Comptroller of the Currency
Administrator of National Banks

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December 16, 2009

Conditional Approval #939
January 2010

Mr. John A. Gehret
President
Brown Brothers Harriman Trust Company, NA
140 Broadway
New York, New York 10005

Re: Application by Brown Brothers Harriman Trust Company, National Association
Reduction in Permanent Capital

Control Number: 2009 NE 12 0162 Charter Number: 24429

Dear Mr. Gehret:

The Office of the Comptroller of the Currency ("OCC") hereby conditionally approves the above-referenced application to reduce permanent capital through a $1.5 million decrease in the paid-in-surplus account. Approval is granted after a thorough review of the application, other materials you have supplied, and other information available to the OCC, including commitments and representations made in the application and by Brown Brothers Harriman Trust Company, National Association ("BBHTCNA" or "Bank")[1] representatives during the application process.

The application was filed in conjunction with applications filed by the Bank's parent, Brown Brothers Harriman & Co. ("BBH"), to charter Brown Brothers Harriman Trust Company of Delaware, National Association ("BBHTCDeNA") and to merge Brown Brothers Harriman Trust Company of Texas ("BBHTC-TX") with and into BBHTCDeNA. BBHTC-TX is currently a wholly owned operating subsidiary of the Bank. The Bank's current capital surplus includes $1 million in capital held by BBHTC-TX. In connection with the merger of BBHTC-TX and BBHTCDeNA, the Bank's consolidated capital will be reduced by $1 million. Additionally, the Bank proposes to reduce permanent capital in its surplus account by an additional $500,000 after the merger.

[1] The OCC approved BBHTCNA's conversion to a national banking association on June 9, 2005 and the merger of Brown Brothers Harriman Trust Company of Florida, Palm Beach, Florida and Brown Brothers Harriman Trust Company of Pennsylvania, Philadelphia, Pennsylvania into BBHTCNA on December 27, 2006. *See* OCC Conditional Approval #696, June 9, 2005 ("Conversion Application" or "CA #696") and OCC Conditional Approval #777, December 27, 2006 ("CA. #777"). CA #696 and CA #777 are collectively referred to as the "Prior Conditional Approvals".

The OCC reviewed the proposed reduction in permanent capital under 12 U.S.C. § 59 and 12 C.F.R. § 5.46(h) and (i). The Bank has represented that the proposed reduction in permanent capital will occur after the merger of BBHTC-TX and BBHTCDeNA. Based on its review, the OCC has determined that the reduction in capital is consistent with sections 59 and 5.46, safety and soundness and OCC policy, and conditionally approves the reduction in permanent capital.

Conditions

The Bank is currently subject to certain conditions in connection with the Prior Conditional Approvals. This approval restates or updates those conditions to which the Bank remains subject, and eliminates those that are no longer applicable or deemed necessary. Accordingly, this approval is subject to the following conditions:

1. The Bank shall not consummate the reduction in capital prior to consummation of the merger between BBHTCDeNA and BBHTC-TX.

2. The Bank shall continue to limit its business to the operations of a trust company and activities related or incidental thereto. The Bank shall not engage in activities that would cause it to be a "bank" as defined in section 2(c) of the Bank Holding Company Act.

3. At all times, the Bank shall maintain Tier 1 Capital in an amount at least equal to the greater of (a) $5 million *or* (b) such other higher amount as may be required by the OCC pursuant to the exercise of its regulatory authority ("Minimum Tier 1 Capital Requirement"). At all times, liquid assets[2] shall comprise at least 75% of the Bank's Minimum Tier 1 Capital Requirement (the "Minimum Liquid Capital Requirement"). (The Minimum Tier 1 Capital Requirement and the Minimum Liquid Capital Requirement are collectively the "Minimum Capital Requirement".)

4. At all times, the Bank shall maintain liquidity in the form of liquid assets in an amount at least equal to the greater of (a) $2 million or (b) sixty (60) days operating expenses, excluding any expenses that are directly related to revenues (i.e., fees paid for a service that are a percent of the revenue received by the Bank for the service) (the "Minimum Liquidity Requirement"). For purposes of meeting the Minimum Liquidity Requirement, the Bank's Minimum Capital Requirement is not an available liquidity source and liquid assets used to meet the Minimum Capital Requirement shall not be included in determining the Bank's compliance with the Minimum Liquidity Requirement.

5. If at any time, the Bank fails to maintain the Minimum Capital Requirement or the

[2] The term "liquid assets" means (a) cash and cash equivalents, (b) deposits at insured depository institutions, and (c) investment securities eligible for investment by national banks under 12 C.F.R. Part 1 and valued at the lower of cost or market value. However, liquid assets shall not include any assets encumbered or pledged by lien, right of setoff, preference, or otherwise, or any other asset pledged as security in any transaction with any party.

Minimum Liquidity Requirement, the Bank shall take such corrective measures as the OCC may direct from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. §1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under section 1831o(e)(5) shall include restoration of the Bank's capital and liquidity to levels which comply with the Minimum Capital Requirement and the Minimum Liquidity Requirement, and any other action deemed advisable by the OCC to address the Bank's capital or liquidity deficiency or the safety and soundness of its operations.

