

# SECURITIES AND EXCHANGE COMMISSION

## FORM PRE 14A

Preliminary proxy statement not related to a contested matter or merger/acquisition

Filing Date: **1994-03-17** | Period of Report: **1994-05-19**  
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### FILER

#### UNITED ASSET MANAGEMENT CORP

CIK: **796370** | IRS No.: **042714625** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **PRE 14A** | Act: **34** | File No.: **001-09215** | Film No.: **94516564**  
SIC: **6211** Security brokers, dealers & flotation companies

| Mailing Address                                                                        | Business Address                                               |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------|
| <i>ONE INTERNATIONAL PLACE,<br/>FLOOR 44<br/>100 OLIVER STREET<br/>BOSTON MA 02110</i> | <i>ONE INTERNATIONAL PL<br/>BOSTON MA 02110<br/>6173308900</i> |

## SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934

FILED BY THE REGISTRANT /X/ FILED BY A PARTY OTHER THAN THE REGISTRANT / /

-----  
Check the appropriate box:

- /X/ Preliminary Proxy Statement  
 / / Definitive Proxy Statement  
 / / Definitive Additional Materials  
 / / Soliciting Material Pursuant to sec.240.14a-11(c) or sec.240.14a-12

UNITED ASSET MANAGEMENT  
 (Name of Registrant as Specified In Its Charter)

UNITED ASSET MANAGEMENT  
 (Name of Person(s) Filing Proxy Statement)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

- /X/ \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), or 14a-6(j)(2).  
 / / \$500 per each party to the controversy pursuant to Exchange Act Rule  
 14a-6(i)(3).  
 / / Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:
- 4) Proposed maximum aggregate value of transaction:

Set forth the amount on which the filing fee is calculated and state how it was determined.

/ / Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

PRELIMINARY COPY

UNITED ASSET MANAGEMENT CORPORATION  
 NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
 TO BE HELD MAY 19, 1994

The Annual Meeting of the Stockholders of United Asset Management Corporation (the "Company" or "UAM") will be held at the Boston Harbor Hotel, 70 Rowes Wharf, Boston, Massachusetts on Thursday, May 19, 1994 at 9:30 a.m., Eastern Daylight Savings Time, for the following purposes:

(1) To fix the number of directors and elect a Board of Directors to serve until the next Annual Meeting of Stockholders and until their successors are elected and qualified;

(2) To approve the UAM 1994 Stock Option Plan;

(3) To approve the UAM 1994 Eligible Directors Stock Option Plan;

(4) To approve Compensation Arrangements for Certain Executive Officers;

(5) To amend and restate the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 200,000,000;

(6) To approve the selection of Price Waterhouse as independent accountants of the Company for the fiscal year ending December 31, 1994; and

(7) To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 23, 1994 as the record date for the determination of stockholders entitled to notice of, and to vote at, this meeting. Accordingly, only stockholders of record at the close of business on that date are entitled to vote at the meeting or at any adjournment thereof. A list of stockholders entitled to vote will be kept at the principal offices of the Company at One International Place, Boston, Massachusetts 02110 for a period of ten days prior to the meeting.

The business matters enumerated above are discussed more fully in the accompanying Proxy Statement. Whether or not you plan to attend the meeting, we urge you to study the Proxy Statement carefully and then fill out, sign and date the enclosed Proxy. Please mail your Proxy promptly in the enclosed return envelope, which requires no postage if mailed in the United States. If you do plan to attend the meeting, please so indicate in the box provided on the enclosed Proxy.

By Order of the Board of Directors,

JOHN C. VINCENT, JR.  
Secretary

April 4, 1994

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, YOU ARE REQUESTED TO SIGN AND MAIL PROMPTLY THE ENCLOSED PROXY, WHICH IS BEING SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

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PRELIMINARY COPY

UNITED ASSET MANAGEMENT CORPORATION  
ONE INTERNATIONAL PLACE  
BOSTON, MASSACHUSETTS 02110  
PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD MAY 19, 1994

The Proxy accompanying this Proxy Statement is solicited by the Board of Directors of United Asset Management Corporation (the "Company" or "UAM") to be voted at the Annual Meeting of Stockholders to be held on Thursday, May 19, 1994 and at any adjournment thereof (the "Meeting").

It is expected that copies of the Notice of Meeting, this Proxy Statement and the enclosed Proxy card will be mailed on approximately April 4, 1994 to each stockholder entitled to vote at the Meeting. UAM's Annual Report to Stockholders for the fiscal year ended December 31, 1993 accompanies this Proxy Statement.

ELECTION OF DIRECTORS

The persons named as proxies in the accompanying Proxy card intend (unless authority to vote therefor is specifically withheld) to vote to fix the number of directors for the ensuing year at twelve, and to vote for the election of the twelve persons named below, being the nominees of the present Board, as directors to hold office until the next Annual Meeting and until their respective successors are elected and qualified. If any of the nominees becomes unavailable to serve as a director, the persons named as proxies have discretionary authority to vote for a substitute. The Board of Directors has no reason to believe that any of the nominees will be unavailable to serve if elected.

NOMINEES FOR ELECTION AS DIRECTORS

Information regarding each nominee is presented below.

Mr. Norton H. Reamer, age 58, is the founder of UAM and has been its President and a director since its inception in 1980. Mr. Reamer is also Chairman, President and a director of The Regis Fund, Inc., a series mutual fund, and a trustee, director, or general partner in the Eaton Vance Group of Funds, which consists of over 70 investment company portfolios. He is also a trustee of Union College and a Governor of the Association for Investment Management and Research.

Mr. John F. McNamara, age 52, joined UAM as Executive Vice President effective April 6, 1992 and was elected a director on July 15, 1992. Prior to

joining UAM, he served since 1990 as Managing Director and Chief Executive Officer of Baring America Asset Management Co., the U.S. investment management subsidiary of Baring Brothers, a London-based investment management firm. For more than three years prior to holding that position, Mr. McNamara served as Director of Marketing for Baring International Investment Ltd.

Mr. Richard A. Englander, age 51, has served as a principal of Barrow, Hanley, Mewhinney & Strauss, Inc., one of UAM's subsidiaries, for more than the past five years.

Mr. Robert J. Greenebaum, age 76, retired as Treasurer of Inland Steel Company in May, 1981. Since 1981, Mr. Greenebaum has been a business consultant. Mr. Greenebaum is Chairman and a director of Selected American Shares, Inc., Selected Special Shares, Inc., and the Selected Capital Preservation Trust Series Funds, and is a director of the Blue Chip Value Fund, each of which is an investment company. He has been a director of UAM since February, 1982.

Mr. Mark A. Lieb, age 43, has been President of Spectrum Asset Management, one of UAM's subsidiaries, for more than the past five years.

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Professor Jay O. Light, age 52, has been a professor at the Harvard Business School for more than five years and previously served as a Senior Associate Dean. His special areas of concentration are capital markets and investment management. From 1977 to 1979, Professor Light was the Director of Investment Policies at the Ford Foundation. Professor Light is also a director of Harvard Management Company, Inc. and a trustee of the College Retirement Equity Fund (CREF). Professor Light has been a director of UAM since May, 1987.

Mr. Norman Perlmutter, age 60, has been Chairman and Chief Executive Officer of Heitman Financial Ltd., one of UAM's subsidiaries, for more than the past five years. He is currently a director of Chris Craft Industries, Inc., United Television, Inc. and McArthur/Glen Realty Corp. He has been a director of UAM since October, 1993.

Mr. Edward I. Rudman, age 56, has been Chairman and President of Pell, Rudman & Co., Inc., one of UAM's subsidiaries, for more than the past five years. He is also the Chairman of the Board of Trustees of the Beth Israel Hospital.

Mr. David I. Russell, age 51, is an independent financial consultant. Prior to March, 1989, he was a director of Warburg Securities, part of S.G. Warburg & Co., the international securities brokerage and investment banking group, and a director of S.G. Warburg & Co., Inc., a U.S. subsidiary of S.G. Warburg & Co. He has been a director of UAM since November, 1981.

Mr. Philip Scaturro, age 55, is an Executive Vice President and a Managing Director of Allen & Company Incorporated, an investment banking firm. He has been with Allen & Company Incorporated as an Executive Vice President and Managing Director for more than the past five years. Mr. Scaturro is also a director of Savoy Pictures Entertainment, Inc. He has been a director of UAM since April, 1981.

Mr. John A. Shane, age 61, has for more than the past five years been President of Palmer Service Corporation, a venture capital management company. Mr. Shane is also a director of Arch Communications Group, Inc. and Banyan Systems Incorporated and a trustee of TNE Funds Trust. He has been a director of UAM since November, 1981.

Ms. Barbara S. Thomas, age 47, is currently Director, Business and Legal Affairs, for News International plc. Prior to joining News International, Ms. Thomas served as a Managing Director of the investment banking firm, Cramer Rosenthal McGlynn, Inc., from November, 1990 to February, 1993. From August, 1986 to March, 1990, she served as Senior Vice President and Group Head of The International Private Banking Group at Bankers Trust Company. From 1980 to 1983, she served as a Commissioner of the Securities and Exchange Commission. She is currently a director of Astro Communications, Inc. and Holmes Protection Group, Inc. She has been a director of UAM since January, 1993.

Each of the nominees except Messrs. Englander, Lieb and Rudman is presently serving as a director and was elected to that position at the 1993 Annual Meeting or as indicated above. It is the policy of UAM's Board of Directors to nominate for election to the Board each year several principals of its subsidiaries and to rotate these seats on the Board annually among such firms. Messrs. Perlmutter, Englander, Lieb and Rudman are currently being nominated for these seats.

The Board of Directors met 7 times during 1993 and acted by unanimous consent on 3 occasions. The Board of Directors has appointed an Audit Committee and a Compensation Committee, both of which are reappointed annually. The Audit Committee, consisting of Mr. Shane, Chairman, Mr. Greenebaum, Mr. Scaturro and Ms. Thomas, met twice in 1993, and has recommended to the Board of Directors the selection of Price Waterhouse to serve as the Company's independent accountants for the year ending December 31, 1994. The Compensation Committee, consisting of

Mr. Scaturro, Chairman, Mr. Shane and Mr. Light, met or acted by unanimous consent on 26 occasions during 1993 to grant stock options under UAM's stock option plans, and to determine directors' and officers' compensation for 1993 and 1994.

#### DIRECTORS' FEES

Outside directors (that is, directors other than those employed by UAM or one of its subsidiaries) receive an annual fee of \$20,000, plus \$4,000 for each regular meeting of the Board of Directors attended and an additional fee of \$4,000 for attendance at the Company's Annual Planning Meeting of the Board of Directors.

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Each member of either the Audit or Compensation Committee of the Board receives an additional \$6,000 annual fee.

Pursuant to the terms of the Company's stock option plans, each director who is not an officer or employee of the Company or one of its subsidiaries and who is not eligible to participate under any other Company stock-related plan and who is then serving as a director (an "Eligible Director"), has already been or will be granted 3,000 non-incentive stock options on the 30th day following the Annual Meeting of Stockholders of UAM (the "Annual Meetings") in years 1989 through 1996. The exercise price per share for these options is the fair market value on the date of the grant. Options granted to Eligible Directors will be exercisable in full beginning six months after the date of grant and terminate after five years. Such options generally cease to be exercisable six months after an Eligible Director ceases to be a director. The stockholders are being asked to approve the UAM 1994 Eligible Directors Plan, pursuant to which Eligible Directors will be granted additional options. See APPROVAL OF UAM 1994 ELIGIBLE DIRECTORS STOCK OPTION PLAN.

#### CERTAIN TRANSACTIONS

During 1993, Mr. David I. Russell served as a consultant to the Company for an annual fee of \$200,000. He will continue to serve in such capacity during 1994 pursuant to a consulting agreement.

As required by Securities and Exchange Commission ("SEC") Rules under Section 16(a) of the Securities Exchange Act of 1934, the Company reports that a Form 4, with respect to a certain disposition of the Company's Common Stock by Mr. Norman Perlmutter was filed late.

#### EXECUTIVE COMPENSATION

##### EXECUTIVE OFFICERS

The executive officers of the Company are elected by the Board of Directors and hold office until the first meeting of the Board of Directors following the Annual Meeting. Norton H. Reamer is the Company's President and John F. McNamara is the Executive Vice President. Certain information concerning their respective backgrounds is presented above under Nominees for Election as Directors. The other executive officers of the Company are as follows:

Mr. William H. Park, age 46, joined UAM as Vice President in 1982 and was named Senior Vice President and Treasurer in 1985. Mr. Park is also a Vice President of The Regis Fund, Inc., a mutual fund.

Mr. Franklin H. Kettle, age 36, joined UAM in September, 1986 and was named Vice President in December of that year and Senior Vice President in May of 1991.

Mr. William B. Budd, age 58, joined UAM as a Senior Vice President in July, 1989. For more than five years prior to joining UAM, he had been with Chemical Investment Management Company, Inc. where he served as Managing Director in charge of fixed income investments.

##### SUMMARY COMPENSATION TABLE

The Summary Compensation Table on page 4 shows all compensation paid for services rendered during the past three years to each of the Company's executive officers.

##### STOCK OPTIONS

The Company has in effect three stock option plans, the 1987 Stock Option Plan, the 1989 Stock Option Plan and the 1992 Stock Option Plan, pursuant to which an aggregate of 4,400,000 shares of common stock, \$.01 par value, of the Company ("Common Stock") have been reserved for issuance to directors and executive officers and other key employees of the Company and its subsidiaries who have substantial responsibility for the Company's management and growth. As of March 1, 1994, an aggregate of 924,119 shares of Common Stock remained

approve the UAM 1994 Stock Option Plan and the UAM 1994 Eligible Directors Stock Option Plan are approved by the stockholders at the Meeting, such plans will supersede the current option plans and the Company will have available 3,200,000 shares of Common Stock for options. The tables on page 5 show information relating to grants of such options to, and the exercise of options by, the executive officers during the year ended December 31, 1993, as well as information relating to the unexercised options held by the executive officers as of December 31, 1993.

<TABLE>

SUMMARY COMPENSATION TABLE

<CAPTION>

| NAME AND PRINCIPAL POSITION | YEAR | ANNUAL COMPENSATION |           | LONG TERM           | ALL OTHER    |
|-----------------------------|------|---------------------|-----------|---------------------|--------------|
|                             |      | SALARY              | BONUS     | COMPENSATION AWARDS | COMPENSATION |
|                             |      |                     |           | NUMBER OF           | (1) (2)      |
|                             |      |                     |           | SHARES UNDERLYING   |              |
|                             |      |                     |           | OPTIONS GRANTED     |              |
| <S>                         | <C>  | <C>                 | <C>       | <C>                 | <C>          |
| Norton H. Reamer.....       | 1993 | \$720,000           | \$417,200 | 27,700              | \$ 38,844    |
| President and Director      | 1992 | 720,000             | 179,000   | 21,000              | 38,844       |
|                             | 1991 | 600,000             | N/A       | 27,000              |              |
| John F. McNamara*.....      | 1993 | 620,000             | 357,600   | 50,000              | 34,350       |
| Executive Vice President    | 1992 | 450,000             | 179,000   | 100,000             | 3,375        |
| and Director                |      |                     |           |                     |              |
| William H. Park.....        | 1993 | 400,000             | 178,800   | 15,200              | 33,675       |
| Senior Vice President       | 1992 | 360,000             | 64,000    | 12,500              | 32,990       |
| and Treasurer               | 1991 | 295,000             | N/A       | 18,000              |              |
| Franklin H. Kettle.....     | 1993 | 290,000             | 188,838   | 13,200              | 32,135       |
| Senior Vice President       | 1992 | 250,000             | 211,437   | 9,000               | 31,527       |
|                             | 1991 | 187,500             | 70,083    | 12,000              |              |
| William B. Budd.....        | 1993 | 290,000             | 188,838   | 13,200              | 38,844       |
| Senior Vice President       | 1992 | 270,000             | 211,437   | 9,000               | 38,078       |
|                             | 1991 | 245,000             | 70,083    | 14,000              |              |

<FN>

\* Mr. McNamara joined the Company in April, 1992.

