ADMISSION PARTICULARS

Close Brothers Group plc

(*incorporated with limited liability in England and Wales with registered number 00520241*)

£250,000,000 6.125 per cent. Subordinated Tier 2 Notes due 2036
Issue price: 100.00 per cent.

The £250,000,000 6.125 per cent. Subordinated Tier 2 Notes due 2036 (the "**Notes**") will be issued by Close Brothers Group plc (the "**Issuer**") on or about 3 February 2026 (the "**Issue Date**"). The terms and conditions of the Notes are set out herein in "*Terms and Conditions of the Notes*" below (the "**Conditions**", and references to a numbered "**Condition**" shall be construed accordingly). Defined terms used and not separately defined below have the meaning given in the Conditions.

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market (the "**ISM**") on or about the Issue Date. References in these Admission Particulars to the Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the ISM. The ISM is not a UK regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of United Kingdom ("**UK**") domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"). These Admission Particulars do not constitute a "prospectus" for the purposes of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105) (the "**POATR**") and the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("**PRM Rules**") and, in accordance with the POATRs and the PRM Rules, no prospectus is required in connection with the issuance of the Notes.

The ISM is a market designated for qualified investors (as defined in Regulation 16 of the POATR). The London Stock Exchange, as a Recognised Investment Exchange does not make assessments of investor eligibility. Given that under Regulation 16 of POATR, only qualified investors are permitted to trade on ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of POATR are permitted to trade on ISM. Securities admitted to trading on ISM are not admitted to the Official List of the Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of these Admission Particulars. These Admission Particulars comprise admission particulars for the purposes of the admission to trading of the Notes to the ISM, in accordance with the ISM Rulebook effective as of 19 January 2026 (as may be modified and/or supplemented and/or restated from time to time).

The Notes will bear interest on their outstanding principal amount from (and including) the Issue Date to (but excluding) 3 August 2031 (the "**Reset Date**"), at a rate of 6.125 per cent. per annum and thereafter at the Reset Interest Rate as provided in Condition 5. Interest will be payable on the Notes semi-annually in arrear on 3 February and 3 August in each year commencing on 3 August 2026 (each an "**Interest Payment Date**").

Unless previously redeemed or purchased and cancelled, or (pursuant to Condition 7(g)) substituted, the Notes will mature on 3 August 2036 (the "**Maturity Date**") and shall be redeemed on such date at their principal amount, together with any accrued and unpaid interest up to (but excluding) such date. The Noteholders will have no right to require the Issuer to redeem or purchase the Notes at any time prior to the Maturity Date. The Issuer may, in its sole discretion but subject to obtaining Regulatory Approval and to compliance with the Regulatory Preconditions, elect to: (a) redeem all (but not some only) of the Notes at their principal amount, together with any accrued and unpaid interest up to (but excluding) the relevant redemption date: (i) on any day falling in the period commencing on (and including) 3 May 2031 (the "**First Call Date**") and ending on (and including) the Reset Date (in accordance with Condition 7(b)); (ii) at any time if 75 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased by the Issuer (or any of its Subsidiaries) and cancelled (in accordance with Condition 7(c)); or (iii) at any time if a Capital Disqualification Event or a Tax Event has occurred (in accordance with Condition 7(d) or Condition 7(e), respectively); or (b) repurchase Notes at any time in accordance with the then prevailing Regulatory Capital Requirements.

If a Tax Event or a Capital Disqualification Event has occurred, the Issuer may, in its sole discretion but subject to certain conditions (including obtaining Regulatory Approval, but without any requirement for the consent or approval of the Noteholders), at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Compliant Notes (in accordance with Condition 7(g).

The Notes will be direct, unsecured and subordinated obligations of the Issuer and rank *pari passu*, without any preference among themselves. The Notes will, in the event of the Winding-Up of the Issuer, be subordinated to the claims of all Senior Creditors but shall rank: (a) at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital; and (b) in priority to the claims of holders of (i) all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital and all obligations which rank, or are expressed by their terms to rank, *pari passu* therewith and (ii) all classes of share capital of the Issuer.

The Notes will be issued in registered form and available and transferable in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. The Notes will initially be represented by a global certificate in registered form (the "**Global Certificate**") and will be registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**" and, together with Euroclear, the "**Clearing Systems**").

