award in excess of this level should be made to any individual in exceptional circumstances, in which case the award will not exceed 2.0 per cent of issued ordinary share capital of the Company. The Committee proposes that the individual limit should be structured in this way in order to provide the capacity to implement the intended strong shareholder-executive alignment within a low fixed remuneration but high incentive culture.

Awards will not normally vest prior to the third anniversary of the date of grant. In exceptional circumstances, such as strategic recruitment situations, awards in part or whole, may have shorter vesting periods, with a minimum of one year. In such circumstances the Company expects to consult the views of major shareholders.

In any ten year period not more than 15.0 per cent of the issued ordinary share capital of the Company from time to time may be issued or issuable pursuant to rights acquired under the APSP 2007 and any other employees' share plans adopted by the Company. For the purposes of this limit, awards which were granted prior to the Company's admission to AIM are excluded. The Company is proposing a level higher than that set out in the ABI Guidelines in order to be able to attract a number of individuals to drive significant growth in earnings. The Remuneration Committee proposes this 15% dilution limit as it believes that it will also complement strong shareholder-executive alignment within the intended remuneration culture.

APSP 2007 awards will normally vest only if stretching performance conditions are satisfied over a three year period. Performance conditions will be determined by the Remuneration Committee at the time of grant. It will take into account such matters as: the Company's circumstances; shareholder expectations pertaining at that time; and the economic and business environment. In exceptional circumstances such as strategic recruitments, performance conditions other than continued employment may be waived for part or all of an award. Given that the scheme is intended to attract individuals across a multi-disciplinary culture and performing different roles, it is not possible to be prescriptive of the conditions other than to say the individual must be accretive. The following are examples of the areas where performance criteria would normally form part of an individual's targets. Clearly these will not all be relevant to each individual:

- EPS growth
- Commission income generated
- Corporate fees generated
- Brokership gains

The proposed rules of the APSP 2007 are available for inspection at the Company's registered office, Arden House, Highfield Road, Edgbaston, Birmingham B15 3DU from the date of this letter to the conclusion of the Extraordinary General Meeting and at the place of the meeting itself for at least 15 minutes prior to and during the meeting.

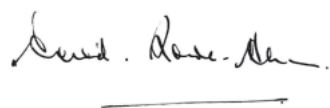
Your Board is also asking Shareholders to authorise it to (i) make minor amendments to the APSP 2007 as may be necessary in the future to benefit the administration of the APSP 2007, and (ii) to adopt further plans for the benefit of employees in the group outside the United Kingdom as may be necessary in the future. To fall within such authorisation, any such plans would need to be in substantially the same form as the APSP 2007.

The notice of Extraordinary General Meeting set out at the end of this document contains a resolution that:

1. proposes the adoption of the APSP 2007;
2. authorises the Board to make any minor amendments as may be necessary to benefit the administration of the APSP 2007 in the future; and
3. authorises the adoption of further plans for the benefit of non-UK Group employees.

Your Board, having taken appropriate advice from an external recruitment consultant – Deloitte & Touche LLP, believes that the proposal for the adoption of the APSP 2007 is in the best interests of the Company and its Shareholders. It therefore recommends that you vote in favour of the resolution to be proposed at the Extraordinary General Meeting, as each member of your Board intends to do in respect of their own beneficial holdings amounting to 3,874,498 Ordinary Shares (representing approximately 15.7 per. cent of the issued ordinary share capital).

Yours faithfully



Sir David Rowe-Ham
Chairman

APPENDIX 1

New Arden Partners Share Plan

The principal features of the New Arden Partners Share Plan ("APSP 2007") are outlined below.

Operation

The APSP 2007 will be administered by the Remuneration Committee (the "Committee") and will have sole responsibility for the grant of any awards to Executive Directors. In the remainder of Appendix 1, the term 'the Committee' will refer to the administering body.

The APSP 2007 is discretionary and will only operate in those years and for those qualifying individuals that the Committee from time to time determines. Currently, it is expected that consideration will be given to making awards on an annual basis.

