

Annual General Meeting 2011

Dear Shareholder

The Annual General Meeting of the Company is to be held at 12 noon on Thursday, 5 May 2011 at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2. I very much hope you will be able to attend. I would also encourage you to vote by completing and returning your voting card or lodging your votes via the Internet. The Notice of Meeting can be found on pages 4 to 7, together with a map showing the location.

Details of the items of business to be proposed are set out below and you are also referred to the Directors' Report and Business Review in the Annual Report and Accounts. Your Fund Manager, Jeremy Tighe, will be giving a presentation covering recent developments and his views on the markets. There will be an opportunity to ask questions and, on completion, there will be refreshments and the chance to meet the Directors and the Fund Manager more informally.

Annual Report and Accounts (Resolution 1)

The first item of business concerns the adoption of the Annual Report and Accounts. Your Directors must lay the accounts of the Company for the financial period ended 31 December 2010, the Directors' Report and the Independent Auditor's Report on those accounts before the Meeting.

Directors' Remuneration Report (Resolution 2)

Resolution 2 seeks approval of the Directors' Remuneration Report. This Report contains the remuneration policy and is set out on pages 27 and 28 of the Annual Report and Accounts.

Final Dividend (Resolution 3)

A final dividend of 3.75p per share, payable on 9 May 2011, is recommended by your Directors. Shareholders are asked to approve the recommendation.

Directors standing for election (Resolutions 4 to 6)

Mr Hewitt, who was appointed by the Board on 15 September 2010, will stand for election by shareholders in accordance with the Company's articles of association. Ms Arkle and Mr Moakes, who were both appointed on 2 March 2011, will also stand for election.

Directors standing for re-election (Resolutions 7 to 12)

A new development for company annual general meetings in 2011 is the provision under the new UK Corporate Governance Code for directors of FTSE 350 companies to stand for re-election annually. Your Board has some reservations over this provision but has nevertheless decided to comply. Six of the Directors will therefore stand for re-election at the Meeting. Mr Ward will retire immediately following the Meeting. Sir Michael Bunbury, who has served on the Board for thirteen years, has announced his intention to retire at the annual general meeting in 2012.

In December 2010 I carried out a performance appraisal covering the Board as a whole and each of the Directors then serving. The process was carried out with the support of an external consultancy organisation, Manchester Square Partners. At a meeting held in

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your ordinary shares in Foreign & Colonial Investment Trust PLC please forward this document, together with the accompanying documents, immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of shares, you should retain these documents.

January 2011, the Nomination Committee considered the proposed election of Mr Hewitt and the proposed re-elections. In each case this was in the absence of the Director in question. Further to this, the Board has concurred that they all remain committed in their roles and continue to make a valuable and effective contribution. Information relating to the Directors is contained in the Annual Report and Accounts.

All the Directors are assessed by the Nomination Committee, and endorsed by the Board, as being independent of the Company and independent of F&C Management Limited (the “**Manager**”). No Director has a past or current connection with the Manager.

Re-appointment and remuneration of Auditors (Resolutions 13 and 14)

There is a requirement to appoint auditors at each general meeting at which accounts are laid before the Company, who will then hold office until the next such meeting. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and Resolution 13 therefore deals with their re-appointment. Resolution 14 authorises the Directors to determine their remuneration.

Authority of Directors to allot shares (Resolution 15)

Resolution 15 is similar in content to the authority and power given to the Directors at previous annual general meetings. By law, directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders. In addition, directors require specific authority from shareholders before allotting new shares (or granting rights over shares) for cash, without first offering them to existing shareholders in proportion to their holdings. Resolution 15 gives the Directors the necessary authority to allot securities up to an aggregate nominal amount of £7,566,725 (30,266,900 ordinary shares). This is equivalent to approximately 5% of the issued share capital of the Company. It also empowers the Directors to allot such securities for cash otherwise than to existing shareholders on a pro-rata basis. The authority and power expires at the conclusion of the Annual General Meeting in 2012.

