

RETENTION AGREEMENT

WHEREAS, the Attorney General has determined that claims should be made against certain persons and/or legal entities which are now or have previously been known as Royal Bank of Scotland Group plc (referred to hereinafter as "RBS" or the "Company"), certain of RBS's officers, directors and control persons, potentially including Sir Thomas Fulton Wilson McKillop, Sir Frederick Anderson Goodwin, Guy Robert Whittaker, Lawrence Kingsbacker Fish, Gordon Francis Pell, Colin Alexander Mason Buchan, James McGill Currie, Sir Stephen Arthur Robson, Robert Avisson Scott, Peter Denis Sutherland, Archibald Hunter, Charles John Koch, Joseph Patrick MacHale, (referred to collectively hereinafter as the "Named Defendants") and other persons and legal entities which may be discovered in due course (all prospective defendants are referred to collectively hereinafter as the "defendants"), and which have caused damages to the lawful citizens of the State of Mississippi and/or are not paying lawful amounts to which the State is entitled on account of misrepresentations and omissions concerning, among other things, the Company's capital adequacy and asset values, the acquisition of certain assets and/or businesses from ABN AMRO, all of which deceived the investing public, including the State of Mississippi and its investments for the benefit of its citizens by the Public Employees' Retirement System of Mississippi ("Mississippi PERS"), among others, while conspiring to enrich themselves (the "Claim");

WHEREAS, the Attorney General has determined that the losses incurred by the State of Mississippi total in excess of \$45 million, and that it has damages not exceeding that amount, not including applicable penalties, legal interest, attorneys' fees and costs;

WHEREAS, the Attorney General has authority to bring an action on his own behalf and/or on behalf of the State's subdivisions, including Mississippi PERS, pursuant to Miss. Code

§ 7-5-7, et seq., and further, acting as a constitutional officer possessing all the power and authority inherited from the common law as well as the specially conferred upon it by statute, the Attorney General has the right to institute, conduct and maintain this suit in order to enforce the U.S. securities laws, among other laws, including claims on behalf of Mississippi PERS arising under the Securities Exchange Act of 1934 and the Securities Act of 1933;

WHEREAS, the Attorney General has determined that the investigation, research, and litigation of the Claim will require the expenditure of large sums of money and require the work of numerous lawyers, paralegals, accountants, and secretaries who are familiar with the defendants and their tortious and/or otherwise wrongful actions and/or inactions, and related issues for an extended period of time;

WHEREAS, the Attorney General has further determined that it is in the best interests of the State and its citizens that the State retain attorneys experienced in the prosecution of securities fraud, class actions, and complex civil litigation to pursue the Claim; and,

WHEREAS, the below listed Law Firm is experienced in securities fraud, class actions, and complex civil litigation and have consented to represent the State of Mississippi and Mississippi PERS, in association with the Attorney General, respecting the Claim and pursuant to the terms and conditions hereof.

WHEREAS, Mississippi PERS filed a motion seeking appointment as Lead Plaintiff in the securities class action captioned *Zemprelli v. The Royal Bank of Scotland Group PLC, et al.*, No. 09-cv-00300 (DAB) (S.D.N.Y.) and on May 6, 2009 that application was granted;

IT IS, ACCORDINGLY, AGREED as follows:

1. The Office of the Attorney General hereby retains Wolf Popper LLP Law Firm and the Labaton Sucharow LLP Law Firm ("Law Firms"), and their principal members, Lester L.

Levy, and James A. Harrod, (Wolf Popper LLP), and Thomas A. Dubbs, and Louis Gottlieb (Labaton Sucharow LLP), are hereby designated as Special Assistant Attorneys General to investigate, research and file the Claim in the action captioned *In re Royal Bank of Scotland Group plc Securities Litigation*, No. 09 Civ. 300 (DAB), in the United States District Court for the Southern District of New York.

2. The Attorney General does not relinquish his constitutional or statutory authority or responsibility through this Retention Agreement. The Attorney General has the sole authority to settle this litigation on behalf of the State of Mississippi and its citizens. The Law Firms shall consult with the Attorney General and obtain his approval on all material matters pertinent to the Claim and any litigation arising therefrom, and the Attorney General shall cooperate with the Law Firms and use his best efforts to secure the cooperation of other State agencies. Prior to initiating inquiries or demands to any persons or entities, the Attorney General and the Law Firms will agree upon entities to be contacted and/or claims to pursued; the Law Firms will thereafter be entitled to its reasonable fees and expenses, as provided below, on any recovery from such agreed-upon entity or claims, discovered as a consequence of the Law Firms' inquiry/demand. The Attorney General is not required, however, to assign any members of his staff to pursue the Claim, but may from time to time afford staff and other support services as the Attorney General deems appropriate. The Attorney General shall designate a member(s) of his staff to monitor the Claim, and the Law Firms shall keep the Attorney General and his designated staff members(s) fully informed on all matters pertaining to the Claim.