Eligibility

Any employee or executive director of the Group, will be eligible to participate in the APSP 2007 at the discretion of the Committee.

Grant of awards

Awards, in the form of conditional awards of Ordinary Shares or options over Ordinary Shares with a nil or nominal exercise price may be granted within the six weeks following the date on which the APSP 2007 is adopted by the Company. Thereafter, awards may normally only be granted in the six weeks following the announcement by the Company of its results for any period, or following a change in the legislation relating to share plans or where there are circumstances considered by the Committee to be exceptional. Awards may also be granted outside these periods in connection with the commencement of an eligible employee's employment if this is appropriate. However, at all times, the grant of awards will be subject to the terms of the Model Code for transactions in securities by directors.

Awards may also be granted in the form of Enterprise Management Incentive Scheme ("EMI") options over Ordinary Shares with a nil or nominal exercise price, which will have the same terms as other awards, except to the extent necessary to keep them within the EMI legislation.

No awards may be granted later than ten years after the approval of the APSP 2007 by Shareholders.

Awards may be granted over newly issued Ordinary Shares and Ordinary Shares purchased in the market in conjunction with an employee benefit trust established by the Company.

The Committee may determine that the number of Ordinary Shares subject to an award shall, at vesting, increase by such number of Ordinary Shares as could have been acquired by reinvesting the dividends which would otherwise have been received on those Ordinary Shares during the vesting period.

No, or nominal, payment will be required for the grant of an award. Awards are not transferable (other than on death) without the consent of the Committee. Awards will not be pensionable.

Individual limits

No employee may be granted an award under the APSP 2007 in any financial year over Ordinary Shares worth more than £500,000, unless the Committee determines that exceptional circumstances exist which justify exceeding this limit, in which case the award will not exceed 2.0 per cent of the issued ordinary share capital of the Company. In applying this limit no account will be taken of any Ordinary Shares representing notional reinvestment of dividends on awards.

Limits on the issue of shares

The APSP 2007 is subject to the following overall limit on the number of new Ordinary Shares which may be subscribed. In any ten year period not more than fifteen per cent of the issued ordinary share capital of the Company from time to time

may be issued or issuable pursuant to rights acquired under the APSP 2007 and any other employees' share plans adopted by the Company.

For the purposes of this limit, awards or other rights to acquire Ordinary Shares which lapse or have been released or which were granted prior to the Company's admission to AIM are excluded. However, Ordinary Shares subscribed by the trustees of an employee benefit trust to satisfy rights granted under any employees' share plans adopted by the Company and Ordinary Shares transferred from treasury do count towards these limits.

Vesting of awards

Subject to the performance conditions having been satisfied, awards will normally vest and (in the case of options) become capable of exercise on the third anniversary of the date of grant. In exceptional circumstances, awards may in part or whole, have shorter vesting periods, with a minimum of one year.

Thereafter, subject to the participant discharging any relevant tax liability and to the provisions of the Model Code, options may be exercised at any time in part or in full before the tenth anniversary of the date of grant of the award.

Performance conditions

It is normally intended that the vesting of awards will be subject to performance conditions which will be determined by the Remuneration Committee at the time of grant. In exceptional circumstances, performance conditions, other than continued employment, may be waived for part or whole of an award.

Prior to making any award, the Committee will consider the performance conditions that are to be applied to ensure they are appropriate for the Company and the prevailing competitive market. The conditions may be varied in certain circumstances following the grant of an award so as to achieve their original purpose but not so as to make their achievement any more or less difficult to satisfy.

Leavers

If a participant leaves employment by reason of death, injury, disability, redundancy, retirement or the sale of the business for which he works to a third party, a proportion of an award will vest (and in the case of options) become capable of exercise, depending on the time which has elapsed between the grant of that award and the date of leaving and the extent to which performance conditions have been satisfied at that date. Alternatively, the Committee may determine that an award will vest (and in the case of options) become capable of exercise on its original vesting date, depending on the time which has elapsed between the grant of that award and the date of leaving and the extent to which performance conditions have been satisfied at the vesting date.