(1) "All Other Compensation" is not required to be reported for 1991.

(2) Includes Company-paid life insurance premiums and Company contributions to the individual's profit sharing retirement plan account, respectively, in the following amounts for the year ended December 31, 1993: Mr. Reamer, \$8,844 and \$30,000; Mr. McNamara, \$4,350 and \$30,000; Mr. Park, \$3,675 and \$30,000; Mr. Kettle, \$2,135 and \$30,000; and Mr. Budd, \$8,844 and \$30,000.

</TABLE>

<TABLE>

OPTION GRANTS IN 1993(1)

<CAPTION>

| NAME                    | NUMBER OF SHARES UNDERLYING OPTIONS GRANTED | PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 1993 | EXERCISE OR BASE PRICE PER SHARE | EXPIRATION DATE | GRANT DATE | PRESENT VALUE (2) |
|-------------------------|---------------------------------------------|-------------------------------------------------------|----------------------------------|-----------------|------------|-------------------|
|                         |                                             |                                                       |                                  |                 |            |                   |
| <S>                     | <C>                                         | <C>                                                   | <C>                              | <C>             | <C>        | <C>               |
| Norton H. Reamer.....   | 27,700                                      | 3.45%                                                 | \$ 30.00                         | 01/27/98        |            | \$223,215         |
| John F. McNamara.....   | 50,000                                      | 6.23                                                  | 30.00                            | 01/27/98        |            | 402,915           |
| William H. Park.....    | 15,200                                      | 1.89                                                  | 30.00                            | 01/27/98        |            | 122,486           |
| Franklin H. Kettle..... | 13,200                                      | 1.65                                                  | 30.00                            | 01/27/98        |            | 106,370           |
| William B. Budd.....    | 13,200                                      | 1.65                                                  | 30.00                            | 01/27/98        |            | 106,370           |

<FN>

(1) The per share option price in the table is the fair market value of the

Common Stock on the date of the grant. All options are exercisable 25% a year over a period of 4 years. The Company's stock option plans are administered by the Compensation Committee of the Board of Directors which has authority to determine the key employees and executive officers of the Company and its subsidiaries to whom, and the terms and conditions at which, options will be granted under the stock option plans.

(2) The Company has used the Black-Scholes Model for options pricing to calculate present value as of the date of the grant. This Model relies on the following assumptions which may prove to be inaccurate in the future: stock price volatility of 0.2638; dividend yield of 2.40%; risk-free rate of return of 5.86%; and exercise date of January 27, 1998. The Model also assumes a liquid market for options although the options awarded under the Company's plans may not be transferred. Further, exchange-traded options may be exercised immediately; however, the Company's options are subject to certain vesting rules. For these reasons, the Company believes that the Model may overstate the value of the options it awards. Their actual value, if any, will depend on the market price of the Company's Common Stock on the date of exercise.

</TABLE>

<TABLE>

AGGREGATED OPTION EXERCISES  
IN 1993 AND OPTION VALUES AT DECEMBER 31, 1993

<CAPTION>

| NAME                    | SHARES ACQUIRED<br>ON EXERCISE | VALUE<br>REALIZED | NUMBER OF<br>SHARES<br>UNDERLYING<br>UNEXERCISED<br>OPTIONS AT<br>DECEMBER 31,<br>1993 | VALUE OF<br>UNEXERCISED<br>IN-THE-MONEY<br>OPTIONS AT<br>DECEMBER 31, 1993(1) |
|-------------------------|--------------------------------|-------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
|                         |                                |                   | EXERCISABLE/<br>UNEXERCISABLE                                                          | EXERCISABLE/<br>UNEXERCISABLE                                                 |
| <S>                     | <C>                            | <C>               | <C>                                                                                    | <C>                                                                           |
| Norton H. Reamer.....   | 16,802                         | \$397,149         | 26,895/ 61,949                                                                         | \$ 535,821/\$ 859,450                                                         |
| John F. McNamara.....   | --                             | --                | 25,000/125,000                                                                         | 387,500/ 1,687,500                                                            |
| William H. Park.....    | 23,762                         | 408,436           | 24,126/ 37,574                                                                         | 515,087/ 543,263                                                              |
| Franklin H. Kettle..... | 12,400                         | 282,800           | 20,850/ 28,950                                                                         | 464,250/ 407,850                                                              |
| William B. Budd.....    | 15,000                         | 318,750           | 13,752/ 28,448                                                                         | 279,729/ 391,621                                                              |

<FN>

(1) An "In-the-Money" option is an option for which the option price of the underlying stock is less than the December 31, 1993 market price; the value shown reflects stock price appreciation since the date of the granting of the option.

</TABLE>

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors has primary responsibility for analyzing the compensation of executive officers of the Company, establishing performance goals for executive officers, making recommendations to the full Board of Directors with respect to such compensation, and administering the Company's Stock Option Plans. In recommending salaries and stock option awards for the Company's President and its other executive officers in the year ended December 31, 1993, the Compensation Committee

considered the overall performance of the Company, particularly in terms of revenues, earnings, earnings per share, Operating Cash Flow (cash flow provided by operations before working capital changes), assets under management and breadth of operations; the contribution of each officer to such performance; the responsibilities of each officer and the increase in those responsibilities during the year as a result of the Company's growth; the importance of the individual to the future growth and profitability of the Company; compensation levels of competitors in the industry (these competitors are included in the peer group index appearing in the performance graph on p. 7 hereof); and the success of the management team in achieving the Company's short-term and long-term goals. Although all of such factors were considered by the Committee in exercising its judgment as to compensation levels for the President and the Company's other executive officers, no precise formula was used to weight the relative importance of such factors. Based on publicly available information, the Committee believes that executive officers' cash compensation for 1993 was at or near the median of the range of cash compensation paid by the Company's competitors in the industry. In allocating compensation between salary, bonuses and stock options, the Committee seeks to provide appropriate balance between

current fixed and performance-related compensation, and long-term incentives.

The President's compensation for 1993 reflected the overall improved performance of the Company as reflected in the substantial growth in Operating Cash Flow, revenues and earnings over the past year, and the increase in assets under management. It also reflected the number and quality of acquisitions completed, and the growing responsibility of the President in overseeing an increasing portfolio of affiliated firms.

Bonus payments to executive officers for the year ended December 31, 1993 were based entirely on the Company's performance. Bonuses for 1993 for executive officers with overall executive and operating responsibilities were calculated by multiplying a fixed amount (\$140,000 for Mr. Reamer, \$120,000 for Mr. McNamara and \$60,000 for Mr. Park) by the excess of the Company's Operating Cash Flow per share each quarter over \$.25. The Company's Operating Cash Flow per share for the year ending December 31, 1993 was \$3.85 calculated on the same basis as earnings per share. The Compensation Committee and the Board of Directors of the Company consider Operating Cash Flow per share to be the most important basis for measuring the value of the Company to its stockholders. Bonuses for executive officers primarily responsible for acquisitions (Messrs. Kettle and Budd) were based on the annualized amount of base revenue sharing that is expected to accrue to the Company for acquisitions completed during the year. Such base revenue sharing was approximately \$23,845,000 in 1993.

The Compensation Committee has noted that the Revenue Reconciliation Act of 1993 includes a provision that establishes a limit for the deduction of compensation paid by public companies to certain executive officers. However, amounts paid pursuant to a performance based compensation arrangement approved by stockholders are deductible even if they result in total compensation over the limit. One policy behind the new provision is to encourage public companies to tie compensation of key executives to verifiable criteria of performance for the company and to promote stockholder participation in approving such compensation arrangements. The Compensation Committee believes that the bonus arrangements described above appropriately align compensation of UAM's executives to key measures of value to stockholders and are of the type that the new tax provisions are intended to encourage. As contemplated by such provisions, the Board is submitting for shareholder approval the material terms of those arrangements.

The Company's Compensation Committee based option grants to executive officers of the Company for the 1993 fiscal year on the relative base salaries and bonuses of such officers of the Company, without any adjustment for the size of previous option grants to any of them, except for the options granted to Mr. McNamara which were included in his compensation package when he joined the Company in 1992.

Compensation Committee

Philip Scaturro, Chairman  
Jay O. Light  
John A. Shane

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#### COMPANY STOCK PERFORMANCE

Set forth below is a line graph comparing, over a five-year period commencing December 31, 1988 (the "Commencement Date"), the total return on the Company's Common Stock with the cumulative total return of companies on the Standard & Poor's 500 Stock Index and an asset management industry composite, a self-constructed peer group index (the "Indexes"). This graph assumes a common starting point of \$100 invested on December 31, 1988. Total return for the Company as well as for the Indexes is determined on a yearly basis by adding (a) the cumulative amount of dividends from the Commencement Date to the end of the year in question (assuming dividend reinvestment) and (b) the difference between the share price at the Commencement Date and at the end of such year, the sum of which is then divided by the share price at the Commencement Date.

<TABLE>

CUMULATIVE TOTAL RETURN FOR THE FIVE-YEAR PERIOD ENDING DECEMBER 31, 1993

<CAPTION>

| MEASUREMENT PERIOD<br>(FISCAL YEAR COVERED) | UAM    | S&P 500 | PEER GROUP |
|---------------------------------------------|--------|---------|------------|
| <S>                                         | <C>    | <C>     | <C>        |
| 1988                                        | 100.00 | 100.00  | 100.00     |
| 1989                                        | 136.20 | 131.59  | 149.81     |
| 1990                                        | 124.38 | 127.49  | 138.26     |
| 1991                                        | 238.39 | 166.17  | 261.76     |
| 1992                                        | 240.35 | 178.81  | 290.36     |
| 1993                                        | 330.35 | 196.75  | 390.96     |

<FN>

\* Includes Alliance Capital Management L.P., American Capital Management and Research (included for 1989 only, as no information is available for later periods), Atalanta Sosnoff Capital Corp, Bull & Bear Group, Inc., Colonial Group, Inc., Dreyfus Corp., Duff & Phelps Corp., Eaton Vance Corp., Franklin Resources, Inc., New England Investment Companies (formerly Reich & Tang L.P.), Oppenheimer Capital, L.P., The Pioneer Group, Inc., T. Rowe Price Associates, and Thomson Advisory Group L.P.

</TABLE>

VOTING SECURITIES

Only the record holders of shares of Common Stock of the Company at the close of business on March 23, 1994 may vote at the Meeting. Each share of Common Stock is entitled to one vote on the matters to be voted upon at the meeting.

On March 1, 1994 there were 28,163,740 shares of Common Stock issued and outstanding. The following table sets forth certain information, as of March 1, 1994, with respect to the beneficial ownership of UAM's Common Stock (i) by each person who is known by UAM to own beneficially more than 5% of its Common Stock, (ii) by each of UAM's directors and nominees, (iii) by the chief executive officer and each of the Company's four other most highly compensated executive officers, and (iv) by all of UAM's executive officers and directors as a group. Unless otherwise noted, the persons named in the table have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by each of them, subject to community property laws, where applicable. Under the heading "Number of Shares Issuable" are listed (and under the heading "Total" are included) shares issuable within 60 days of the date of this Proxy Statement upon the exercise or conversion of warrants or stock options owned by the party indicated. The percentage owned is calculated with respect to each party by treating its issuable shares as outstanding, in accordance with rules of the Securities and Exchange Commission.

<TABLE>

BENEFICIAL OWNERSHIP OF COMMON STOCK

<CAPTION>

| NAME OF BENEFICIAL OWNER<br>(AND ADDRESS OF OWNER OF<br>MORE THAN FIVE PERCENT) | NO. OF<br>ISSUED<br>SHARES | NO. OF<br>SHARES<br>ISSUABLE | TOTAL     | PERCENT |
|---------------------------------------------------------------------------------|----------------------------|------------------------------|-----------|---------|
| <S>                                                                             | <C>                        | <C>                          | <C>       | <C>     |
| Norton H. Reamer.....<br>One International Place<br>Boston, MA 02110            | 1,122,673                  | 50,819                       | 1,173,492 | 4.16%   |
| Allen Holding Inc.(1).....<br>711 Fifth Ave.<br>New York, NY 10022              | 1,370,994                  | --                           | 1,370,994 | 4.87    |
| Denver Investment Advisors.....<br>633 17th Street<br>Denver, CO 80270          | 1,173,400                  | --                           | 1,173,400 | 4.17    |
| Richard A. Englander.....                                                       | 17,501                     | 6,000                        | 23,501    | *       |
| Robert J. Greenebaum.....                                                       | 19,100                     | 12,000                       | 31,100    | *       |
| Mark A. Lieb.....                                                               | --                         | 2,750                        | 2,750     | *       |
| Jay O. Light.....                                                               | 2,000                      | 15,000                       | 17,000    | *       |
| John F. McNamara.....                                                           | 2,000                      | 62,500                       | 64,500    | *       |
| Michael C. Mewhinney(2)(3)(4).....                                              | 268,188                    | 221,316                      | 489,504   | 1.72    |
| W. Olin Nisbet, III(2)(3)(5).....                                               | 243,351                    | --                           | 243,351   | *       |
| Norman Perlmutter(2)(6).....                                                    | 177,671                    | --                           | 177,671   | *       |
| David A. Polak(2)(3)(7).....                                                    | --                         | 1,019,490                    | 1,019,490 | 3.49    |
| Edward I. Rudman.....                                                           | 29                         | 62,728                       | 62,757    | *       |
| David I. Russell.....                                                           | 1,000                      | 15,000                       | 16,000    | *       |
| Philip Scaturro(8).....                                                         | 49,932                     | 15,000                       | 64,932    | *       |
| John A. Shane(9).....                                                           | 16,200                     | 6,000                        | 22,200    | *       |
| John T. Siegel(2)(3)(10).....                                                   | 267,910                    | --                           | 267,910   | *       |
| Barbara S. Thomas.....                                                          | --                         | 3,000                        | 3,000     | *       |
| William H. Park.....                                                            | 77,330                     | 39,550                       | 116,880   | *       |
| Franklin H. Kettle.....                                                         | 14,300                     | 28,800                       | 43,100    | *       |
| William B. Budd.....                                                            | 6,000                      | 24,301                       | 30,301    | *       |
| All UAM Executive Officers and Directors as a<br>Group<br>(16 Persons).....     | 2,267,655                  | 1,512,776                    | 3,780,431 | 12.74   |

</TABLE>

[FN]

\* Indicates less than 1%

- (1) Includes 1,116,194 shares owned by Allen & Company Incorporated, a wholly-owned subsidiary of Allen Holding Inc., and an aggregate of 254,800 shares owned by two affiliated entities. Does not include 166,680 shares owned by Herbert A. Allen, the President and principal shareholder of Allen Holding Inc., 28,375 shares owned by a trust for certain of Mr. Allen's family members, of which he is one of the trustees, or 25,242 shares owned by a relative of Mr. Allen over whose account he may exercise voting and dispositive control pursuant to a power of attorney. Further does not include any shares owned by Mr. Scaturro or any other shareholder of Allen Holding Inc. or 9,800 shares held by a not-for-profit organization of which Mr. Allen is a Trustee.
- (2) The named security holder is a former owner of a UAM subsidiary, and as such received (directly or indirectly) a portion of the purchase price paid in connection with such transaction in UAM Stock. The security holder had no connection with UAM prior to such acquisition.
- (3) The named security holder is a current director of UAM who is not standing for reelection.
- (4) Excludes a total of 645,948 shares issuable within 60 days hereof upon exercise of warrants at \$23 per share and 540,245 issued shares beneficially owned in varying amounts by James P. Barrow, Bryant M. Hanley, Jr. and John L. Strauss, each of whom has sole voting and investment power with respect to the shares owned by him and each of whom was, with Mr. Mewhinney, a party to the acquisition agreement pursuant to which UAM acquired Barrow, Hanley, Mewhinney & Strauss, Inc. Each of these four persons disclaims beneficial ownership of the shares beneficially owned by each of the others.
- (5) Includes 6,000 shares for which Mr. Nisbet shares voting and investment power with a family partnership; and excludes 950 shares for which Mr. Nisbet's wife has sole voting and investment power.
- (6) Includes 177,037 shares owned by HC Partnership of which Mr. Perlmutter is a general partner. Excludes 385,056 shares owned by HC Partnership as to which Mr. Perlmutter disclaims beneficial ownership.
- (7) All of such shares are issuable within 60 days hereof upon exercise of warrants at \$33 per share held by the NWQ Charitable Remainder Unitrust of which Mr. Polak is the sole trustee.
- (8) Excludes 1,370,994 shares of Common Stock owned by Allen Holding Inc. of which Mr. Scaturro is an Executive Vice President and Managing Director. Also excludes 8,100 shares of Common Stock owned by the Philip Scaturro Foundation, of which Mr. Scaturro is President, Treasurer and Trustee. Mr. Scaturro disclaims beneficial ownership of all such shares.
- (9) Includes 1,132 shares of Common Stock owned by Palmer Service Corporation, of which Mr. Shane is President.
- (10) Includes 20,000 shares for which Mr. Siegel shares voting and investment power with his wife; and excludes 37,492 shares for which Mr. Siegel's wife has sole voting and investment power.