This authority and power provides the Directors with a degree of flexibility to increase the assets of the

Company by the issue of new shares, should any favourable opportunities arise to the advantage of shareholders.

The Directors can, if necessary, use the authority and power to satisfy demand from participants in the F&C Private Investor, Pension Savings or Children’s Investment Plans, the F&C Child Trust Fund or an F&C Individual Savings Account (the “**F&C Savings Plans**”) when they believe it is advantageous to such participants and the Company’s shareholders to do so. Under no circumstances would the Directors use the authority and power to issue shares at a price which would result in a dilution of net asset value per ordinary share.

Authority for the Company to purchase its own shares (Resolution 16)

Resolution 16 authorises the Company to purchase in the market up to a maximum of 90,740,000 ordinary shares (equivalent to approximately 14.99% of the issued share capital) for cancellation at a minimum price of 25 pence per share and a maximum price per share of not more than 5% above the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately before the date of purchase.

The Directors would continue to use this authority with the objective of maintaining a less volatile discount with a ceiling, in normal market conditions, of 10% (with debt at market value), as well as enhancing net asset value per share for continuing shareholders. Purchased shares will continue to be cancelled.

Purchases of ordinary shares under the authority will be financed out of realised revenue and/or capital reserves and funded from the Company’s own cash resources or, if appropriate, from short-term borrowings.

The authority to purchase ordinary shares will continue until the annual general meeting in 2012. The Board intends to seek a renewal of such authority at subsequent annual general meetings.

Notice period for meetings (Resolution 17)

Under the articles of association a general meeting (other than an annual general meeting) can be called on 14 clear days’ notice. However, one of the requirements under the Companies Act 2006, as part of the

implementation of the Shareholder Rights Directive, is that all general meetings must be held on 21 clear days' notice unless shareholders agree to a shorter notice period.

Your Board is of the view that it is in the Company's interests to have the possibility of a shorter notice period. Accordingly, the passing of Resolution 17 would constitute shareholders' agreement for the purposes of the Companies Act 2006, and therefore preserve the Company's ability to call general meetings (other than an annual general meeting) on 14 clear days' notice. Such agreement will be effective until the conclusion of the Annual General Meeting in 2012, when it is intended that a similar resolution will be proposed.

VOTING

Form of proxy

If you are a registered shareholder you will find enclosed a form of proxy for use at the Annual General Meeting. You will also have the option of lodging your proxy vote using the Internet. For shares held through CREST, proxy appointments may be submitted via the CREST proxy voting system. Please either complete, sign and return the form of proxy in the envelope provided as soon as possible in accordance with the instructions or, alternatively, lodge your proxy vote via the Internet or the CREST proxy voting system, whether or not you intend to be present at the Annual General Meeting. This will not preclude you from attending and voting in person if you wish to do so.

All proxy appointments should in any event be returned or lodged so as to be received not later than 48 hours before the time appointed for holding the Annual General Meeting.

Form of direction and proportional voting


If you are an investor in any of the F&C Savings Plans, you will have received a form of direction for use at the Annual General Meeting and you will also have the option of lodging your voting directions using the

Internet. The Manager operates a proportional voting arrangement for F&C Savings Plan investors to vote at shareholder meetings. Under this arrangement, the nominee company, which currently holds 43.9% of the share capital on behalf of these investors, will vote the shares held on behalf of investors who have not returned their voting directions in proportion to those who have. This arrangement will apply at the Meeting, subject to a minimum threshold of 5% of the shares held in the F&C Savings Plans being voted. A maximum limit of 664,500 shares that any one individual investor can vote, being approximately 5% of the relevant minimum threshold, will also apply. Any individual voting directions received in excess of the maximum limit will remain valid, but will not form part of the proportional voting basis. Investors may exclude all of their shares from the proportional voting arrangement if they wish.

All voting directions should be made as soon as possible in accordance with the instructions on the form of direction and, in any event, not later than 96 hours before the time appointed for holding the Meeting, so that the nominee company can submit a form of proxy before the 48 hour period begins.