If a participant ceases to be an employee of a Group company for any other reason, his award will normally lapse unless and to the extent the Committee decides otherwise.

Change of Control

In the event of a takeover, reconstruction or winding up of the Company, a proportion of an award will vest (and in the case of options) become capable of exercise depending on the time which has elapsed between the grant of that award and the change of control and the extent to which performance conditions have been satisfied at that date.

Alternatively, awards may be exchanged for new equivalent awards where appropriate. In this case the performance conditions will continue unless the Committee determines otherwise.

Rights attaching to shares

Ordinary Shares allotted or transferred under the APSP 2007 will rank equally with all other Ordinary Shares for the time being in issue (except for rights attaching to such Ordinary Shares by reference to a record date prior to the vesting of an award or exercise of an option). The Company will apply for the admission to AIM of any new Ordinary Shares allotted under the APSP 2007.

The Committee may also satisfy awards in cash or other assets provided the participant receives the same economic value as would have been provided by an award over Ordinary Shares.

Variation of Capital

In the event of any variation of share capital, demerger or other corporate event the Committee may make such adjustments as they consider appropriate to the number of shares subject to awards.

Alterations to the APSP 2007

The APSP 2007 may at any time be altered by the Board in any respect. However, any alterations to the advantage of participants to the rules governing eligibility, limits on participation and the number of new shares available under the APSP 2007, terms of vesting and adjustment of awards must be approved in advance by Shareholders in general meeting unless the alteration or addition is minor in nature and made to benefit the administration of the APSP 2007, to comply with the provisions of any existing or proposed legislation (including EMI legislation) or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Group companies.

Overseas Employees

The Committee may grant awards to overseas employees on different terms so as to take account of relevant overseas tax, securities or exchange control laws provided that the awards are not overall more favourable than the terms of awards granted to other employees.

APPENDIX 2

DEFINITIONS

In this document, the following words and expressions shall, except where the context otherwise requires, have the following meanings:

“Board”	the board of directors of the Company, whose names and functions are set out on page 2 of this document (and including a duly authorised committee of the directors)
“Company”	Arden Partners plc
“Group”	the company and, where applicable, its subsidiaries, Arden Partners EBT Limited and Arden Partners Nominees Limited
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company
“Remuneration Committee” or “Committee”	the remuneration committee of the Board
“Shareholder”	a holder of Ordinary Shares

Arden Partners plc

(Registered in England and Wales: Number 4427253)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at Nicholas House, 3 Laurence Pountney Hill, London EC4R 0EU on 7 August 2007 at 11.00am, for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution.

ORDINARY RESOLUTION

1. THAT:

- (a) the rules of the New Arden Partners Share Plan ("the APSP 2007") the principal features of which are summarised in Appendix 1 to the Chairman's letter contained in the document of which this notice forms part (a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification) be and are hereby approved and adopted and the directors of the Company be and are hereby authorised to do all things necessary or expedient to carry the APSP 2007 into effect; and
- (b) subject to the rules of the APSP 2007, the directors of the Company be and are hereby authorised to make such alteration or addition to the APSP 2007 as may be necessary in order to benefit the administration of the APSP 2007 at any time; and
- (c) the directors of the Company be authorised to establish further plans based on the APSP 2007 but modified to take account of local tax, exchange control or securities laws in any overseas jurisdiction provided that the shares made available under such further plans are treated as counting towards the limits on individual or overall participation in the APSP 2007.

Arden House
Highfield Road
Edgbaston
Birmingham
B15 3DU

By order of the Board

Trevor Norris

Company Secretary

20 July 2007

Notes:

- 1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a holder of Ordinary Shares.
 - 2. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered in the register of members of the Company no later than 5pm on 5 August 2007 shall be entitled to attend or vote at the Extraordinary General Meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the relevant register of securities after 5pm on 5 August 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
 - 3. A form of proxy, is enclosed for your use. To be valid the form of proxy, together with any power of attorney or other authority under which it is signed, must be lodged with the Company's registrars not later than 48 hours before the time fixed for the meeting.
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