#### APPROVAL OF THE UAM 1994 STOCK OPTION PLAN

The Board has adopted and recommends that the stockholders approve the United Asset Management Corporation 1994 Stock Option Plan (the "1994 Plan"). The 1994 Plan has been adopted to ensure that an adequate number of option shares are available to provide appropriate incentives to key employees and other persons who provide significant services to UAM and its thirty-nine affiliated firms. The future success of an institutional investment management organization such as UAM is highly dependent on the retention and continuing motivation of the more than 450 skilled key professionals who work in the operating firms and the parent company corporate offices or perform other key services for the Company. The Company has found that an active program of awarding stock options to those key professionals and corporate officers has been, and management believes will continue to be, an important component of their compensation arrangements in a manner that will directly associate the interests of those key employees and corporate officers with those of the stockholders of the Company.

The Company currently has only 924,119 shares available for future option grants under all existing plans. The Company believes that additional option shares should be made available to give the Company maximum flexibility in providing appropriate incentives to key personnel. If approved at the Meeting, the 1994 Plan and the 1994 Directors Plan (described below) will supersede all existing company stock option plans. Upon stockholder approval, 2,900,000 shares

of Common Stock will become available under the 1994 Plan, and 300,000 shares will become available under the 1994 Directors Plan.

Because certain directors of the Company are employees of the Company or its subsidiaries, such directors, as well as the executive officers identified on pages 1 and 3 above and other key employees and service providers, will be eligible to participate in the 1994 Plan and may be granted options thereunder.

#### MATERIAL FEATURES OF THE 1994 PLAN

The 1994 Plan provides for the granting of Incentive Stock Options ("ISOs") and Non-Incentive Stock Options ("NISOs") to purchase shares of Common Stock, \$.01 par value ("Common Stock"). The 1994 Plan also provides for the granting of "approved" options to employees working in the United Kingdom ("U.K. Options"). Under the 1994 Plan ISOs, NISOs and U.K. Options may be granted for the purchase of up to an aggregate of 2,900,000 shares of the Common Stock. The closing price of the Common Stock as reported by the New York Stock Exchange on March 1, 1994 was \$38.75 per share.

The general purpose of the 1994 Plan is to encourage employees who have substantial responsibility for the Company's (including affiliated firms) management and growth to maintain their employment and to increase their proprietary interest in the success of the Company and to motivate other individuals who provide important services to the Company. All executive officers and other key employees of the Company and its subsidiaries, as well as non-employees who provide important services to the Company (all such individuals hereinafter "Employees"), are eligible to participate in the 1994 Plan. At present, the Company and its subsidiaries have approximately 450 employees (including five executive officers) who are eligible to participate in the 1994 Plan.

The 1994 Plan and the grant of options thereunder will be administered by the Compensation Committee of the Board of Directors consisting of not less than three directors who are both "disinterested," as that term is defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "outside," as that term is defined in proposed regulations relating to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").

The Compensation Committee will have the power to determine which Employees will be granted options under the Plan, whether such options will be ISOs, NISOs or U.K. Options (subject in each case to applicable legal restrictions), the number of shares of Common Stock covered by, and the duration of, each option so granted under the 1994 Plan, and other terms and conditions applicable to each option so granted under the 1994 Plan. These determinations are made at the time the option is granted. The Compensation Committee will also be authorized to interpret the 1994 Plan and prescribe rules and regulations relating to the 1994 Plan. In selecting the Employees to whom options will be granted and in deciding how many shares will be subject to each option, the Compensation Committee will consider, among other relevant factors, the importance of an Employee's duties, the Employee's experience with the Company or a subsidiary of the Company, the Employee's future value to the Company or a subsidiary of the Company, and the Employee's present and potential contribution to the success of the Company and its subsidiaries.

Options granted to the Company's executive officers in 1993 under plans that will be superseded by the 1994 Plan are set forth in the table entitled "Option Grants in 1993" on page 5 above. The aggregate number of options granted in 1993 under such plans to the executive officers as a group and to employees other than executive officers as a group was 119,300 and 802,570, respectively. The exact types and amounts of any awards to be made by the Committee to any eligible Employees pursuant to the 1994 Plan are not presently determinable. As a result of the discretionary nature of the 1994 Plan, it is not possible to state who the participants in such Plan will be, the numbers of options or other awards to be received by any person or group, or the benefits or amounts that would have been received by certain persons or groups under such Plan during the last fiscal year if the 1994 Plan had been in effect during that year.

In accordance with Code Section 162(m), a public company may not deduct certain executives' compensation in excess of \$1 million per individual unless such compensation is performance-based. Options are deemed performance-based only to the extent that, among other things, the plan to which they relate specifies the maximum number of options which may be granted to any Employee during a specified period of time. Accordingly, the 1994 Plan indicates that the maximum number of options which may be granted to an Employee in any calendar year is 100,000.

The price at which shares of Common Stock may be purchased upon the exercise of options granted under the 1994 Plan also will be determined by the Compensation Committee at the time the option is granted within certain parameters. In the case of ISOs and U.K. Options, the exercise price per share

may not be less than the fair market value of a share of Common Stock on the date the option is granted, or, in the case of an ISO granted to an employee who owns over 10% of the Common Stock at the time of grant, the exercise price per share may not be less than 110% of such fair market value. A non-employee may not be granted ISOs or U.K. Options under the 1994 Plan. The exercise price per share for NISOs granted to key Employees may not be less than 50% of the fair market value of a share of Common Stock on the date of grant, except that the exercise price per share of a NISO granted to a Covered Employee may not be less than 100% of the fair market value of a share of Common Stock on the grant date. The term "Covered Employee" includes the chief executive officer of UAM at the end of any taxable year and those individuals whose compensation is required to be disclosed in the Proxy Statement Summary Compensation Table. No option under the 1994 Plan may be granted with an exercise price less than the par value of the Common Stock. The Company receives no consideration from an optionee for the grant of an option under the 1994 Plan.

The aggregate fair market value (determined at the time the option is granted) of the stock with respect to which ISOs are exercisable for the first time by an individual during any calendar year under all plans of the Company may not exceed \$100,000. The aggregate fair market value (determined at the time the option is granted) of the stock with respect to which U.K. Options are outstanding for an individual under all plans of the Company may not exceed the greater of (i) four times the Employee's taxable pay (for the current or previous U.K. tax year, whichever is greater) and (ii) U.K. £100,000 sterling. (The U.K. tax year is the twelve-month period beginning each April 6.)

In the event an option granted under the 1994 Plan expires or terminates before it has been exercised in full, the shares of Common Stock allocable to the unexercised portion of such option will be available for the grant of future options under the 1994 Plan.

Any stock option granted under the 1994 Plan will be transferable only by will or under the laws of descent and distribution. The Compensation Committee is given discretion under the 1994 Plan to grant NISOs which the option holder may transfer to family members, either outright or in trust. In the event that an Employee who holds an option granted under the 1994 Plan dies before the date of expiration of such option, such option will terminate one year following the date of death (subject to the condition that no ISO or U.K. Option may be exercisable after the expiration of five or ten years from its date of grant, as applicable), and may be exercised prior to such termination by the executors or administrators of the estate of such holder or (except for U.K. Options) by any person to whom such option may have been transferred by will or under the laws of descent and distribution. All options granted under the 1994 Plan to employees will terminate no later than three months after the severance of the employment relationship between the Company and the optionee for any reason, for cause or without cause, other than death.

Employees who exercise options to purchase securities under the 1994 Plan shall pay cash in the full amount of the option price at the time of exercise and/or shall deliver other shares of Common Stock owned by the Employee with a fair market value equal to the exercise price of the option shares to be purchased. If, however, the Compensation Committee determines in good faith that an exercise of an option through the delivery of shares of the Company's Common Stock is not in the best interest of the Company, the Committee may withhold the right to so exercise the option and require payment of the purchase price in cash.

At the discretion of the Compensation Committee, options granted under the 1994 Plan may be made exercisable in installments which become available to the optionee from time to time during the term of the option, and the expiration date of each option will be determined by the Compensation Committee at the time

such option is granted. However, no ISO or U.K. Option granted under the 1994 Plan may be exercised more than ten years after the date of grant, and no ISO granted to a person who owns over 10% of the Common Stock at the time of grant may be exercised more than five years following the date of grant. The 1994 Plan itself expires in 2004.

The aggregate number and kind of shares reserved under the 1994 Plan, the number of shares as to which options have been granted to any individuals, and the option prices per share shall be appropriately adjusted by the Board of Directors of the Company (with the advice of the Company's auditors and the consent of the Board of Inland Revenue, in the case of shares with respect to which U.K. Options are outstanding) in the event of any recapitalization, stock split, stock dividend, combination of shares, or other similar change in the capitalization of the Company, but no adjustment in any option price shall be made which would reduce the option price to less than the par value per share. In the event of a dissolution, liquidation, merger, consolidation or reorganization of the Company, the Board may decide to terminate each outstanding option as of the date of such event, and if it does so, shall suspend the exercise of all outstanding options a reasonable time prior to any

such event upon fourteen days advance notice of such suspension to each optionee so as to permit exercise of outstanding options prior to such suspension.

The Compensation Committee may also grant NISOs which in one or more respects do not meet the requirements for ISOs established by Section 422 of the Code. Options which otherwise qualify as ISOs may be issued as NISOs under the 1994 Plan, if the option so specifies at the time of the grant. Subject to the terms of the 1994 Plan, the Compensation Committee, in its sole discretion, may establish the terms and conditions for each NISO which it grants.

Within certain limits, the Board has the right to alter, amend or revoke the 1994 Plan. The Board may not, however, without the approval of the shareholders, alter or amend the Plan to increase the maximum number of shares of Common Stock that may be issued under the 1994 Plan; materially increase the benefits accruing to participants under the 1994 Plan; or materially modify the requirements as to eligibility for participation in the 1994 Plan.

#### U.K. OPTIONS

The 1994 Plan provides for the granting of "approved" options to Employees of the Company or its subsidiaries who are subject to income tax laws of the United Kingdom. U.K. Options will be subject to certain additional terms as required by Sections 185-187 and Schedule 9 of the Taxes Act 1988. U.K. Options shall be granted only to Employees who are required to work at least 20 hours per week for the Company or its subsidiaries (25 hours per week, in the case of Employees who are also directors of the Company or its subsidiaries). U.K. Options shall not be granted to any Employee who at the time of the grant would hold outstanding U.K. Options under all plans of the Company to purchase shares of the Common Stock with a value in excess of that described in the preceding section on page 11. The Company expects that the Board of Inland Revenue of the United Kingdom will approve the portions of the 1994 Plan under which the U.K. Options will be granted, and thus the U.K. Options are expected to provide significant U.K. income tax benefits to Employees who receive and exercise such options.

#### U.S. INCOME TAX ASPECTS OF STOCK OPTIONS

The rules governing the tax treatment of options and stock acquired upon the exercise of options are quite technical. Therefore, the description of tax consequences set forth below is necessarily general in nature and does not purport to be complete. Moreover, statutory provisions are subject to change, as are their interpretations, and their application may vary in individual circumstances. Finally, the tax consequences under applicable state and local income tax laws may not be the same as under the federal income tax laws.

ISOs granted pursuant to the 1994 Plan are intended to qualify as "Incentive Stock Options" within the meaning of Section 422 of the Code. If the participant makes no disposition of the shares acquired pursuant to exercise of an ISO within one year after the transfer of shares to such participant and within two years from grant of the option, such participant will realize no taxable income as a result of the grant or exercise of such option; any gain or loss that is subsequently realized will be treated as long-term capital gain or loss, as the

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case may be. Under these circumstances, the Company will not be entitled to a deduction for federal income tax purposes with respect to either the issuance of such incentive options or the transfer of shares upon their exercise. Under current law, long-term capital gain is taxed at a maximum rate of 28%.

If shares subject to ISOs are disposed of prior to the expiration of the above time periods, the participant will recognize ordinary income in the year in which the disqualifying disposition occurs, the amount of which will generally be the lesser of (i) the excess of the market value of the shares on the date of exercise over the option price, or (ii) the gain recognized on such disposition. Such amount will ordinarily be deductible by the Company for federal income tax purposes in the same year, provided that the Company satisfies certain federal income tax withholding requirements. In addition, the excess, if any, of the amount realized on a disqualifying disposition over the market value of the shares on the date of exercise will be treated as capital gain.

A participant who acquires shares by exercise of a NISO generally recognizes as taxable ordinary income, at the time of exercise, the difference between the exercise price and the fair market value of the shares on the date of exercise. The amount of the participant's taxable income will ordinarily be deductible by the Company in the same year in which the participant recognizes the taxable income, provided that the Company satisfies certain federal income tax withholding requirements and subject to the requirements of Section 162(m) with respect to Covered Employees described above.

VOTE REQUIRED FOR APPROVAL

Adoption of the UAM 1994 Stock Option Plan requires the affirmative vote of the holders of a majority of the shares of Common Stock present or represented at the Meeting and entitled to vote thereon, provided that the number of votes cast for and against the 1994 Plan must exceed 50% of the number of shares entitled to vote thereon. The shares represented by the proxies solicited by the Board of Directors will be voted for the approval of the 1994 Plan unless a contrary choice is specifically indicated. The Board of Directors recommends a vote FOR approval of the UAM 1994 Stock Option Plan.