An investment in the Notes involves certain risks. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in these Admission Particulars.

By its acquisition of any Note, each Noteholder will acknowledge and accept that that the Notes may be the subject of the exercise of Bail-in Powers by the Resolution Authority, and will acknowledge, accept, consent and agree to be bound by the effect of the exercise of the Bail-in Power by the Resolution Authority.

As at the date of these Admission Particulars, the Issuer's Long Term/Short Term ratings are Baa2 / P2 (negative outlook) by Moody's Investors Service Limited ("**Moody's**") and BBB/ F3 (negative outlook) by Fitch Ratings Limited ("**Fitch**"). The Notes are expected, on issue, to be rated Baa2 by Moody's. Moody's is established in the UK and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of EUWA (the "**UK CRA Regulation**"). Neither Moody's nor Fitch is established in the European Economic Area (the "**EEA**") and they have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings issued by Moody's and Fitch have been endorsed by Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, in accordance with the CRA Regulation. Each of Moody's Deutschland GmbH and Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As such, each of Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Joint Lead Managers

BofA Securities **UBS Investment Bank**

The date of these Admission Particulars is 30 January 2026

IMPORTANT NOTICE

The Issuer accepts responsibility for the information contained in these Admission Particulars. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in these Admission Particulars is in accordance with the facts and contains no omission likely to affect its import.

These Admission Particulars are to be read in conjunction with all information which is deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*" below). These Admission Particulars shall be read and construed on the basis that such information is incorporated and forms part of these Admission Particulars. The Issuer and the Joint Lead Managers have not authorised any other person to provide different information. If anyone provides different or inconsistent information, investors should not rely on it. Investors should assume that the information appearing in these Admission Particulars and any information incorporated by reference herein is accurate as of the date on the front cover of these Admission Particulars only.

No person is or has been authorised to give any information or to make any representation other than those contained in or consistent with these Admission Particulars in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer, the Joint Lead Managers (as defined in "*Subscription and Sale*" below) or Citicorp Trustee Company Limited (the "**Trustee**"), or any of their respective affiliates. Neither the delivery of these Admission Particulars nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the business, results of operations, prospects, results or financial condition of the Issuer since the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Joint Lead Managers nor the Trustee nor any of their respective affiliates have separately verified the information contained in these Admission Particulars and none of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated in these Admission Particulars or any other information provided by the Issuer in connection with the offering of the Notes. None of the Joint Lead Managers or the Trustee, nor any of their respective affiliates, accepts any liability in relation to the information contained or incorporated by reference in these Admission Particulars or any other information provided by the Issuer in connection with the offering of the Notes or their distribution. Neither these Admission Particulars nor any other information supplied in connection with the offering of the Notes is intended to constitute, and should not be considered as, any advice or recommendation by any of the Issuer, the Joint Lead Managers or the Trustee or any of their respective affiliates that any recipient of these Admission Particulars or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each potential investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither these Admission Particulars nor any other information supplied in connection with the offer or invitation by or on behalf of the Issuer or either of the Joint Lead Managers or the Trustee to any person to subscribe for or to purchase any Notes in any jurisdiction where such offer or invitation is not permitted by law.

Neither the delivery of these Admission Particulars, nor the offering, sale or delivery of the Notes, shall in any circumstances imply that the information contained herein concerning the

Issuer is correct at any time subsequent to the date hereof, or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Neither of the Joint Lead Managers or the Trustee nor any of their respective affiliates undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by these Admission Particulars nor to advise any investor or potential investor in the Notes of any information coming to their attention.

In the ordinary course of business, each of the Joint Lead Managers and their respective affiliates have engaged and may in the future engage in normal banking or investment banking transactions with the Issuer and its affiliates or any of them.

Other than in relation to the information which is expressly deemed herein to be incorporated by reference (see "*Information Incorporated by Reference*"), the information on the websites to which these Admission Particulars refer does not form part of these Admission Particulars.