3. The Attorney General and Law Firms both recognize that the Claim presents numerous factual and legal obstacles and that no assurance of success on the Claim has or can be made.

4. The Attorney General shall maintain responsibility for the public distribution of information concerning this matter. All press inquiries shall be referred to the Attorney General for comment and response.

5. Notwithstanding the potential difficulties, the Law Firms have agreed to represent the State, and the Attorney General hereby agrees that the Law Firms will be compensated for their efforts at the amount ordered by the Court, or as agreed upon after the trial or settlement proceeds for the class, on the following basis:

A. Fee Agreements:

Exhibit A – Retention Agreement – Matter Settled Prior to Initiation of Litigation

Exhibit B – Retention Agreement – Matter Resolved After Initiation of Litigation;

B. All reasonable and necessary costs of litigation including, but not limited to, court costs, travel, witness fees, consultants, accounting, and expert fees, and expenses, as shall be approved by the Attorney General, shall initially be borne entirely by the Law Firms, but shall be reimbursed from any gross recoveries from the pursuit of the Claim on a case-by-case basis; and

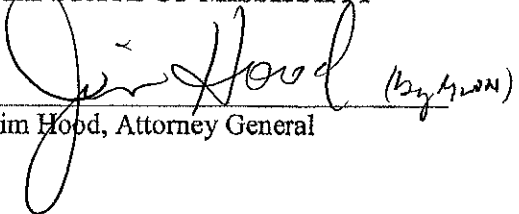
C. The Law Firms shall receive no compensation or reimbursement other than set out above. In the event that no recovery is realized, the Law Firm shall receive no compensation or reimbursement.

6. With the approval of the Attorney General, the Law Firms may associate other attorneys at their own expense and at no cost to the State of Mississippi but who may be compensated out of the fees and/or expenses awarded pursuant to paragraph 5, above. Notwithstanding such association of other attorneys, this Retention Agreement is non-assignable

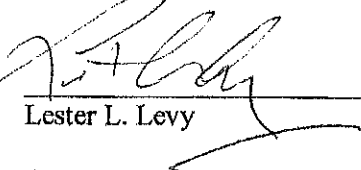
and non-transferable, nor are the Law Firms' commitments delegable without the express, written approval of the Attorney General.

DATED this 8th day of February 2011.


**ATTORNEY GENERAL OF
THE STATE OF MISSISSIPPI**

By:  (by)
Jim Hood, Attorney General

WOLF POPPER LLP LAW FIRM

By: 
Lester L. Levy

LABATON SUCHAROW LLP LAW FIRM

By: 
Thomas A. Dubbs

Attachment A
(Retention Agreement)
(Matter Settled Prior to Initiation of Litigation) *

The following shall be the structured contingent fee schedule based on the Sum of any recovery obtained:

For Sums Up to \$25,000,000.00:

15%; then in addition;

For those sums between \$25,000,000.00 and \$75,000,000.00:

13%; then in addition;

For those sums between \$75,000,000.00 to \$200,000,000.00:

7%; then in addition;

For those sums between \$200,000,000.00 to \$500,000,000.00:

4%; then in addition;

For all those sums between \$500,000,000.00 and \$1,000,000,000.00:

2%; then in addition;

For all those sums greater than \$1,000,000,000.00:

1%

Explanatory Note & Illustration of Fee Computation

The structured contingent fee schedule set forth herein is intended to, and shall, operate cumulatively so that, in relation to each successive category or level of Recovery by the Class or, if settled on an individual basis, by the State of Mississippi ("Recovery") (e.g., "For Recovery of Sums Up to \$25,000,000.00," *etc.*), there shall be a specified percentage or percentages governing the amount or valuation of the aggregate contingent fee in each such category, so that the Attorneys shall be entitled to receive, and shall be paid, an aggregate sum or value equivalent computed by multiplying the percentage applicable to each such successive category or level of Recovery by the incremental dollar amount falling within each such category and the separate products so derived by multiplying these factors in each category shall be added together to compute the aggregate fee to be paid to the Attorneys. By way of illustration only, the cumulative contingent fee structure shown on this Attachment "A" shall be computed, utilizing the following method:

Assume Recovery of a monetary sum, benefit, or value equal to \$600,000,000.00.