#### APPROVAL OF THE UAM 1994 ELIGIBLE DIRECTORS STOCK OPTION PLAN

The Board has adopted and recommends that the stockholders approve the United Asset Management Corporation 1994 Eligible Directors Stock Option Plan (the "1994 Directors Plan"). Like the Company's existing director stock option plans, all of which will be superseded upon approval of the stock option plans to be considered at the Meeting, the 1994 Directors Plan provides for annual automatic grants of options to Eligible Directors (as defined below). Regular Option grants under the new plan will cover 5,000 shares rather the 3,000 shares available under existing plans. These options will be exercisable at a price equal to the fair market value of the underlying stock on the date of grant and are provided to attract, retain, and incent directors and to promote a strong identity of interests among the Company, the directors and the stockholders.

The 1994 Directors Plan also incorporates a new feature which will allow any Eligible Director to waive all or part of his or her annual cash retainer fee and receive instead an option, the exercise price for which will be discounted 25% from market. The aggregate discount in the exercise price for these options will be equal to the cash retainer waived. The Company will receive the benefit of greater equity investment by its directors while saving the cash otherwise payable for fees. The Company believes that this aspect of the 1994 Directors Plan will encourage directors to make greater equity investment in UAM.

#### MATERIAL FEATURES OF THE 1994 DIRECTORS PLAN

The 1994 Directors Plan provides for the granting of non-incentive stock options ("NISOs") to purchase up to an aggregate of 300,000 shares of Common Stock. The closing price of Common Stock as reported by the New York Stock Exchange on March 1, 1994 was \$38.75 per share.

The 1994 Directors Plan and the grant of options thereunder are intended to be self-governing. To this end, the 1994 Directors Plan requires no discretionary action by any administrative body, although the Compensation Committee will be authorized to interpret any issues arising under the 1994 Directors Plan.

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The 1994 Directors Plan covers only directors of the Company who are not officers or employees of the Company or its subsidiaries and who are not eligible to participate in any Company stock-related plan ("Eligible Directors"). Currently there are six Eligible Directors on UAM's Board of Directors.

#### REGULAR OPTIONS

Each Eligible Director then serving as a director will automatically be granted NISOs for 5,000 shares of Common Stock on the 30th day following the Annual Meeting in each of the years during the term of the 1994 Directors Plan. Shares may be purchased under these options at the fair market value on the date of grant. The total number of shares underlying options automatically granted each year to the Eligible Directors as a group will be 30,000, assuming that the Company continues to have six Eligible Directors.

#### DISCOUNTED OPTIONS

Eligible Directors will be entitled, on a semi-annual basis, to elect to receive discounted options in lieu of all or any portion of the annual retainer fee payable to them with respect to such six-month period. The election must be made in advance of the applicable six-month period and is irrevocable with respect to such period.

Discounted options granted to an Eligible Director for a six-month period will be exercisable at a discounted price of 75% of the market value of the Common Stock on the grant date. The number of shares of Common Stock under option will equal the amount of the cash retainer fee divided by 25% of the market value of the Common Stock on the date of grant. The operation of the formula can be illustrated as follows: if a director elects to receive a discounted stock option in lieu of all of his semi-annual retainer fee (currently, \$10,000) and UAM's stock price is \$42 on the grant date, he will be granted an option to purchase 952 shares of Common Stock (\$10,000 divided by \$10.50) at \$31.50 per share. A discounted option may be granted only with

respect to the directors' retainer fees and not in lieu of fees paid for attendance at meetings of the Board of Directors or any committee thereof or any expenses of the directors which the Company reimburses.

Because each Eligible Director will have the discretion under the 1994 Directors Plan to elect whether to receive discounted options in lieu of receiving the directors' annual retainer in cash, and because the number of shares under option is a function of the stock price on the date of grant, it is not possible to determine in advance the total number of options to be received by any person or group, or the benefits or amounts that would have been received by certain persons or groups under such Plan during the last fiscal year if the 1994 Directors Plan had been in effect during that year.

#### EXERCISE OF OPTIONS

Options granted to Eligible Directors will be exercisable in full immediately, in the case of discounted options granted in lieu of consideration, and beginning six months after the date of grant, in the case of automatic options. Both types of options will expire after five years. The Plan itself expires in 2004.

Eligible Directors who exercise options to purchase Common Stock under the 1994 Directors Plan may pay cash in the full amount of the option price at the time of exercise and/or deliver other shares of Common Stock owned by the Eligible Director with a fair market value equal to the exercise price of the option shares to be purchased. The Company receives no consideration from an optionee for a grant of an option under the 1994 Directors Plan.

Options granted under the 1994 Directors Plan cease to be exercisable six months after an Eligible Director ceases to be a director for any reason other than death. In the event of an Eligible Director's death, his outstanding options (whether exercisable or not on the date of death) may be exercised within twelve months after such date (subject to the condition that no such option may be exercised after the expiration of five years from its date of grant) by the executors or administrators of his estate or by any person to whom such option may have been transferred by will or under the laws of descent and distribution.

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In the event an option granted under the 1994 Directors Plan expires or terminates before it has been exercised in full, the shares of Common Stock allocable to the unexercised portion of such option will be available for the grant of future options under the 1994 Directors Plan.

Any stock option granted under the 1994 Directors Plan will be transferable only by will or the laws of descent and distribution.

The aggregate number and kind of shares reserved under the 1994 Directors Plan, the number of shares as to which options have been granted to any individuals, and the option prices per share shall be appropriately adjusted by the Board of Directors of the Company in the event of any recapitalization, stock split, stock dividend, combination of shares, or other similar change in the capitalization of the Company, but no adjustment in any option price shall be made which would reduce the option price to less than the par value per share. In the event of a dissolution, liquidation, merger, consolidation or reorganization of the Company, the Board may decide to terminate each outstanding option as of the date of such event, and if it does so, shall suspend the exercise of all outstanding options a reasonable time prior to any such event upon fourteen days advance notice of such suspension to each optionee so as to permit exercise of outstanding options prior to such suspension.

Within certain limits, the Board has the right to alter, amend or revoke the 1994 Directors Plan. The Board may not, however, without the approval of the shareholders, alter or amend the Plan to increase the maximum number of shares of Common Stock that may be issued under the 1994 Directors Plan; materially increase the benefits accruing to participants under the 1994 Directors Plan; or materially modify the requirements as to eligibility for participation in the 1994 Directors Plan. No action which would amend the 1994 Directors Plan to change the amount, timing or price of the option grants may be made more often than once every six months, except to comport with certain tax and other regulatory requirements.

#### FEDERAL TAX MATTERS

Directors are not required to recognize income upon the grant of options under the 1994 Directors Plan, at any time before the exercise of the option or a portion thereof. When an optionee exercises an option or portion thereof, the optionee is required to recognize compensation taxable as ordinary income in an amount equal to the excess of the fair market value of the Common Stock on the exercise date over the exercise price of the option, and the Company is then entitled to a corresponding deduction.

VOTE REQUIRED FOR APPROVAL

Adoption of the UAM 1994 Eligible Directors Stock Option Plan requires the affirmative vote of the holders of a majority of the outstanding shares of Common Stock present or represented at the Meeting and entitled to vote thereon, provided that the number of votes cast for or against the UAM 1994 Eligible Directors Stock Option Plan must exceed 50% of the number of shares entitled to vote thereon. The shares represented by proxies solicited by the Board of Directors will be voted for the approval of the UAM 1994 Eligible Directors Stock Option Plan unless a contrary choice is indicated. The Board of Directors recommends a vote FOR approval of the UAM 1994 Eligible Directors Stock Option Plan.

APPROVAL OF COMPENSATION ARRANGEMENTS FOR CERTAIN  
EXECUTIVE OFFICERS FOR PURPOSES OF CODE SECTION 162(M)

Under applicable provisions of The Revenue Reconciliation Act of 1993, public companies are not allowed to deduct for income tax purposes annual compensation paid to certain executive officers in excess of \$1,000,000 per executive unless such excess is paid pursuant to an arrangement tied to performance and approved by stockholders. Under a bonus arrangement used by UAM's Compensation Committee for the past several years, it is possible that the total compensation payable to Messrs. Reamer and McNamara will exceed such limitation. In order to ensure the full deductibility of compensation paid to such officers, the Company is seeking stockholder approval of such arrangement.

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Discretionary bonuses under the arrangement would be made in the manner described in the Compensation Committee Report beginning on page 5 above. The cash bonus for each individual would be calculated by multiplying (i) the excess of the Company's operating cash flow per share for each fiscal quarter in the year for which the bonus is being calculated over \$.25 by (ii) a factor of \$150,000 for Mr. Reamer and a factor of \$120,000 for Mr. McNamara. The Compensation Committee will certify in writing after the end of each fiscal year whether and to what extent the performance goal for the prior year has been met and award the appropriate cash bonus to Messrs. Reamer and McNamara. The Compensation Committee has the discretion to reduce the amount of the bonus awarded to either individual, or to award bonuses on some other basis, if the Committee determines such action is appropriate, given the circumstances. If, however, a bonus is awarded based on some other arrangement that has not been approved by the stockholders, the Company would not be allowed to deduct for tax purposes any payments in excess of the limitation. The cash bonuses earned by Messrs. Reamer and McNamara in the fiscal year ending December 31, 1993 are listed in the Summary Compensation Table on page 4.

VOTE REQUIRED

Approval of the compensation arrangements described above for purposes of Code Section 162(m) requires the affirmative vote of the holders of at least a majority of the shares of Common Stock present or represented at the meeting and voting thereon. The Board of Directors recommends a vote FOR approval of such compensation. Unless there is a change in the material terms of the arrangements, including a change in the performance goals or the payment formula, such compensation arrangements will not be resubmitted to the stockholders for another vote for five years.

APPROVAL OF AMENDMENT TO AND RESTATEMENT OF THE RESTATED CERTIFICATE  
OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES

The Board of Directors has determined that it is advisable to increase the Company's authorized Common Stock from 50,000,000 shares to 200,000,000 shares, and has voted to recommend that the stockholders adopt an amendment and restatement of the Company's Restated Certificate of Incorporation (the "Restated Certificate") effecting the proposed increase.

As of March 15, 1994, 28,086,268 shares of Common Stock were issued and outstanding and an additional 7,370,536 shares were reserved for issuance upon the exercise of warrants issued in connection with acquisitions and options granted under the Company's various stock option plans. If the 1994 Plan and 1994 Directors Plan are approved by the stockholders at this Meeting, an additional 3,200,000 shares of Common Stock will be reserved for issuance thereunder. Accordingly, only a total of approximately 11,340,000 shares of Common Stock would be available for future issuance.

The Board of Directors believes it to be in the best interests of the Company to authorize additional shares of Common Stock in order to provide flexibility for corporate action in the future. The Board of Directors also believes that the availability of such additional shares will help the Company attract and retain talented employees through the grant of stock options and other stock-based incentives. The Board of Directors further believes that the availability of additional authorized shares for issuance from time to time in the Board's discretion in connection with possible stock splits or dividends,

future financings, investment opportunities or for other corporate purposes is desirable in order to avoid repeated separate amendments to the Restated Certificate and the delay and expense incurred in holding special meetings of stockholders to approve such amendments. The Company typically issues shares of its Common Stock or warrants exercisable for such Common Stock as partial or full consideration for its acquisition of investment advisory firms. In connection with its acquisitions of investment advisers in 1993, UAM issued approximately 3,700,000 shares of its Common Stock and warrants exercisable for an additional 370,000 shares of its Common Stock. It anticipates a continuing need for Common Stock for future acquisitions.

The shares of Common Stock proposed to be authorized will be available for issuance at such times and for such corporate purposes as the Board of Directors may deem advisable without further action by the Company's stockholders, except as may be required by applicable laws or the rules of the New York Stock

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Exchange or any stock exchange or national securities trading system on which the Company's shares may be listed or traded. The Company's management has no arrangements, agreements, understandings or plans at the present time for the issuance or use of additional shares of Common Stock proposed to be authorized, except for a general intention to use such shares in its ongoing strategy of acquisitions. Upon issuance, such shares would have the same rights as the outstanding shares of Common Stock. Holders of Common Stock do not have preemptive rights to subscribe for or purchase any part of any new or additional shares of the Company's capital stock which may be issued in the future.

The proposed increase in the number of authorized shares of Common Stock could be considered to be "anti-takeover" in nature if unreserved shares were issued under circumstances intended to discourage or make difficult an attempt by a person or organization to gain control of the Company. The Board of Directors does not, however, view the proposed increase as part of an "anti-takeover" strategy and does not presently intend to propose at future meetings of the stockholders other measures that could be considered "anti-takeover" in nature. The issuance of additional shares of Common Stock may have a dilutive effect on earnings per share and, for a person who does not purchase additional shares to maintain his or her pro rata interest, on a stockholder's percentage voting power.

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock entitled to vote thereon is required to amend and restate the Restated Certificate to increase the authorized number of shares of Common Stock. The shares represented by the proxies solicited by the Board of Directors will be voted for the approval of this proposal unless a contrary choice is specifically indicated. The Board of Directors recommends a vote FOR approval of the proposal to amend and restate the Restated Certificate as set forth in Exhibit A.

#### SELECTION OF INDEPENDENT ACCOUNTANTS

Upon the recommendation of its Audit Committee, the Board of Directors has selected the firm of Price Waterhouse as independent accountants of the Company for the year ending December 31, 1994, subject to ratification by vote of the holders of a majority of the shares of Common Stock voting thereon at the Annual Meeting. A representative of Price Waterhouse, which served as independent accountants for 1993, is expected to be present at the Meeting, with the opportunity to make a statement if he or she desires to do so, and to be available to respond to appropriate questions.

The persons named as proxies in the accompanying form of Proxy intend (unless specific contrary instructions are given) to vote for ratification of the selection of Price Waterhouse as independent accountants for the 1994 fiscal year.

#### STOCKHOLDER PROPOSALS

Proposals of stockholders intended to be presented at the 1995 Annual Meeting of Stockholders must be received by the Company at its offices at One International Place, Boston, Massachusetts 02110 no later than December 5, 1994 in order to be considered for inclusion in the Proxy Statement and form of Proxy relating to that meeting.

#### QUORUM AND VOTING PROCEDURES

The By-laws of the Company (the "By-laws") provide that a majority of the shares of Common Stock issued and outstanding and entitled to vote, present in person or by proxy, shall constitute a quorum at a meeting of stockholders of the Company. Shares of Common Stock represented by a properly signed and returned proxy are considered as present at the Meeting for purposes of determining a quorum. Abstentions are counted as present for purposes of determining the existence of a quorum.

Brokers holding shares for beneficial owners must vote those shares according to the specific instructions they receive from the owners. If specific instructions are not received, however, brokers may vote these shares in their discretion, depending on the type of proposal involved. However, the New York Stock Exchange can

preclude brokers from exercising their voting discretion on certain proposals. Absent specific instructions from the beneficial owner in such case, the broker may not vote on that proposal. This results in what is known as a "broker non-vote" on such a proposal. In the event of a broker non-vote with respect to any issue coming before the Meeting, the Proxy will nonetheless be counted as present for purposes of determining the existence of a quorum. The effect of broker non-votes on each agenda item is described below.

Pursuant to the By-laws, directors of the Company shall be elected by a plurality vote. All other questions shall be determined by a majority of the shares present or represented at the Meeting and entitled to vote thereon, except as may otherwise be provided in the Restated Certificate, the By-laws, or by law.

The vote required for the election of directors is the affirmative vote of a plurality of the shares present or represented at the Meeting and entitled to vote thereon. Unless authority to vote for any director is withheld in the Proxy, votes will be cast in favor of election of the nominees listed herein. Votes withheld from election of directors will be excluded entirely from the vote.