Recommendation

Your Board considers that the resolutions to be proposed at the Meeting are in the best interests of shareholders as a whole. The Board therefore recommends that shareholders vote in favour of each resolution, as the Directors intend to do in respect of their own beneficial holdings.

A handwritten signature in blue ink that reads "Simon Fraser". The signature is written in a cursive style with a long, sweeping underline that ends in a small flourish.

Simon Fraser
Chairman
31 March 2011

Notice of Annual General Meeting

Notice is hereby given that the one hundred and thirty-second Annual General Meeting of the Company will be held at **Merchant Taylors' Hall, 30 Threadneedle Street, London EC2** on Thursday, 5 May 2011 at 12 noon for the following purposes:

Ordinary Resolutions:

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and adopt the directors' report and accounts for the year ended 31 December 2010.
2. To approve the Directors' remuneration report.
3. To declare a dividend on the ordinary shares.
4. To elect Mr Jeffrey Hewitt as a Director.
5. To elect Ms Sarah Arkle as a Director.
6. To elect Mr Nicholas Moakes as a Director
7. To re-elect Mr Simon Fraser as a Director.
8. To re-elect Sir Michael Bunbury as a Director.
9. To re-elect Mr Christopher Keljik as a Director.
10. To re-elect Mr Stephen Burley as a Director.
11. To re-elect Sir Roger Bone as a Director.
12. To re-elect Sir David Clementi as a Director.
13. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company.
14. To authorise the Directors to determine the remuneration of the auditors.

Special Resolutions:

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

15. THAT:
 - (a) the Directors be and they are hereby:
 - (i) 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 shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £7,566,725 during the period commencing on the date of the passing of this resolution and expiring at the conclusion of the Annual General Meeting of the Company in 2012 or, if earlier, on 31 October 2012; and

- (ii) empowered, pursuant to section 570 of the Act, to allot equity securities pursuant to the authority referred to in paragraph (a)(i) of this resolution as if section 561(1) of the Act did not apply to any such allotment,

but so that this authority and power shall enable the Company to make offers or agreements which would or might require shares to be allotted or rights to subscribe for, or to convert any security into, shares to be granted after the expiry of this authority and power and notwithstanding such expiry the Directors may allot shares or grant rights to subscribe for, or to convert any security into, shares in pursuance of such offers or agreements;

- (b) all authorities and powers previously conferred under section 551 or section 570 of the Act be and they are hereby revoked, provided that such revocation shall not have retrospective effect; and
- (c) words and expressions defined in or for the purposes of Part 17 of the Act shall bear the same meanings in this resolution.

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

16. THAT the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 701 of the Companies Act 2006 (the "**Act**"), to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25 pence each in the capital of the Company ("**ordinary shares**") on such terms and in such manner as the Directors may from time to time determine, provided that:
 - (a) the maximum number of ordinary shares hereby authorised to be purchased shall be 90,740,000;
 - (b) the minimum price which may be paid for an ordinary share is 25 pence;
 - (c) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business

- days immediately preceding the date on which the ordinary share is contracted to be purchased;
- (d) the minimum and maximum prices per ordinary share referred to in sub-paragraphs (b) and (c) of this resolution are in each case exclusive of any expenses payable by the Company;
- (e) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2012 or, if earlier, on 31 October 2012, unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution; and
- (f) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be completed wholly or partly after the expiration of such authority.