6. The Bank's Board shall continue to maintain a system to analyze and maintain capital and liquidity commensurate with the Bank's risk profile, in conformance with OCC Bulletin 2007-21, Supervision of National Trust Banks – Revised Guidance: Capital and Liquidity (June 26, 2007), and any subsequent OCC guidance. The Board shall review the Bank's capital and liquidity on at least an annual and quarterly basis, respectively, to determine if the Bank requires additional capital or liquidity.

7. Within ten (10) business days of consummating the reduction in capital, the Bank and BBH shall execute a Capital Assurance and Liquidity Maintenance Agreement ("CALMA"), the terms and provisions of which must be acceptable to the OCC. Upon execution of the CALMA, a copy shall be forwarded to the appropriate OCC Supervisory Office. The Bank shall take all actions to exercise its rights and to enforce the terms of the CALMA, if and when necessary, by making a written demand or request on BBH. Within one (1) day following the Bank's demand or request to BBH for compliance with the CALMA, the Bank shall provide the OCC with a copy of such written demand or request.

8. Within ten (10) business days of consummating the reduction in capital, the Bank and BBH shall enter into a written binding Capital and Liquidity Support Agreement ("CSA") with the OCC setting forth BBH's obligations to provide capital and liquidity support to the Bank, if and when necessary, and the Bank and BBH shall thereafter implement and adhere to the CSA. The terms and provisions of the CSA must be acceptable to the OCC.

9. The Bank must continue to maintain on file on its premises, and have available for review by the national bank examiners, current financial information on BBH (*i.e.*, audited financial reports and quarterly financial statements).

10. The Bank (i) shall give the appropriate OCC Supervisory Office at least sixty (60) days prior written notice of the Bank's intent to significantly deviate or change from the business plan or operations, as reflected in the Conversion Application, and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations.[3] For purposes of this condition, "significant deviation or change" is the same as defined in Appendix G to the Charters booklet of the

[3] If such deviation is the subject of an application filed with the OCC, the filing and acceptance of such application shall constitute notice to the Supervisory Office for purposes of this condition and no additional notice shall be required.

Comptroller's Licensing Manual. The OCC may impose additional conditions it deems appropriate in any written determination of no-objection it issues in response to the Bank's notice.

11. The Bank (a) shall give the appropriate OCC Supervisory Office at least sixty (60) days prior written notice of its intent to amend its Articles of Association and Operating Agreement or its By-Laws in any manner related to the election to follow New York limited liability company law for its internal governance and (b) shall obtain the OCC's written determination of no objection before it makes any such amendment.

12. Except with respect to directors' qualifying shares, the Bank or BBH (a) shall give the Appropriate OCC Supervisory Office at least sixty (60) days prior written notice before the Bank issues shares to any new owner, or before BBH transfers any shares of the Bank to another person, and (b) shall obtain the OCC's written determination of no objection before any such share issuance or transfer is made.

13. The Bank shall continue to maintain an Audit Committee that is independent of management based on the considerations set forth in 12 C.F.R. § 363. The Bank shall continue to maintain a Fiduciary Audit Committee consistent with the requirements of 12 C.F.R. § 9.9(c). One committee may serve both functions, provided it meets the requirements of both sections.

14. The Bank shall continue to maintain an internal audit function appropriate for its size and the scope of its activities that satisfies applicable OCC guidance on internal audit. The Bank shall continue to designate an officer to oversee and manage the internal audit function for its operations. This officer must be an employee of the Bank, understand the internal audit function, and have no responsibility for operating the system of internal control.

15. The Bank shall continue to designate an officer who is a full-time employee of the Bank with sufficient expertise to oversee the Bank's compliance with banking laws and regulations and safety and soundness standards.

16. The Bank, BBH and its affiliates, upon request by the OCC, shall provide the OCC access to, permit the OCC to examine, and provide the OCC with copies of all books and records, and electronic records that accurately reflect the information in the books and records of the Bank, and any other information of, or concerning the Bank.

17. All transactions between the Bank and any affiliates, foreign or domestic, shall be conducted subject to the applicable provisions of 12 U.S.C. §§ 371c and 371c-1, 12 C.F.R. Part 223, and other applicable Federal law. The Bank's Board annually shall review and approve any service agreements and any other transactions with foreign or domestic affiliates, including in particular any cost allocation, fee-sharing or tax-sharing provisions in such agreements or other transactions.

These conditions of approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

These conditions of approval supersede and replace the conditions contained in CA #696 and CA #777 and all conditions in the Prior Conditional Approvals shall terminate upon consummation of the reduction in capital.

Pursuant to 12 U.S.C. § 59, a reduction in capital requires approval by shareholders owning at least two-thirds of the bank's capital stock. The change in capital should be completed within one year of the date of this approval letter. Following the completion of the reduction in capital, the Bank must notify the OCC's Northeast District Licensing office in writing of the effective date of the change.

Conclusion

This conditional approval and the activities and communications by OCC employees in connection with the filings do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations. Our conditional approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence regarding this application should reference the control number. If you have any questions, please contact Licensing Analyst Wai-Fan Chang at 212-790-4055.

Sincerely,

signed

J. Greg Parvin
Director for District Licensing