The Attorneys' contingent fee will be computed by adding together the specified, applicable percentage of each category or level, as follows:

\$ 15% of the first \$25,000,000.00 (*i.e.*, 15% of any sums or values between 0 and \$25,000,000.00)

PLUS

\$ 13% of the next \$50,000,000.00 (*i.e.*, 13% of all sums or values between \$25,000,000.00 and \$75,000,000.00)

PLUS

\$ 7% of the next \$125,000,000.00 (*i.e.*, 7% of all sums or values between \$75,000,000.00 and \$200,000,000.00)

PLUS

\$ 4% of the next \$300,000,000.00 (*i.e.*, 4% of all sums or values between \$200,000,000.00 and \$500,000,000.00)

PLUS

\$ 2% of the next \$100,000,000.00 (*i.e.*, 2% of the difference between \$500,000,000.00 and the amount of the award greater than that sum or value, or in this example, \$600,000,000.00)

Attachment B
(Retention Agreement)
(Matter Resolved After Initiation of Litigation)

For any "Matter Resolved After Initiation of Litigation", the following structured contingent fee schedule for aggregate recovery shall apply and govern compensation of the Attorneys:

For Sums Up to \$25,000,000.00:

After filing complaint before discovery completed:	17%
After filing complaint after discovery complete awaiting trial:	20%
After commencement of trial:	25%

then in addition;

For those sums between \$25,000,000.00 and \$75,000,000.00:

After filing complaint before discovery completed:	15%
After filing complaint after discovery complete awaiting trial:	18%
After commencement of trial:	21%

then in addition;

For those sums between \$75,000,000.00 to \$200,000,000.00:

After filing complaint before discovery completed:	10%
After filing complaint after discovery complete awaiting trial:	14%
After commencement of trial:	18%

then in addition;

For those sums between \$200,000,000.00 to \$500,000,000.00:

After filing complaint before discovery completed:	6%
After filing complaint after discovery complete awaiting trial:	8%
After commencement of trial:	10%

then in addition;

For all those sums greater than \$500,000,000.00:

After filing complaint before discovery completed:	3%
After filing complaint after discovery complete awaiting trial;	4%
After commencement of trial:	5%

then in addition;

For all those sums greater than \$1,000,000,000.00:

After filing complaint before discovery completed:	2%
After filing complaint after discovery complete awaiting trial:	3%
After commencement of trial:	4%

Explanatory Note & Illustration of Fee Computation

The structured contingent fee schedule set forth herein is intended to, and shall, operate cumulatively so that, in relation to each successive category or level of Recovery by the Class or, if settled on an individual basis, by the State of Mississippi ("Recovery") (e.g., "For Recovery of Sums Up to \$25,000,000.00," etc.), there shall be a specified percentage or percentages governing the amount or valuation of the aggregate contingent fee in each such category, so that the Attorneys shall be entitled to receive, and shall be paid, an aggregate sum or value equivalent computed by multiplying the percentage applicable to each such successive category or level of Recovery by the incremental dollar amount falling within each such category and the separate products so derived by multiplying these factors in each category shall be added together to compute the aggregate fee to be paid to the Attorneys. By way of illustration only, the cumulative contingent fee structure shown on this Attachment "B" shall be computed, utilizing the following method:

Assume Recovery of a monetary sum, benefit, or value equal to \$600,000,000.00, and assume further that the sum or value was derived "after filing complaint after discovery complete awaiting trial."

The Attorneys' contingent fee will be computed by adding together the specified, applicable percentage of each category or level, as follows:

\$20% of the first \$25,000,000.00 (*i.e.*, 20% of all sums or values between 0 and \$25,000,000.00)

PLUS

\$ 18% of the next \$50,000,000.00 (*i.e.*, 18% of all sums or values between \$25,000,000.00 and \$75,000,000.00)

PLUS

\$ 14% of the next \$125,000,000.00 (*i.e.*, 14% of all sums or values between \$75,000,000.00 and \$200,000,000.00)

PLUS

\$ 8% of the next \$300,000,000.00 (*i.e.*, 8% of all sums or values between \$200,000,000.00 and \$500,000,000.00)

PLUS

\$ 4% of the next \$100,000,000.00 (*i.e.*, 2% of the difference between \$500,000,000.00 and the amount of the award greater than that sum or value, or in this example, \$600,000,000.00)