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

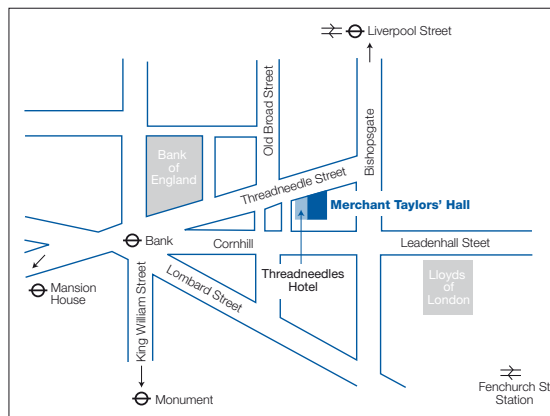
17. THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By Order of the Board
For and on behalf of
F&C Management Limited
Secretary

Registered office:
Exchange House
Primrose Street
London EC2A 2NY

31 March 2011

Location of Meeting



Notes:

1. A member is entitled to appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. 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 that member.
2. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any person holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules need not make a separate notification to the Company and the Financial Services Authority.
3. Any such person holding 3% or more of the voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such person complies with their respective disclosure obligations under the Disclosure and Transparency Rules.
4. A Form of Proxy is provided with this notice for members. If a member wishes to appoint more than one proxy and so requires additional proxy forms, the member should contact Computershare Investor Services PLC on 0800 923 1506. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not less than 48 hours before the time of the holding of the meeting or any adjournment thereof. Completion and return of a Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so. Amended instructions must also be received by the Company's registrars by the deadline for receipt of Forms of Proxy.
5. Alternatively, members may register the appointment of a proxy for the meeting electronically, by accessing the website www.eproxyappointment.com where full instructions for the procedure are given. The Control Number, Shareholder Reference and PIN as printed on the Form of Proxy will be required in order to use the electronic proxy appointment system. This website is operated by Computershare Investor Services PLC. The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by Computershare Investor Services PLC not less than 48 hours before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used.

Notice of Annual General Meeting (continued)

If you want to appoint more than one proxy electronically please contact Computershare Investor Services PLC on 0800 923 1506.

6. Investors holding shares in the Company through the F&C Private Investor, Pension Savings or Children's Investment Plans, the F&C Child Trust Fund or in an F&C Individual Savings Account should ensure that forms of direction are returned to Computershare Investor Services PLC not later than 96 hours before the time appointed for holding the meeting. Alternatively, voting directions can be submitted electronically at www.eproxyappointment.com by entering the Control Number, Shareholder Reference Number and PIN as printed on the form of direction. Voting directions must be submitted electronically not less than 96 hours before the time appointed for holding the meeting.
7. Any person receiving a copy of this notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a Nominated Person) should note that the provisions in Notes 1, 4 and 5 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 shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or 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 at the meeting.
8. Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps, the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
9. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of section 360B of the Companies Act 2006, the Company has specified that only those members registered on the register of members of the Company at 11 p.m. on 3 May 2011 (the Specified Time) (or, if the meeting is adjourned to a time more than 48 hours after the Specified Time, by 11 p.m. on the day which is two days prior to the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using 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.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number 3RA50) by the latest time(s) for receipt of proxy appointments specified in Notes 4 and 5 above. 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his 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 provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (www.euroclear.com/CREST).
13. 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).
14. 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 that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.
15. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section

have the right to require the Company to publish on a website a statement setting out any matter relating to:

- (a) 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 meeting; or
- (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

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 Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, 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 meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

16. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given in the following circumstances:
- (a) if to do so would interfere unduly with the preparation for the meeting or would involve a disclosure of confidential information;
 - (b) if the answer has already been given on a website in the form of an answer to a question; or

- (c) if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

17. As at 17 March 2011, being the last business day prior to the printing of this notice, the Company's issued capital consisted of 602,913,016 ordinary shares of 25 pence each carrying one vote each. Therefore, the total voting rights in the Company as at 17 March 2011 are 602,913,016.
18. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 17 March 2011, being the last business day prior to the printing of this notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice, will be available at www.foreignandcolonial.com.
19. Any electronic address provided either in this notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
20. Copies of the letters of appointment between the Company and its Directors; a copy of the articles of association of the Company; the register of Directors' holdings; and a deed poll relating to Directors' indemnities will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays, Sundays and Bank Holidays excluded) until the date of the meeting and also on the date and at the place of the meeting from 15 minutes prior to the commencement of the meeting to the conclusion thereof.
21. No Director has a service agreement with the Company.