Where third party information has been used in these Admission Particulars, the source of such information has been identified. The Issuer confirms that such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

SUITABILITY OF INVESTMENT

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained, or incorporated by reference, in this Admission Particulars or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including (without limitation) where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets;

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

(vi) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

OFFER RESTRICTIONS

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "**retail investor**" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

RESTRICTIONS OF SALES IN THE U.S. AND TO U.S. PERSONS (AS DEFINED IN REGULATION S) – The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States of America (the "**United States**" or the "**U.S.**"), and may not be offered, sold, pledged, taken up, resold, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. The Notes are being offered and sold only to non-U.S. persons outside the United States in reliance upon Regulation S under the Securities Act ("**Regulation S**"). See "*Subscription and Sale*" below for more details.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") - Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Neither these Admission Particulars nor any other information provided by the Issuer in connection with the offering of the Notes constitutes an offer of, or an invitation by or on behalf of, the Issuer or the Joint Lead Managers or the Trustee or any of them or any of their respective affiliates to subscribe for, or purchase, any of the Notes (see "*Subscription and Sale*" below). These Admission Particulars do not constitute an offer to sell to, or the solicitation of an offer to buy the Notes in any jurisdiction from, any person to or from whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Admission Particulars and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Trustee or the Joint Lead Managers or any of their respective affiliates represent that these Admission Particulars may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Trustee or the Joint Lead Managers or any of their respective affiliates which is intended to permit a public offering of the Notes or the distribution of these Admission Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Admission Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Admission Particulars or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of these Admission Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Admission Particulars and the offer or sale of Notes in the United States, the EEA, Italy, Canada, Singapore, Hong Kong and the UK. Persons in receipt of these Admission Particulars are required by the Issuer, the Trustee and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of these Admission Particulars, see "*Subscription and Sale*" below.

STABILISATION

In connection with the issue of the Notes, Merrill Lynch International as stabilising manager (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

Certain information contained in these Admission Particulars, including any information as to the Issuer's or the Group's (as defined below) strategy, market position, plans or future financial or operating performance, constitutes "forward looking statements". All statements, other than statements of historical fact, are forward looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intend", "continue", "budget", "project", "aim", "estimate", "may", "will", "could", "should", "schedule" and similar expressions identify forward looking statements.

Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Issuer, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward looking statements. Such factors include, but are not limited to, those described in "*Risk Factors*".

Investors are cautioned that forward looking statements are not guarantees of future performance. Forward looking statements may, and often do, differ materially from actual results. Any forward looking statements in these Admission Particulars speak only as at the date of these Admission Particulars, reflect the current view of the board of directors of the Issuer (the "**Board**") with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuer's operations, results of operations, strategy, liquidity, capital and leverage ratios and the availability of new funding. Investors should specifically consider the factors identified in these Admission Particulars that could cause actual results to differ before making an investment decision. All of the forward looking statements made in these Admission Particulars are qualified by these cautionary statements. Specific reference is made to the information set out in "*Risk Factors*" and "*Description of the Issuer and the Group*".

Subject to applicable law or regulation, the Issuer explicitly disclaims any intention or obligation or undertaking publicly to release the result of any revisions to any forward looking statements in these Admission Particulars that may occur due to any change in the Issuer's expectations or to reflect events or circumstances after the date of these Admission Particulars.

ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures ("**APMs**") as described in the European Securities and Markets Authority Guidelines on Alternative Performance Measures are included or referred to in these Admission Particulars (including in the information incorporated by reference). APMs are measures that are not defined under generally accepted accounting principles ("**GAAP**") in the UK and which are used by the Issuer within its financial publications to supplement disclosures prepared in accordance with other applicable regulations such as UK-adopted International Accounting Standards ("**UK-IAS**"). The Issuer considers that these measures provide useful information to enhance the understanding of its financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such metric's components and calculation method can be found on pages 232 to 234 of the Annual Report of the Issuer for the

financial year ended 31 July 2025 and pages 248 to 251 of the Annual Report of the Issuer for the financial year ended 31 July 2024 (which are incorporated by reference into these Admission Particulars).

PRESENTATION OF INFORMATION

In these Admission Particulars, references to "**Close Brothers**" and to the "**Group**" are to Close Brothers Group plc and its subsidiaries, taken as a whole. The terms "**Issuer Group**" and "**Subsidiary**" have the meanings given to them in Condition 20 of the Conditions.

All references in this document to "**U.S. dollars**" and "**U.S.$**" refer to United States dollars. In addition, all references to "**Sterling**" and "**£**" refer to pounds sterling and to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the EU, as amended.