The vote required for approval of the 1994 Plan and the 1994 Directors Plan is the affirmative vote of a majority of the shares of Common Stock present or represented at the Meeting and entitled to vote thereon. Abstentions will count as shares present or represented at the Meeting and will, therefore, be included in determining whether the required vote has been received and effectively count as a vote "against" approval. Broker non-votes, on the other hand, will not be deemed to be present for purposes of determining the total number of shares of which a majority is required for approval and will have no effect on the outcome. Brokers have discretionary authority to vote on the 1994 Directors Plan but not on the 1994 Plan.

The vote required for approval of the Compensation Arrangements for Certain Executive Officers is the affirmative vote of a majority of the shares of Common Stock present or represented at the Meeting and voting thereon. Abstentions as to this proposal will not count as votes cast "for" or "against" this proposal, and will not be included in calculating the number of votes necessary for approval of this proposal. Brokers have discretionary authority to vote on this proposal.

The vote required for the amendment and restatement of the Restated Certificate is a majority of the outstanding shares of Common Stock entitled to vote thereon. Every share that does not vote in favor of the amendment to and restatement of the Restated Certificate, including abstentions, broker non-votes, and other unvoted shares, will have the same effect as a vote "against" the amendment. Brokers have discretionary authority to vote on this proposal.

If a properly signed Proxy is returned to the Company by a stockholder of record and is not marked, it will be voted in accordance with the Board's recommendations on all proposals.

The Board of Directors knows of no business which will be presented for consideration at the Meeting other than that shown above. However, if any other proper business should come before the Meeting, it is the intention of the persons named in the enclosed form of Proxy to vote the Proxies in respect to any such business in accordance with their best judgment. Matters with respect to which the enclosed form of Proxy confers such discretionary authority are as follows: (i) matters which the Board of Directors does not know of a reasonable time before the mailing of this Proxy Statement are to be presented at the annual meeting; (ii) approval of the minutes of the prior meeting of stockholders, such approval not constituting ratification of the action taken at such meeting; (iii) election of any person as a director if any of the nominees named herein is unable to serve or for good cause will not serve; and (iv) matters incident to the conduct of the meeting.

Any stockholder giving a Proxy in the accompanying form retains the power to revoke it, by appropriate written notice to the Secretary of the Company or by the giving of a later dated Proxy, at any time prior to the exercise of the powers conferred thereby. Attendance in person at the Meeting will not itself be deemed to revoke a Proxy unless the stockholder gives an affirmative notice at the Meeting that the stockholder intends to revoke the Proxy and to vote in person.

The shares represented by the Proxy will be voted as directed by the

stockholder giving the Proxy.

IF NO CONTRARY INSTRUCTIONS ARE GIVEN, THE PROXY WILL BE VOTED (1) TO FIX THE NUMBER OF DIRECTORS AT TWELVE AND TO ELECT THE PERSONS NAMED UNDER "ELECTION OF DIRECTORS"; (2) TO APPROVE THE UAM 1994 STOCK OPTION PLAN; (3) TO

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APPROVE THE UAM 1994 ELIGIBLE DIRECTORS STOCK OPTION PLAN; (4) TO APPROVE THE COMPENSATION ARRANGEMENTS FOR CERTAIN EXECUTIVE OFFICERS; (5) TO AMEND AND RESTATE THE COMPANY'S RESTATED CERTIFICATE OF INCORPORATION TO INCREASE AUTHORIZED CAPITAL; (6) TO APPROVE THE SELECTION OF PRICE WATERHOUSE AS INDEPENDENT ACCOUNTANTS FOR 1994; AND (7) IN THE DISCRETION OF THE PROXYHOLDER AS TO ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.

OTHER MATTERS

The cost of preparing, assembling and mailing the proxy material will be borne by the Company. In addition to the use of the mails, certain officers and regular employees of the Company, without additional compensation, may use their personal efforts, by telephone or otherwise, to obtain Proxies. The Company will also request brokerage houses, custodians, nominees and fiduciaries to forward copies of the proxy material to those persons for whom they hold shares and to request instructions for voting the Proxies. The Company will reimburse such brokerage houses and other persons for their reasonable expenses in connection therewith.

JOHN C. VINCENT, JR.  
Secretary

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EXHIBIT A

RESTATED

CERTIFICATE OF INCORPORATION

OF

UNITED ASSET MANAGEMENT CORPORATION

PURSUANT TO SECTION 245 OF THE GENERAL

CORPORATION LAW OF THE STATE OF DELAWARE

United Asset Management Corporation, a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify as follows:

FIRST: That the original Certificate of Incorporation was filed with the Secretary of the State of Delaware on December 4, 1980; that said certificate was amended and restated by a restated certificate of incorporation filed on February 21, 1985; that such restated certificate was further amended by certificates of amendment filed on January 17, 1986 and June 24, 1986; and that such restated certificate was amended and restated by a restated certificate of incorporation filed on June 2, 1987;

SECOND: That the restated certificate of incorporation, as amended, is hereby further amended by striking out Article 4(a) thereof and by substituting in lieu thereof new Article 4(a) which is set forth in the Restated Certificate of Incorporation hereinafter set forth. The provisions of the restated certificate of incorporation of the Corporation as amended and supplemented, is hereby restated and integrated into the single instrument which is entitled Restated Certificate of Incorporation of United Asset Management Corporation without any further amendment other than the amendment herein certified and without any discrepancy between the provisions of the restated certificate of incorporation as heretofore amended and supplemented and the provisions of the said single instrument hereinafter set forth,

THIRD: That the Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

1. The name of the Corporation is United Asset Management Corporation.
2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the city of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.
3. The nature of the business to be conducted or promoted and the purpose

of the Corporation is: To be a holding company of which the subsidiaries engage in the institutional investment management business and to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

14. Authorized Stock:

(a) The Corporation is authorized to issue two classes of shares of capital stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of all such shares shall be Two Hundred Five Million (205,000,000). The total number of shares of Common Stock authorized to be issued shall be Two Hundred Million (200,000,000), with a par value of one penny (\$.01) per share. The total number of shares of Preferred Stock authorized to be issued shall be Five Million (5,000,000), with a par value of one dollar (\$1.00) per share.

(b) The shares of Preferred Stock may be issued by the Board of Directors from time to time in one or more series. The Board of Directors is hereby authorized to establish from time to time by resolution or resolutions the number of shares to be included in each such series, and to fix the designations, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof, including but not limited to the fixing or alteration of the dividend rights, dividend rate or rates, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the

redemption price or prices, and the liquidation preferences of any wholly unissued series of shares of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any or all of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

5. The Corporation is to have perpetual existence.

6. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the by-laws of the Corporation.

7. Elections of directors need not be by written ballot unless the by-laws of the Corporation shall so provide.

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the Corporation may be kept, subject to any provision contained in the statutes, outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the by-laws of the Corporation.

8. A Director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages or breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Law as the same now exists or may hereafter be amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a Director of the Corporation relating to such Director's conduct prior to the time of such repeal or modification.

9. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

FOURTH: The amendment and the restatement of the Restated Certificate of Incorporation herein certified has been duly adopted by the stockholders in accordance with the provisions of Section 242 and of Section 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said United Asset Management Corporation has caused this certificate to be signed by Norton H. Reamer, its President, and John C. Vincent, Jr., its Secretary, this day of May, 1994.

UNITED ASSET MANAGEMENT CORPORATION

By: .....  
NORTON H. REAMER, PRESIDENT

ATTEST:

By: .....  
JOHN C. VINCENT, JR.,  
SECRETARY

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ACKNOWLEDGEMENT

I, Norton H. Reamer, hereby acknowledge under penalties of perjury that the foregoing Restated Certificate of Incorporation is the act and deed of United Asset Management Corporation and that the facts stated therein are true.

Signed as of the                    day of May, 1994.

.....  
NORTON H. REAMER

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UNITED ASSET MANAGEMENT CORPORATION

1994 STOCK OPTION PLAN

The plan (the "Plan") comprises two subplans: Subplan A covers options to be granted to key employees, including officers, and non-employees who provide important services to United Asset Management Corporation, a Delaware corporation ("UAM") or any of its subsidiaries or parents, who are subject to the income tax laws of the United States and Subplan B covers options to be granted to employees of UAM or of its subsidiaries who are subject to the income tax laws of the United Kingdom.

Subject to the adjustments provided in the Plan, the aggregate number of shares of Common Stock of UAM which may be issued and sold pursuant to options granted under Subplan A and Subplan B under the Plan shall not exceed 2,900,000 shares of Common Stock (as defined below), which may be either authorized but unissued shares or treasury shares. If any option granted under the Plan shall terminate or expire without being fully exercised, the shares which have not been purchased will again become available for purposes of the Plan.

SUBPLAN A -- U.S. SUBPLAN PORTION OF THE 1994 STOCK OPTION PLAN

1. PURPOSE OF SUBPLAN A

The purpose of this Subplan A is to encourage key employees, including officers, of UAM and any present or future subsidiary and parent of UAM (hereinafter collectively referred to as the "Company") as well as non-employees who provide important services to the Company to acquire shares of common stock of UAM, \$.01 par value per share (the "Common Stock"), and thereby increase their proprietary interest in the Company's success and provide an added incentive to remain in the employ of the Company. For purposes of this Subplan A, the words parent and subsidiary shall be interpreted in accordance with Section 422 and Section 424 of the Internal Revenue Code of 1986, as from time to time amended (the "Code"). It is intended that options granted under this Subplan A shall constitute either "incentive stock options" within the meaning of Section 422 of the Code, or "non-incentive stock options", as determined by the Committee named in Section 3 of this Subplan in its sole discretion and indicated on each form of option grant (the "Option Grant"), and the terms of this Subplan and the Option Grants shall be construed accordingly.

2. SHARES RESERVED UNDER THE SUBPLAN A

Subject to the adjustment provided in Section 9, the aggregate number of shares of Common Stock which may be issued and sold pursuant to options granted under Subplan A of the Plan shall not exceed 2,900,000 shares less the number of shares of Common Stock issued pursuant to Subplan B of the Plan or underlying outstanding options which have been granted under Subplan B of the Plan. All such shares may be either authorized but unissued shares or treasury shares. If any option granted under the Plan shall terminate or expire without being fully exercised, the shares which have not been purchased will again become available for purposes of the Plan.

3. ADMINISTRATION

Except to the extent otherwise provided in Subplan B, the Plan shall be administered by a committee (the "Committee") consisting of not less than three (3) members of the Board of Directors of UAM (the "Board"). Each of the members of the Committee shall be, and shall have been at all times within the one-year period ending on the date of his appointment to the Committee, a person who in the opinion of counsel to the Company is (i) a "disinterested person" as such

term is used in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Act"), and (ii) an "outside director" as such term is used in proposed regulation 1.162-27(e) (3) under Section 162(m) of the Code. The Committee shall be appointed by, and shall serve at the pleasure of, the Board of Directors. A majority of the members present at any meeting at which a quorum is present, and any acts approved in writing by all the members of the Committee without a meeting, shall constitute the acts of the Committee. The Committee shall have the powers granted

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to it in Sections 3, 4, 5, 7 and 8 of this Subplan A. The Committee is authorized to interpret this Subplan A and, subject to the provisions of the Subplan, to prescribe, amend, and rescind rules and regulations relating thereto. The Committee is further authorized, subject to the express provisions of this Subplan A, to alter or amend the form of Option Grant attached hereto as Exhibit A and to make all other determinations necessary or advisable in the administration of the Subplan. The interpretation and administration by the Committee of any provisions of this Subplan A and the Option Grant shall be final and conclusive on all persons having any interest therein.

No members of the Committee or the Board shall be held liable for any action or determination made in good faith with respect to the Plan, this Subplan A, or any option granted hereunder.

#### 4. OPTION GRANTS

Options to purchase shares of Common Stock under this Subplan A may be granted to key employees (including officers and directors who are employees) of the Company and to non-employees who provide important services to the Company. The term "Employee" will include, for purposes of this this Subplan A, key employees as well as such non-employees who provide important services to the Company. In selecting the Employees to whom options will be granted and in deciding how many shares of Common Stock will be subject to each option, the Committee shall give consideration to the importance of an Employee's duties, to his experience with the Company, to his future value to the Company, to his present and potential contribution to the success of the Company, and to such other factors as the Committee may deem relevant. Subject to the express provisions of the Plan and the form of Option Grant incorporated herein by reference as from time to time altered or amended, the Committee shall have authority to determine with respect to each Option Grant the number of installments, the number of shares of Common Stock in each installment, and the exercise dates, and, to the extent not inconsistent with the applicable provisions of the Code, if any, may specify additional restrictions and conditions for any Option Grant. Each incentive stock option shall expire not later than ten years from the date of the grant of such option.

Except as provided in Section 7 of this Subplan A, no incentive stock option may be granted to any Employee who, at the time such option is granted owns stock possessing more than 10 percent of the total combined voting power of all classes of stock of the Company within the meaning of Section 422 of the Code. Non-employees who provide services to the Company shall not be eligible to receive incentive stock options under the Plan.

The date of grant of an option under this Subplan A shall be the date the Committee votes to grant the option, but no optionee shall have the right to exercise his option until the Company has executed and delivered the Option Grant to such optionee. Each option granted under this Subplan A shall be evidenced by and subject to the terms and conditions of the Option Grant which is incorporated into the Plan by reference as from time to time altered or amended.

No stock option granted under this Subplan A may be transferred by the optionee, other than by will or the laws of descent and distribution. A stock option granted under this Subplan A can be exercised during such individual's life only by him. Notwithstanding the foregoing, the Committee may grant non-incentive stock options under this Subplan A that are transferable (subject to any terms and conditions imposed by the Committee) by the optionee, either directly or in trust, to one or more members of the optionee's family, and the Committee may amend accordingly the form of Option Grant attached hereto. Following any transfer permitted pursuant to this paragraph, of which the optionee has notified the Committee in writing, such option may be exercised by the transferee(s), subject to all terms and conditions of the Option Grant. For these purposes, the members of the optionee's family are only the optionee's: (i) spouse; (ii) lineal descendants; (iii) lineal ancestors; and (iv) siblings and spouses and children of such siblings.

#### 5. OPTION PRICE

The price per share at which each option granted under this Subplan A may be exercised shall be determined by the Committee subject to the provisions of this Section 5. In the case of an incentive stock option, the exercise price shall not be less than the fair market value per share on the date of the grant,

determined by the Committee in accordance with applicable provisions of the Code then in effect. In the case of a non-incentive stock option, the exercise price shall not be less than 50% of the fair market value per share on the date of grant, as so determined. In no event shall the option price per share for any option under the Plan be less than the par value per share.

#### 6. LIMITATION ON AMOUNT

The aggregate fair market value (determined at the time the option is granted) of the stock with respect to which incentive stock options are exercisable for the first time by an individual during any calendar year under all plans of the Company shall not exceed \$100,000. To the extent that the aggregate value of such options (determined in the order in which they were granted) exceeds such amount, such options shall be treated as non-incentive stock options.

The maximum number of shares with respect to which any options may be granted under the Plan (including this Subplan A, to any individual during any single calendar year shall be 100,000 shares.

#### 7. SPECIAL RULE FOR 10 PERCENT SHAREHOLDERS

The Committee may grant incentive stock options under this Subplan A to Employees who own more than 10 percent of the combined voting stock of the Company if (i) at the time of the Option Grant the price per share at which the option may be exercised is at least 110 percent of the fair market value of the stock subject to the option and (ii) such option is not exercisable after the expiration of five years from the date such option is granted.

#### 8. NON-INCENTIVE STOCK OPTIONS

Notwithstanding the provisions of Sections 4, 5, 6 and 7 of this Subplan A, the Committee may grant options which in one or more respects do not meet the requirements for incentive stock options established by Section 422 of the Code. The Committee shall indicate on each Option Grant whether an incentive stock option within the meaning of Section 422 of the Code or a non-incentive stock option is thereby granted.