These Admission Particulars may be used only for the purposes for which they have been published.

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OVERVIEW OF THE PRINCIPAL FEATURES OF THE NOTES

The following overview provides an overview of certain of the principal features of the Notes and is qualified by the more detailed information contained elsewhere in these Admission Particulars. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

Issuer:	Close Brothers Group plc
Legal entity identifier (LEI):	213800W73SYHR14I3X91
Website of the Issuer:	https://www.closebrothers.com/
Trustee:	Citicorp Trustee Company Limited
Principal Paying Agent, Agent Bank, Registrar and Transfer Agent:	Citibank, N.A., London Branch
Notes:	£250,000,000 6.125 per cent. Subordinated Tier 2 Notes due 2036
Risk factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes and the Trust Deed. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes and certain risks relating to the structure of the Notes. These are set out under "*Risk Factors*" below.
Status of the Notes:	The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu*, without any preference, among themselves.
Rights on a Winding-Up:	The rights and claims of Noteholders in the event of a Winding-Up of the Issuer are described in Conditions 4(a) and 10.
No set-off, etc.:	Subject to applicable law, no Noteholder (or holder of any beneficial interest in any Note) may exercise, claim or plead any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes or the Trust Deed and each Noteholder (and each holder of any beneficial interest in any Note) will, by virtue of their holding of any Note (or a beneficial interest therein), be deemed to have waived all such rights of set-off,

	compensation, counterclaim, netting or retention.
Interest:	The Notes will bear interest on their outstanding principal amount: (a) from (and including) the Issue Date to (but excluding) 3 August 2031 (the "**Reset Date**"), at the rate of 6.125 per cent. per annum; and (b) thereafter, at the Reset Interest Rate (as described in Condition 5(c)), in each case payable semi-annually in arrear on 3 February and 3 August in each year (each, an "**Interest Payment Date**"), commencing 3 August 2026.
Maturity:	Unless previously redeemed or purchased and cancelled or (pursuant to Condition 7(g)) substituted, the Notes will mature on 3 August 2036 and shall be redeemed on such date at their principal amount together with any accrued and unpaid interest up to (but excluding) such date.
Optional redemption:	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to redemption, purchase, substitution and variation*" below, redeem all (but not some only) of the Notes on any day falling in the period commencing on (and including) 3 May 2031 (the "**First Call Date**") and ending on (and including) the Reset Date at their principal amount together with any interest accrued and unpaid up to (but excluding) the date fixed for redemption.
Redemption following a Capital Disqualification Event or a Tax Event:	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to redemption, purchase, substitution and variation*" below, redeem all (but not some only) of the Notes at any time following the occurrence of a Capital Disqualification Event (as defined in Condition 7(d)) or a Tax Event (as defined in Condition 7(e)), in each case, at their principal amount together with any interest accrued and unpaid up to (but excluding) the date fixed for redemption.
Clean-up redemption at the option of the Issuer	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to redemption, purchase, substitution and variation*" below, redeem all (but not some only) of the remaining Notes at any time following the occurrence of a Clean Up Event (as defined in Condition 7(c)) at their principal amount together with any interest accrued and unpaid up to (but excluding) the date fixed for

	redemption, subject to the proviso in Condition 7(c).
Substitution and Variation following a Capital Disqualification Event or a Tax Event:	The Issuer may, in its sole discretion and without any requirement for the consent or approval of the Noteholders, but subject to the conditions set out under "*Conditions to redemption, purchase, substitution and variation*" below and as provided in Condition 7(g), at any time substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or become (as applicable) Compliant Notes (as defined in Condition 20) if, prior to the giving of the relevant notice to Noteholders, a Tax Event or Capital Disqualification Event has occurred.
Conditions to redemption, purchase, substitution and variation:	Any redemption, purchase, substitution or variation of the Notes under Conditions 7(b), 7(c), 7(d) 7(e), 7(f) or 7(g) will be subject to the Issuer obtaining Regulatory Approval and, in the case of any redemption or purchase, to the Regulatory Preconditions (as defined in Condition 20). The granting of Regulatory Approval in respect of any such redemption or purchase shall be treated by the Issuer, the Trustee, the Holders and all other interested parties as conclusive and sufficient evidence of the satisfaction of the Regulatory Preconditions.
Purchase of the Notes:	The Issuer or any of its Subsidiaries may, at its option but subject to the conditions set out under "*Conditions to redemption, purchase, substitution and variation*" above, purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise at any time in accordance with the then prevailing Regulatory Capital Requirements. All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, surrendered to the Registrar for cancellation.
Withholding tax and Additional Amounts:	All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will (subject to certain exceptions as set out in Condition 8) pay such additional amounts in respect of interest payments, but not in respect of any payments of principal or other amounts,

as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of such withholding or deduction.