Except as otherwise provided in this Subplan A, the Committee, in its sole discretion, shall establish the terms and conditions for each non-incentive stock option which it grants. Such terms and conditions may, but need not, include some or all of the provisions of Sections 4, 5, 6 and 7 of this Subplan A with respect to incentive stock options. If the Committee grants an option which in all respects meets the requirements for incentive stock options it may nonetheless designate such option a non-incentive stock option on the Option Grant.

#### 9. ADJUSTMENT OF SHARES RESERVED UNDER THE PLAN

The aggregate number and kind of shares reserved under the Plan, the maximum number of shares as to which options may be granted to any individual and the option price per share shall be appropriately adjusted by the Board in the event of any recapitalization, stock split, stock dividend, combination of shares, or other similar change in the capitalization of the Company, but no adjustment in the option price shall be made which would reduce the option price per share to less than the par value per share, and any adjustment in the option price for options granted under Subplan B of the Plan shall be subject to the requirements of Rule 5 of Subplan B.

#### 10. DISSOLUTION OR REORGANIZATION

Prior to a dissolution, liquidation, merger, consolidation, or reorganization of the Company (the "Event"), the Board may decide to terminate each outstanding option granted under this Subplan A. If the Board so decides, such option shall terminate as of the effective date of the Event, but the Board shall suspend the exercise of all outstanding options a reasonable time prior to the Event, giving each optionee not less than fourteen days written notice of the date of suspension, prior to which an optionee may purchase in whole or in part the shares available to him as of the date of receipt of the notice. If the Event is not consummated, the

suspension shall be removed and all options shall continue in full force and effect, subject to the terms of their respective Option Grants.

#### 11. AMENDMENT AND TERMINATION OF PLAN AND SUBPLAN A

The Board may amend, suspend, or terminate the Plan and/or this Subplan A, including the form of Option Grant incorporated herein by reference. No such action, however, may, without approval or ratification by the shareholders, increase the maximum number of shares reserved under the Plan except as provided in Section 9 of this Subplan A and Rule 5 of Subplan B, alter the class or classes of employees eligible for options, or make any other change which, pursuant to the Code or regulations thereunder or Section 16(b) of the Act and the rules and regulations promulgated thereunder, requires action by the shareholders. No such action may, without the consent of the holder of the option, alter or impair any option previously granted.

In any event, the Plan shall terminate 10 years from the date of adoption by the Board of Directors, or if earlier, from the date of approval by the shareholders. Any shares remaining under the Plan at the time of termination which are not subject to outstanding options and any shares which thereafter become available because of the expiration or termination of an option shall cease to be reserved for purposes of the Plan.

#### 12. RIGHT TO TERMINATE EMPLOYMENT

Nothing contained herein or in any Option Grant executed pursuant hereto shall restrict the right of the Company to terminate the employment of any optionee at any time.

#### 13. DATE OF ADOPTION

The date of adoption of this Plan by the Board is \_\_\_\_\_, 1994.

#### 14. DATE OF APPROVAL

The date of approval of this Plan by the shareholders and the Plan's effective date is May 19, 1994.

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### SUBPLAN B -- UK SUBPLAN PORTION OF THE 1994 STOCK OPTION PLAN

#### RULES OF THE UNITED ASSET MANAGEMENT CORPORATION

##### EMPLOYEE SHARE OPTION SCHEME

#### 1. DEFINITIONS

<TABLE>

In this Scheme (hereinafter sometimes referred to as the "UK Subplan"), unless the context otherwise requires, the following words and expressions shall have the following meanings:

| <S>                  | <C>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Act"                | the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Adoption Date"      | the date on which the Scheme is adopted by the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| "Associated Company" | the meaning given to that term in Section 416 of the U.K. Income and Corporation Taxes Act 1988. By way of illustration only, a company is associated with another company if it is or has at any time within the previous year been under the Control of the same parties.                                                                                                                                                                                                                                                                                                                               |
| "auditors"           | the auditors for the time being of the Company (acting as experts and not as arbitrators).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| "Board"              | the board of directors of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| "Code"               | the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| "Committee"          | the committee established by the Board pursuant to Rule 10.4.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| "Company"            | United Asset Management Corporation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| "Control"            | the meaning given to that word by Section 840 of the U.K. Income and Corporation Taxes Act 1988. By way of illustration only, a person has control in relation to a body corporate if that person has the power to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate or by virtue of any powers conferred by the Articles of Association or other document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person. |
| "Date of Grant"      | the date on which an Option is, was or is to be granted under the Scheme.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| "Eligible Employee"  | any employee of any Participating Company who is subject to the income tax laws of the United Kingdom and who is normally required to devote to his duties not less than 20 hours per week (excluding meal breaks) (in the case of an employee who is also a director of any Participating Company, 25 hours per week (excluding meal breaks)) and is not precluded by                                                                                                                                                                                                                                    |

paragraph 8 of Schedule 9 from participating in the Scheme. In summary only, paragraph 8 of Schedule 9 provides that a person may not obtain or exercise rights under the Scheme at any time if he or she has, or has within the preceding 12 months had, a material interest in a close company whose shares may be acquired on the exercise of rights obtained under the Scheme or which has Control of such a company. "Material Interest" is defined in Section 187(3) of the

</TABLE>

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<TABLE>

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<C>

U.K. Income and Corporation Taxes Act 1988 as an equity interest of more than ten percent of a company's total equity capital. "Close Company" is defined in Section 414(1) of the U.K. Income and Corporation Taxes Act 1988 in such manner as to exclude the Company. Accordingly, paragraph 8 of Schedule 9 does not preclude any Eligible Employee from participating in the Scheme.

"Event" the dissolution, liquidation, merger, consolidation, or reorganization of the Company.

"Group" that group comprising all of the Participating Companies.

"Market Value" on any day the closing sales price in U.S. Dollars of a Share as derived from the consolidated tape of The New York Stock Exchange for such day or, if such day was not a trading day or if no Shares were sold on such day, the sales price on, for the next previous trading day on which a sale occurred.

"Option" a right to purchase Shares under the Scheme.

"Option Certificate" the certificate embodying an Option granted in accordance with these Rules.

"Participating Company" the Company and any other corporation which it Controls.

"Plan" the United Asset Management Corporation 1994 Stock Option Plan, of which this Scheme is an integral part.

"Price" the price determined by the Committee in U.S. Dollars at which each Share subject to an Option may be acquired on the exercise of that Option, which price shall be, subject to Rule 5, not less than the higher of:

- (i) the par value (if any) of a Share and
- (ii) the Market Value of a Share on the Date of Grant of that Option.

"Relevant Emoluments" the meaning given to that term in sub-paragraph (2) of paragraph 28 of Schedule 9 by virtue of subparagraph (4) of that paragraph. By way of illustration only, an Eligible Employee's Relevant Emoluments for purposes of the Scheme are those emoluments of his or her employment with one or more Participating Companies which entitle the Eligible Employee to participate in the Scheme and are liable to be paid under deduction of tax according to the PAYE rules but leaving out any benefits in kind. Overseas earnings not paid in the United Kingdom are not liable to PAYE deductions and cannot count as Relevant Emoluments.

"Rules" the terms of the Scheme, as expressed herein and as amended from time to time.

"Schedule 9" Schedule 9 to the U.K. Income and Corporation Taxes Act 1988.

"Scheme" this U.K. Subplan, as set forth in these Rules as amended from time to time.

"Share" A share of common stock, U.S. \$.01 par value, in the capital of the Company which satisfies the conditions specified in paragraphs 10 to 14 inclusive of Schedule 9 and which may either be an authorized but unissued share or a treasury share. In summary only, paragraphs 10 to 14 inclusive of Schedule 9 set forth the conditions which must be satisfied

</TABLE>

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by the Shares over which Options are granted pursuant to the Scheme and include the following: (i) the Shares must form part of the ordinary equity capital of the Company, which consists of a single class of stock; (ii) the Shares must be shares of a class of stock that is quoted on a recognized stock exchange; and (iii) the Shares subject to the Scheme must be fully paid, not redeemable and not subject to any restrictions other than restrictions which apply to all shares of the same class. For purposes of this clause (iii), the following shall be regarded as restrictions on the Shares: any contract, agreement, arrangement or condition that restricts freedom to dispose of the Shares or any

interest in the Shares or the proceeds from the sale of the Shares, or restricts freedom to exercise any right conferred by the Shares, or would cause any disadvantage to the Eligible Employee or any connected person if Shares were disposed of or any right conferred by them was exercised; provided, however, that Shares will not be treated as restricted as a result of any arrangement pursuant to which they are pledged as security for a loan or are used to repay a loan.

|                      |                                                                                                                                                                                                   |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "Sterling Value"     | In respect of an Option, the sterling equivalent of the appropriate Price, calculated by reference to the U.S. Dollar/Sterling exchange rate prevailing on the Date of Grant of that Option.      |
| "Subplan A"          | the portion of the Plan applicable to key employees of, and non-employees who provide important services to, a Participating Company who are subject to the income tax laws of the United States. |
| "Subsisting Option"  | an Option which has neither lapsed nor been exercised or released, given up, or surrendered by its holder.                                                                                        |
| "UK Subplan"         | the portion of the Plan comprising the Scheme as set forth in these Rules.                                                                                                                        |
| "Year of Assessment" | a year beginning on any 6th April and ending on the following 5th April.                                                                                                                          |

</TABLE>

Where the context permits the singular shall include the plural and vice versa and the masculine shall include the feminine. References to any Act or statute shall include any statutory modification, amendment or re-enactment thereof.

## 2. GRANT OF OPTION

2.1 Subject to the terms of these Rules, the Committee may at its absolute discretion, from time to time, grant Options to any Eligible Employees under the Scheme by issuing Option Certificates to them, complying with Rule 2.2 below.

2.2 Each Option Certificate shall be under seal and shall specify:

- (i) the Date of Grant of the relevant Option;
- (ii) the number of Shares for which the Option is granted (which shall not be so large that the grant of an Option for that number of Shares would cause the applicable limits specified in Rule 3 to be exceeded);
- (iii) the Price at which the relevant Shares can be acquired; and
- (iv) any conditions on the Option imposed by the Committee, including (without limitation) any vesting schedule.

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In addition each Option Certificate shall indicate that Options cannot be transferred, assigned or charged and that any purported transfer, assignment or charge shall cause the relevant Option to lapse forthwith.

Each Option Certificate shall be accompanied by a "form of acceptance" (as described in Rule 4.3) which shall indicate that the Option to which it relates will automatically lapse if the Option holder does not sign and return such form to the Company within 3 months of the Date of Grant.

## 3. LIMITATIONS

3.1 Subject to adjustment as provided in Rule 5, the aggregate number of Shares in respect of which Options may be granted under the Scheme on any Date of Grant or which may be issued and sold pursuant to such Options shall not exceed 2,900,000 Shares, less any Shares then subject to any outstanding option granted under Subplan A of the Plan or previously issued pursuant to Subplan A. If any Option granted under the Plan shall lapse or be released, given up or surrendered without being fully exercised, the Shares which have not been purchased under the Option shall again become available for purposes of the Plan.

3.2 No Option shall be granted to an Eligible Employee if immediately following such grant he would hold Subsisting Options with an aggregate Sterling Value exceeding the greater of:

- (i) L100,000 or
- (ii) four times the amount of the Eligible Employee's Relevant Emoluments for either the current or preceding Year of Assessment (whichever is the higher) or, if he was not in receipt of any Relevant

Emoluments during the preceding Year of Assessment four times the amount of his Relevant Emoluments for the period of twelve months beginning with the first day during the current Year of Assessment in respect of which he became entitled to any.

For the purposes of this Rule 3.2, Options shall include all Options granted under this Scheme and all options granted under any other scheme approved under Schedule 9 and established by the Company or any Associated Company. Also for purposes of this Rule 3.2, an Eligible Employee's Relevant Emoluments from two or more Participating Companies shall be aggregated in determining the applicable limit.

3.3 The maximum number of Shares with respect to which any options may be granted under the Plan (including this UK Subplan) to any individual during any single calendar year shall be 100,000 Shares.

#### 4. EXERCISE OF OPTIONS

4.1 Unless the Committee otherwise agrees, any Option which has not lapsed may be exercised only after the earliest of the following events:

(i) the first anniversary of the Date of Grant;

(ii) the death of the Option holder;

(iii) the Option holder ceasing to be an employee of any Participating Company by reason of injury, disability, redundancy or retirement or, at the discretion of the Committee, for any other reason.

Provided always that when granting an Option the Committee may provide, as regards all or any part(s) of it, that the Option or such part(s) of it shall not become exercisable under sub Rules (i), (ii) or (iii) above until after such time(s) as the Committee may previously have determined. Any such restriction shall be set forth in the Option Certificate for that Option.

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4.2 Once an Option has become exercisable under Rule 4.1 above, it may be exercised either in whole or in part at any time unless or until it shall lapse under Rule 4.3 below, but subject in all cases to Rule 6 below.

4.3 An Option shall lapse on the earliest of the following events:

(i) the expiry of three months from the Date of Grant, unless the Option holder has previously given notice to the Company of his acceptance of the Scheme's Rules using the form of acceptance supplied to him with the relevant Option Certificate;

(ii) subject to a shorter period specified in the Option Certificate, the tenth anniversary of the Date of Grant;

(iii) subject to a shorter period specified in the Option Certificate, the first anniversary of the Option holder's death;

(iv) the Option holder ceasing to be an employee of any Participating Company by reason of gross misconduct;

(v) subject to a shorter period specified in the Option Certificate, the expiry of three months after the date on which the Option holder ceases to be an employee of any Participating Company otherwise than by reason of death or gross misconduct in circumstances in which subclause (iv) applies;

(vi) the Option holder being adjudicated bankrupt; and

(vii) the first date upon which the Option holder purports to transfer, assign or charge the Option.

#### 5. VARIATION OF SHARE CAPITAL

In the event of any capitalization or rights issue or any stock split or stock dividend or any consolidation, subdivision or reduction of capital by the Company, the number of Shares subject to any Option and the Price payable for each of those Shares shall be adjusted in such manner as the Auditors confirm to be fair and reasonable provided that:

(i) the aggregate amount payable on the exercise of any Option in full is not increased;

(ii) the Price of a Share is not reduced below its par value if any;

(iii) no adjustments shall be made without the prior approval of the Board of Inland Revenue; and

(iv) following the adjustment the Shares continue to satisfy the conditions specified in paragraphs 10 to 14 inclusive of Schedule 9.

#### 6. MANNER OF EXERCISE OF OPTIONS

6.1 No Option may be exercised by an individual at any time when he is precluded by paragraph 8 of Schedule 9 from participating in the Scheme.

6.2 An Option shall be exercised by the Option holder, or as the case may be his personal representative, giving notice to the Company in writing of the number of Shares in respect of which he wishes to exercise the Option and making arrangements reasonably acceptable to the Committee for payment of the appropriate amount, and submitting the relevant Option Certificate. Any such notice shall be effective on the date of its receipt by the Company.

6.3 Shares shall be allocated and issued pursuant to a notice of exercise within 60 days of the date of exercise.

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#### 7. RIGHTS ATTACHING TO SHARES

All Shares allocated pursuant to the exercise of an Option shall rank pari passu in all respects with all other Shares in issue at the date of such allocation.

#### 8. AVAILABILITY OF SHARES

The Company shall at all times procure that it can secure the issue or the transfer of sufficient Shares to permit the exercise of all Subsisting Options.

#### 9. LOSS OF OFFICE

If any Option holder shall cease to be an employee of a Participating Company within the Group for any reason, he shall not be entitled by way of compensation for loss of office or otherwise howsoever to any sum or other benefit to compensate him for any loss of any right under the Scheme, and in returning the form of acceptance referred to in Rule 4.3 he shall be deemed to have agreed to this.

#### 10. ADMINISTRATION AND AMENDMENT

10.1 No member of the Committee or the Board shall be held liable for any action or determination made in good faith with respect to the Plan, the UK Subplan, these Rules or any Option granted hereunder.

10.2 The cost of establishing and operating the Scheme shall be borne by the Participating Companies in such proportions as the Board shall determine.

10.3 The Board may from time to time suspend or terminate the Plan and/or the UK Subplan or amend these Rules or the form of Option Certificate, provided that:

(i) no such action may, without approval or ratification by the Company's shareholders, increase the maximum number of Shares reserved under the UK Subplan (except as provided in Rule 5) or under the Plan (except as otherwise expressly provided in the Plan), alter the class or classes of employees eligible for Options, or make any other such change which, pursuant to Section 16(b) of the Act and the rules and regulations promulgated thereunder, requires action by the Company's shareholders;

(ii) except as provided in Rule 10.5, no such action may detrimentally affect an Option holder as regards an Option granted prior to the taking of such action; and

(iii) no amendment to these Rules shall have effect until approved by the Board of the Inland Revenue.

10.4 The Scheme shall be administered by the Committee, the members of which shall be appointed by and shall serve at the pleasure of the Board (subject to the restrictions of this Rule 10.4). The Committee shall consist of at least three Board members, each of whom shall be, and shall have been at all times within the one-year period ending on the date of his appointment to the Committee, a person who in the opinion of counsel to the Company is (i) a "disinterested person" as such term is defined in Rule 16b-3 promulgated under the Act and (ii) an "outside director" as such term is defined in proposed regulation Section 1.162-27(e) (3) under Section

162(m) of the Code. Notwithstanding the foregoing, until and unless the Board shall have constituted the Committee pursuant to this Rule 10.4, the committee serving from time to time as administrator of the Plan generally shall also serve as the Committee for purposes of the UK Subplan. Actions taken by a majority of the members present at any meeting of the Committee at which a quorum is present, and any acts approved in writing by all members of the Committee without a meeting, shall constitute the acts of the Committee. The Committee shall have all powers of administration granted under these Rules, except such powers as are expressly reserved to the Board. The Committee is authorized to interpret these Rules and, subject to the provisions of Rule 10.3, to prescribe, amend, and rescind rules and regulations relating thereto. The Committee is further authorized, subject to the express provisions of the Plan and these Rules, to alter or amend the form of

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Option Certificate pursuant to which Options may be granted under the Scheme from time to time and to make all determinations necessary or advisable in the administration of the Scheme. The interpretation and administration by the Committee of any provisions of the Plan and the UK Subplan, including these Rules, and any Option Certificate issued pursuant to the Scheme shall be final, binding and conclusive on all persons having any interest therein.

10.5 Prior to the occurrence of an Event, the Board may elect to terminate each Subsisting Option. If the Board so elects, such Option shall terminate as of the effective date of the Event, but the Board shall suspend the exercise of all Subsisting Options a reasonable time prior to the Event, giving each Option holder not less than fourteen days written notice of the date of suspension, prior to which an Option holder may purchase in whole or in part the Shares available to him as of the date of receipt of the notice. If the Event is not consummated, the suspension shall be removed and all Options shall continue in full force and effect, subject to the terms of their respective Option Certificates.

10.6 Any notice or communication to be given by or on behalf of the Company to any Eligible Employee may be given by personal delivery or by sending the same by ordinary post to his last known address in which case it shall be deemed to have been received on the day after it was posted. Any notice, document, option, share certificate or other communication sent by post shall be sent at the risk of the Eligible Employee involved.

10.7 Unless otherwise provided any notice or other communication to be given by an Eligible Employee to the Company shall be regarded as having been properly given if sent or delivered to the company secretary of the Participating Company by whom he is employed at that company's registered office, any such communication being effective only upon receipt.

10.8 The Scheme shall at all times be read in accordance with the provisions of the U.K. Income and Corporation Taxes Act 1980 and insofar as any of its Rules shall be inconsistent with any of the said provisions and/or with any requirements of the Board of Inland Revenue necessary for its approval or continued approval under the said Act they shall be deemed automatically varied or deleted in such a way as to ensure compliance with the same.

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#### EXHIBIT A

#### UNITED ASSET MANAGEMENT CORPORATION

#### OPTION GRANT (U.S. Subplan)

This incentive stock option/non-incentive stock option, granted as of \_\_\_\_\_, 19\_\_\_\_ (the "Option") is granted by United Asset Management Corporation ("UAM") to \_\_\_\_\_ (the "Optionee"), an employee of, or a person who has provided, is providing or will provide important services to, UAM or a parent or subsidiary of UAM (hereinafter collectively referred to as the "Company"). (If the Optionee is not an employee of the Company, this option is a non-incentive stock option.)

#### 1. SHARES SUBJECT TO OPTION

Pursuant to the provisions of the United Asset Management Corporation 1994 Stock Option Plan, as amended from time to time (the "Plan"), UAM hereby grants to the Optionee an option to purchase \_\_\_\_\_ shares of its Common Stock (\$.01 par value) (the "Optioned Shares") at a price of \$ \_\_\_\_\_ per share, in accordance with and subject to all the terms and conditions of the Plan and

subject to the terms and conditions hereinafter set forth. The Plan and any amendments are hereby incorporated by reference and made a part hereof.

## 2. TERM AND EXERCISE OF OPTION

Except as otherwise provided in the Plan, or in this Option, the Option shall terminate at the close of business five years from the date of grant and may be exercised only by the Optionee or, to the extent provided in Section 3(b) hereof, by his legal representative.

<TABLE>

While the Option is effective and the Optionee continues to be employed by the Company, the Optioned Shares shall become available for purchase by the Optionee in installments on the following dates:

<CAPTION>

| DATE  | NUMBER OF SHARES |
|-------|------------------|
| ----- | -----            |

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</TABLE>

Unpurchased portions of available installments may be accumulated and subsequently purchased by the Optionee. The option price of each share purchased shall be paid in cash or by delivery of other shares of the Company's Common Stock owned by the Optionee with a fair market value equal to the exercise price of the Optioned Shares to be purchased, or in any combination of the two forms of payment. If, however, the Committee established pursuant to Section 3 of the Plan determines in good faith that an exercise of an option through the delivery of shares of the Company's Common Stock is not in the best interest of the Company, the Committee may withhold the right to so exercise the option and require payment of the purchase price in cash.

If the Option is not an incentive stock option within the meaning of Section 422 of the Internal Revenue Code of 1986, as from time to time amended, and if the Optionee is an employee of the Company or is otherwise subject to income tax withholding by the Company, then in addition to payment of the option price for each share purchased, the Optionee shall pay the amount of federal and state withholding taxes determined by the Committee named in Section 3 of the Plan (or by the Committee's designate) to be owing with respect to the compensation income that the Optionee will realize upon each share purchased.

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The Company, upon fulfillment of the requirements for exercise, including receipt of the payment of the purchase price and all applicable withholding taxes, shall deliver the shares purchased hereunder to the Optionee.

## 3. TERMS AND CONDITIONS OF EXERCISE

Each exercise and purchase of shares pursuant to the Option shall be subject to the following terms and conditions:

(a) If the Optionee was an employee of the Company on the date of Option Grant, the Optionee shall have remained in the continuous employ of the Company from such date until the date of exercise, provided that, if the Optionee's employment terminates for any cause other than death, the Optionee may purchase in whole or in part within three months after termination of employment the shares available to him on his termination date provided that the expiration date of the option as to such shares shall not have occurred.

(b) If the Optionee dies, then his legal representative or the person or persons to whom his rights under the Option shall pass by will or by the applicable laws of descent and distribution shall be entitled, subject to the condition that no Option shall be exercisable after the expiration of ten years from the date it was granted, within twelve months after the date of his death, to exercise the Option to the extent that the Optionee would have been entitled to exercise the Option on the date of his death.

(c) The Optionee shall hold the Optioned Shares for investment and not with a view to, or for resale in connection with, any public distribution of such shares, and if requested, shall deliver to the Company appropriate certificates to that effect. The restriction shall terminate upon the registration of such shares under federal and state securities laws.

(d) In the event that the Company, upon the advice of counsel, deems it necessary to list upon official notice of issuance any shares to be issued pursuant to the Plan on a national securities exchange or to register under the Securities Act of 1933 or other applicable federal or state statute any shares to be issued pursuant to the Plan, or to qualify any such shares for exemption from the registration requirements of the Securities Act of 1933 under the Rules and Regulations of the Securities

and Exchange Commission or for similar exemption under state law, then the Company shall notify the Optionee to that effect and no Optioned Shares shall be issued until such registration, listing or exemption has been obtained. The Company shall make prompt application for any such registration, listing or exemption pursuant to federal or state law or rules of such securities exchange which it deems necessary and shall make reasonable efforts to cause such registration, listing or exemption to become and remain effective.

4. OPTION NON-TRANSFERABLE

This Option may not be transferred by the Optionee or by operation of law other than by will or by the laws of descent and distribution. It may be exercised during the lifetime of the Optionee only by him.

5. RIGHT TO TERMINATE

Nothing contained in the Option Grant shall restrict the right of the Company to terminate the employment of the Optionee at any time.

6. DISSOLUTION OR REORGANIZATION

Prior to dissolution, liquidation, merger, consolidation or reorganization of the Company (the "Event"), the Board may decide to terminate each outstanding option. If the Board so decides, each option shall terminate as of the effective date of the Event, but the Board shall suspend the exercise of all outstanding options a reasonable time prior to the Event, giving each Optionee not less than fourteen days written notice of the date of suspension, prior to which an Optionee may purchase in whole or in part the Optioned shares available to him as of the date of receipt of the notice. If the Event is not consummated, the suspension shall

be removed and all options continue in full force and effect, subject to the terms of their respective Option Grants.

7. RESTRICTIONS ON TRANSFER OF STOCK

The shares of stock issued on exercise of the Option shall be subject to any restrictions on transfer then in effect pursuant to the Certificate of Incorporation or By-laws of the Company, as each may be amended from time to time, and to any other restrictions or provisions attached hereto and made a part hereof or set forth in any other contract or agreement binding on the Optionee.

8. NOTICE CONCERNING DISPOSITION OF SHARES

If the Option granted hereby is an incentive stock option, any disposition by the Optionee of Optioned Shares purchased under the Option within two years from the date of grant or within one year after their transfer to the Optionee will deprive the Optionee of certain tax benefits with respect to the Option which might otherwise be available. Optionees are urged to review the Proxy Statement for the Annual Meeting of Stockholders of UAM for 1994 for a more detailed discussion of the Federal tax consequences of such a disposition under current law. Additionally, if the Optionee is subject to Section 16(b) of the Securities Exchange Act of 1934, as amended, or the rules and regulations promulgated thereunder, any disposition by the Optionee of the Optioned Shares purchased under the Option within six months of the date of grant may deprive the Optionee of the protection from 16(b) liability which the provisions of the Plan seek to provide.

UNITED ASSET MANAGEMENT CORPORATION

(Corporate Seal)

By: \_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary

UNITED ASSET MANAGEMENT CORPORATION

1994 ELIGIBLE DIRECTORS STOCK OPTION PLAN

1. PURPOSE OF PLAN

The purpose of this plan (the "Plan") is to grant options to purchase

shares of the common stock, \$.01 par value (the "Common Stock"), of United Asset Management Corporation (the "Company") to Eligible Directors (as defined in Section 4 of the Plan) of the Company at market value on the date of grant, and to permit the granting of stock options to Eligible Directors at an exercise price less than market value at the date of grant as an alternative to the payment of Directors' fees in cash. The Company believes that the granting of such options will serve to enhance the Company's ability to attract and retain the services of such persons, to provide additional incentives to them and to encourage the highest level of performance by them by offering them a proprietary interest in the Company's success. The Company also believes that the Plan will encourage directors to make greater equity investment in the Company, more closely aligning the interests of the directors and the stockholders.

## 2. SHARES RESERVED UNDER THE PLAN

Subject to the adjustment provided in Section 8, the aggregate number of shares of Common Stock which may be issued and sold pursuant to options granted under the Plan shall not exceed 300,000 shares, which may be either authorized but unissued shares or treasury shares. If any option granted under the Plan shall terminate or expire without being fully exercised, the shares which have not been purchased will again become available for purposes of the Plan.

## 3. ADMINISTRATION

The Plan is intended to meet the requirements of Rule 16b-3(c)(2)(ii) adopted under the Securities Exchange Act of 1934 (the "Act") with respect to the Automatic Options granted hereunder and accordingly is intended to be self-governing. To this end the Plan requires no discretionary action by any administrative body with regard to any transaction under the Plan. To the extent, if any, that any questions of interpretation arise, these shall be resolved by the compensation committee (the "Committee") consisting of not less than three (3) members of the Board of Directors of the Company (the "Board"). The interpretation and administration by the Committee of any provisions of the Plan and any option granted thereunder shall be final and conclusive on all persons having any interest therein.

No members of the Committee or the Board shall be held liable for any action or determination made in good faith with respect to the Plan or any option granted thereunder.

## 4. OPTION GRANTS

"Eligible Directors" shall mean directors of the Company who are directors on the date of grant, who are not officers or employees of the Company and who are not eligible to participate under any other Company stock related plan unless in the opinion of counsel to the Company such participation would not impair the status of such Eligible Director as a "disinterested person" within the meaning of Rule 16b-3 promulgated under the Act. All options granted under the Plan shall be non-incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

### (a) REGULAR OPTIONS

Each Eligible Director who is such on the 30th day following the date on which each Annual Meeting of the Stockholders of the Company (the "Annual Meeting") is held during the term of the Plan shall on such 30th day be granted a stock option to purchase 5,000 shares of Common Stock less the number of shares of Common Stock granted to such individual on such date under the

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Company's 1989 Stock Option Plan or its 1992 Stock Option Plan. Each such option is defined herein as a "Regular Option."

The date of grant of an option to an Eligible Director under the Plan shall be the applicable day referred to immediately above.

### (b) DISCOUNTED OPTIONS

(i) Subject to such other rules as the Committee may adopt from time to time, during the term of the Plan, options to purchase Common Stock at a discount from fair market value on the date of grant ("Discounted Options") shall be granted to any Eligible Director who, no later than June 15, with respect to the six-month period commencing July 1 of such year, and no later than December 15, with respect to the six-month period commencing January 1 of the following year (each six month period, a "Semi-Annual Period"), has filed with the Company an irrevocable election to receive a stock option in lieu of all or a specified portion (expressed in terms of a percentage of the Semi-Annual Fee) of the Semi-Annual Fee (as defined in Subsection 4(b)(iii)) expected to be earned by such Director for the Semi-Annual Period

beginning on the July 1 or January 1 immediately following the election.

(ii) Discounted Options shall be granted to an electing Eligible Director on December 16 with respect to the Semi-Annual Period which began on July 1 of the same year, and on June 16, with respect to the Semi-Annual Period which began on January 1 of the same year.

A separate election must be made for each Semi-Annual Period, although a Director may specify that a particular election shall apply to future Semi-Annual Periods unless amended or revoked; provided, however, that no amendment or revocation may be made with respect to a Semi-Annual Period after the applicable election date for such Semi-Annual Period. The Director shall not be entitled to receive in cash any portion of the Semi-Annual Fee for which an election has been made to receive an option.

(iii) Option Formula. The number of shares of Common Stock subject to each Discounted Option granted to any Eligible Director for a Semi-Annual Period shall be equal to the nearest number of whole shares of Common Stock, with cash payment for fractional shares, determined in accordance with the following formula:

$$\frac{\text{Semi-Annual Fee}}{\text{Fair Market Value minus Discounted Option Price}} = \text{Number of Shares}$$

"Discounted Option Price" and "Fair Market Value" shall be defined as set forth in Section 5 below. "Semi-Annual Fee" shall mean the quarterly retainer fees which the Director will be entitled to receive during a Semi-Annual Period for serving as a Director pursuant to the policy in effect for each year during the term of the Plan, but expressly excluding fees paid for attendance at or participation in meetings of the Board or any committee thereof; provided, however, that if a Director elects to receive a stock option in lieu of only a portion of the Semi-Annual Fee, the SemiAnnual Fee for purposes of the foregoing formula shall equal the portion of the Semi-Annual Fee so elected. For purposes of this Plan, "Semi-Annual Fee" shall also not include expenses reimbursed by the Company for attendance at or participation in meetings of the Board or any committee of the Board or fees for any other services to be provided to the Company.

5. OPTION PRICE

(a) REGULAR OPTION

The price per share at which each Regular Option granted under the Plan to an Eligible Director may be exercised ("Regular Option Price") shall be the fair market value of the Common Stock as determined by the closing sales price of such Common Stock on the consolidated tape of the principal

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exchange on which such Common Stock is traded on the date of grant, or if there are no sales on such date, on the trading day next preceding the date of grant on which a sale took place, or, if the Common Stock is not so traded, then as determined by a principal market maker for such Common Stock selected by the Committee ("Fair Market Value").

(b) DISCOUNTED STOCK OPTIONS

The price per share at which each Discounted Option granted under the Plan to an Eligible Director may be exercised (the "Discounted Option Price," the Automatic Option Price and the Discounted Option Price being sometimes hereinafter referred to as the "Option Price") shall be seventy-five percent (75%) of the Fair Market Value of the Common Stock on the date the Discounted Option is granted.

(c) In no event shall the Option Price per share for any option under the Plan be less than the par value per share.

6. TERMS OF GRANT

Each option granted under the Plan shall be evidenced by and subject to the terms and conditions of an Option Grant attached hereto as Exhibit A. Each Option Grant executed and delivered to an Eligible Director shall contain the following terms and conditions. Each option shall expire 5 years from the date of grant of such option, and shall be exercisable in full beginning immediately on the date of grant thereof, in the case of Discounted Options, and on or after the date which is 6 months after the date of grant thereof, in the case of Regular Options. Each Eligible Director to whom an option is granted may exercise such option from time to time, in whole or in part, during the period that it is exercisable, by payment of the Option Price of each share purchased,

in cash, or by delivery to the Company of a number of shares of Common Stock having an aggregate Fair Market Value of not less than the product of the Option Price multiplied by the number of shares the participant intends to purchase upon exercise of the option on the date of delivery. The shares of Common Stock issued upon exercise of an option granted under this Plan will be acquired for investment and not with a view to distribution thereof unless there shall be an effective registration statement under the Securities Act of 1933, as amended (the "1933 Act"), with respect thereto. In the event that the Company, upon the advice of counsel, deems it necessary to list upon official notice of issuance shares to be issued pursuant to the Plan on a national securities exchange or to register under the 1933 Act or other applicable federal or state statute any shares to be issued pursuant to the Plan, or to qualify any such shares for exemption from the registration requirements of the 1933 Act under the Rules and Regulations of the Securities and Exchange Commission or for similar exemption under state law, then the Company shall notify each Eligible Director to that effect and no shares of Common Stock subject to an option shall be issued until such registration, listing or exemption has been obtained. The Company shall make prompt application for any such registration, listing or exemption pursuant to federal or state law or rules of such securities exchange which it deems necessary and shall make reasonable efforts to cause such registration, listing or exemption to become and remain effective. Nothing in this Plan or in the Option Grant will confer upon any Eligible Director the right to continue as a director of the Company. The shares of Common Stock issued on exercise of the option shall be subject to any restrictions on transfer then in effect pursuant to the Certificate of Incorporation or By-laws of the Company.

No stock option may be transferred by the optionee, other than by will or the laws of descent and distribution. A stock option can be exercised during such individual's lifetime only by him.

#### 7. TERMINATION OF DIRECTORSHIP

An Eligible Director's right to participate in the Plan shall automatically terminate if and when such Director becomes an employee of the Company. Options granted to an Eligible Director shall cease to be exercisable 6 months after the date such Director ceases to be a director for any reason other than death. If an Eligible Director ceases to be a director on account of his death, any option previously granted to him, whether or not exercisable at the date of death, may be exercised by his executor, administrator or the person or persons to whom his rights under the option shall pass by will or the applicable laws of descent and

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distribution, at any time within 12 months after the date of death, but in no event after the expiration of the option.

#### 8. ADJUSTMENT OF SHARES RESERVED UNDER THE PLAN

The aggregate number and kind of shares reserved under the Plan, the maximum number of shares as to which options may be granted to any individual and the Option Price per share shall be appropriately adjusted by the Board in the event of any recapitalization, stock split, stock dividend, combination of shares, or other similar change in the capitalization of the Company, but no adjustment in the Option Price shall be made which would reduce the Option Price per share to less than the par value per share.

#### 9. DISSOLUTION OR REORGANIZATION

Prior to a dissolution, liquidation, merger, consolidation, or reorganization of the Company (the "Event"), the Board may decide to terminate each outstanding option. If the Board so decides, such option shall terminate as of the effective date of the Event, but the Board shall suspend the exercise of all outstanding options a reasonable time prior to the Event, giving each optionee not less than fourteen days written notice of the date of suspension, prior to which an optionee may purchase in whole or in part the shares available to him as of the date of receipt of the notice. If the Event is not consummated, the suspension shall be removed and all options shall continue in full force and effect subject to the terms of their respective Option Grants.

#### 10. AMENDMENT AND TERMINATION OF PLAN

The Board may amend, suspend, or terminate the Plan, including the form of Option Grant incorporated herein by reference. No such action, however, may, without approval or ratification by the shareholders, increase the maximum number of shares reserved under the Plan except as provided in Section 8, alter the class or classes of individuals eligible for options, change the number of shares of Common Stock subject to options to be granted to Eligible Directors or the exercise price thereof (other than pursuant to Section 8), or the date of grant or the terms and conditions expressly set forth in Sections 4, 5 and 6 of this Plan, or make any other change which, pursuant to the Code or regulations thereunder or Section 16(b) of the Act and the rules and regulations promulgated thereunder, requires action by the shareholders. No such action may, without the consent of the holder of the option, alter or impair any option previously

granted. No such action which would amend the Plan to change the amount, timing or price of the Automatic Option grants made to Eligible Directors hereof may be made more often than once every six months except to comport with changes in the Code, the Employee Retirement Income Security Act of 1974, as amended, or the applicable rules and regulations thereunder.

In any event, the Plan shall terminate 10 years from the date of adoption by the Board of Directors, or if earlier, from the date of approval by the shareholders. Any shares remaining under the Plan at the time of termination which are not subject to outstanding options and any shares which thereafter become available because of the expiration or termination of an option shall cease to be reserved for purposes of the Plan.

11. DATE OF ADOPTION

The date of adoption of this Plan by the Board is \_\_\_\_\_, 1994.

12. DATE OF APPROVAL

The date of approval of this Plan by the shareholders and the Plan's effective date is May 19, 1994.

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EXHIBIT A

UNITED ASSET MANAGEMENT CORPORATION  
ELIGIBLE DIRECTORS OPTION GRANT

This non-incentive stock option, granted as of \_\_\_\_\_, 19 (the "Option") is granted by United Asset Management Corporation ("UAM") to \_\_\_\_\_ (the "Optionee"), a non-employee director of UAM.

1. SHARES SUBJECT TO OPTION

Pursuant to the provisions of the United Asset Management Corporation 1994 Eligible Directors Stock Option Plan, as amended from time to time (the "Plan"), UAM hereby grants to the Optionee an option to purchase \_\_\_\_\_ shares of its Common Stock (\$.01 par value) (the "Optioned Shares") at a price of \$ \_\_\_\_\_ per share, in accordance with and subject to all the terms and conditions of the Plan and subject to the terms and conditions hereinafter set forth. The Plan and any amendments are hereby incorporated by reference and made a part hereof.

2. TERM AND EXERCISE OF OPTION

Except as otherwise provided in the Plan, or in this Option, the Option shall terminate at the close of business five years from the date of grant and may be exercised only by the Optionee or, to the extent provided in Section 3(b) hereof, by his legal representative.

While the Option is effective and the Optionee continues to be an eligible non-employee director of UAM, the Optioned Shares shall become available for purchase by the Optionee immediately, if this Option is a Discounted Option as defined in the Plan, and on or after the date which is six months from the date of this grant, if the Option is an Automatic Option as defined in the Plan. The option price of each share purchased shall be paid in cash or by delivery of other shares of UAM's Common Stock owned by the Optionee with a fair market value equal to the exercise price of the Optioned Shares to be purchased, or in any combination of the two forms of payment.

The Company, upon fulfillment of the requirements for exercise, including receipt of the payment of the purchase price, shall deliver the shares purchased hereunder to the Optionee.

3. TERMS AND CONDITIONS OF EXERCISE

Each exercise and purchase of shares pursuant to the Option shall be subject to the following terms and conditions:

(a) Options granted to an Optionee shall cease to be exercisable 6 months after the date such Optionee ceases to be a director for any reason other than death.

(b) If the Optionee dies, then his legal representative or the person or persons to whom his rights under the Option shall pass by will or by the applicable laws of descent and distribution shall be entitled, subject to the condition that no Option shall be exercisable after the expiration of five years from the date it was granted, within twelve months after the date of his death, to exercise the Option.

(c) The Optionee shall hold the Optioned Shares for investment and not with a view to, or for resale in connection with, any public distribution of such shares, and if requested, shall deliver to UAM appropriate

certificates to that effect. The restriction shall terminate upon the registration of such shares under federal and state securities laws.

(d) In the event that UAM, upon the advice of counsel, deems it necessary to list upon official notice of issuance any shares to be issued pursuant to the Plan on a national securities exchange or to register under the Securities Act of 1933 or other applicable federal or state statute any shares to be issued pursuant to the Plan, or to qualify any such shares for exemption from the registration requirements of the Securities Act of 1933 under the Rules and Regulations of the Securities and Exchange Commission or for similar exemption under state law, then UAM shall notify the Optionee to that effect and no Optioned Shares shall be issued until such registration, listing or exemption has been

obtained. UAM shall make prompt application for any such registration, listing or exemption pursuant to federal or state law or rules of such securities exchange which it deems necessary and shall make reasonable efforts to cause such registration, listing or exemption to become and remain effective.

4. OPTION NON-TRANSFERABLE

This Option may not be transferred by the Optionee or by operation of law other than by will or by the laws of descent and distribution. It may be exercised during the lifetime of the Optionee only by him.

5. RIGHT TO TERMINATE

Nothing contained in the Option Grant or the Plan shall entitle the Optionee to remain a director of UAM or an Eligible Director under the Plan.

6. DISSOLUTION OR REORGANIZATION

Prior to dissolution, liquidation, merger, consolidation or reorganization of UAM (the "Event"), the Board may decide to terminate each outstanding option. If the Board so decides, each option shall terminate as of the effective date of the Event, but the Board shall suspend the exercise of all outstanding options a reasonable time prior to the Event, giving each Optionee not less than fourteen days written notice of the date of suspension, prior to which an Optionee may purchase in whole or in part the Optioned shares available to him as of the date of receipt of the notice. If the Event is not consummated, the suspension shall be removed and all options continue in full force and effect, subject to the terms of their respective Option Grants.

7. RESTRICTIONS ON TRANSFER OF STOCK

The shares of stock issued on exercise of the Option shall be subject to any restrictions on transfer then in effect pursuant to the Certificate of Incorporation or By-laws of UAM, as each may be amended from time to time, and to any other restrictions or provisions attached hereto and made a part hereof or set forth in any other contract or agreement binding on the Optionee.

UNITED ASSET MANAGEMENT CORPORATION

(Corporate Seal)

By: \_\_\_\_\_  
President

Attest: \_\_\_\_\_  
Secretary

(RECYCLED PAPER LOGO)

UNITED ASSET MANAGEMENT CORPORATION  
MEETING OF STOCKHOLDERS - MAY 19, 1994

THIS PROXY IS BEING SOLICITED ON BEHALF OF THE  
BOARD OF DIRECTORS OF UNITED ASSET MANAGEMENT CORPORATION

The undersigned stockholder in United Asset Management Corporation (the "Company") hereby appoints Norton H. Reamer, John F. McNamara, and William H. Park, and each of them, attorneys, agents and proxies, with power of

substitution to each, to vote all shares of Common Stock that the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company to be held at the Boston Harbor Hotel, 70 Rowes Wharf, Boston, Massachusetts on May 19, 1994 at 9:30 a.m., Eastern Daylight Savings Time, and any adjournments thereof.

Also to vote and act upon any other business which may properly come before the meeting or any adjournment thereof.

The shares represented by this proxy will be voted as directed by the undersigned.

IF NO CONTRARY INSTRUCTIONS ARE INDICATED, THIS PROXY WILL BE VOTED FOR THE NOMINEES FOR DIRECTORS LISTED ON THE REVERSE SIDE AND IN FAVOR OF PROPOSALS 2, 3, 4, 5 AND 6.

(PLEASE SIGN AND DATE ON REVERSE)

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SEE REVERSE  
SIDE  
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/ X / PLEASE MARK  
VOTES AS IN  
THIS EXAMPLE.

<TABLE>  
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1. To fix the number of persons constituting the full Board of Directors at twelve and to elect the following nominees as Directors: Richard A. Englander, Robert J. Greenebaum, Mark A. Lieb, Jay O. Light, John F. McNamara, Norman Perlmutter, Norton H. Reamer, Edward I. Rudman, David I. Russell, Philip Scaturro, John A. Shane and Barbara S. Thomas

FOR / / WITHHELD / / MARK HERE / /  
all from all IF YOU PLAN  
nominees nominees TO ATTEND  
THE MEETING

MARK HERE / /  
FOR ADDRESS  
CHANGE AND  
NOTE BELOW

/ /  
FOR all nominees except as noted.  
(To withhold authority to vote for any individual nominee,  
print the nominee's name(s) above.)

|                                                                                                                                                                                                     | <C> | <C>     | <C>     | <C> | <C> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|---------|-----|-----|
|                                                                                                                                                                                                     | FOR | AGAINST | ABSTAIN |     |     |
| 2. To approve the UAM 1994 Stock Option Plan.                                                                                                                                                       | / / | / /     | / /     | / / | / / |
| 3. To approve the UAM 1994 Eligible Directors Stock Option Plan.                                                                                                                                    | / / | / /     | / /     | / / | / / |
| 4. To approve the compensation arrangements for certain executive officers as described in the Company's Proxy Statement.                                                                           | / / | / /     | / /     | / / | / / |
| 5. To amend and restate the Company's Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 200,000,000. | / / | / /     | / /     | / / | / / |
| 6. To approve the selection of Price Waterhouse as independent accountants of the Company for the current fiscal year ending December 31, 1994.                                                     | / / | / /     | / /     | / / | / / |

Please sign exactly as your name is printed hereon. When signing as attorney-in-fact, executor, administrator, trustee or guardian, please give title.

Signature: \_\_\_\_\_ Date \_\_\_\_\_  
Signature: \_\_\_\_\_ Date \_\_\_\_\_

</TABLE>