Payments in respect of principal and interest on the Notes will be made subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the preceding paragraph) any law implementing an intergovernmental approach thereto and the Issuer will not be liable to Noteholders for any taxes or duties of whatever nature imposed or levied by such laws, agreements or regulations.

Enforcement:

The rights of enforcement against the Issuer in respect of the Notes are limited as provided in Condition 10.

If the Issuer has not made payment of any amount in respect of the Notes for a period of seven days or more (in the case of any payments of principal), or (in the case of any interest payment or any other amount in respect of the Notes) for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in default under the Notes and, unless proceedings for a Winding-Up have already commenced, the Trustee may institute proceedings for a winding-up of the Issuer in England (but not elsewhere). In the event of a Winding-Up (whether or not instituted by the Trustee) the Trustee may (or, in the circumstances provided in Condition 10(c), shall) claim and/or prove in respect of the Notes in such Winding-Up, such claim being that set out in Condition 4(a).

See Condition 10 for further information.

Modification:

The Trust Deed will contain provisions for convening meetings of Noteholders to consider and vote upon resolutions affecting their interests generally. Noteholders may also vote on resolutions by way of resolutions in writing or by way of electronic consents given through the applicable clearing systems. These provisions permit defined majorities of the Noteholders to consent to the modification or abrogation of any of the Conditions or any of the provisions of the Trust Deed, and any such modification or abrogation

shall be binding on all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the resolution in writing or provide electronic consents, and Noteholders who voted in a manner contrary to the majority.

In addition, the Trustee may agree (other than in respect of a Reserved Matter, as defined in the Trust Deed), without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid and irrespective of whether the same constitutes a Reserved Matter, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

Substitution of the Issuer: The Trustee may, without the consent of the Noteholders but subject to the Issuer having obtained Regulatory Approval, agree with the Issuer to the substitution of the Successor in business or the Holding Company (each as defined in Condition 20) of the Issuer (or of any previous substitute of the Issuer under Condition 14) in place of the Issuer (or of any previous substitute of the Issuer under Condition 14) as the principal debtor under the Notes and the Trust Deed, subject to:

(a) the Trustee being of the opinion that such substitution is not materially prejudicial to the interests of the Noteholders; and

(b) certain other conditions set out in the Trust Deed being complied with.

Form: The Notes will be issued in registered form. The Notes will initially be represented by a Global Certificate and will be registered in the name of a nominee of a common depositary for the Clearing Systems.

Denomination: £100,000 and integral multiples of £1,000 in excess thereof.

Clearing systems: Euroclear and Clearstream, Luxembourg.

Listing: Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the ISM with effect

	from on or around the Issue Date.
Acknowledgement with respect to the exercise of the Bail-in Power:	The Conditions contain a consent by the Noteholders to the exercise of the Bail-in Power by the Resolution Authority. No repayment or payment of Amounts Due on the Notes shall become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.
Selling restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the UK, the United States (Regulation S, Category 2), Hong Kong, Singapore, Canada, Italy and the EEA. See "*Subscription and Sale*" for more details.
Governing law:	The Notes and the Trust Deed, and any non-contractual obligations arising out of or in connection with the Notes or the Trust Deed, will be governed by, and construed in accordance with, English law.
ISIN:	XS3277031293
Common Code:	327703129

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and are material for the purpose of assessing the market risks associated with the Notes.

Any of these risk factors, individually or in the aggregate, could have an adverse effect on the Issuer and the impact each could have on the Issuer is set out below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in these Admission Particulars (including information incorporated by reference herein) and reach their own views prior to making any investment decision.

Terms and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in these Admission Particulars have the same meaning when used in this section.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

(A) Risks relating to the Group's Motor Finance Products

Historic commission arrangements with intermediaries on the Group's Motor Finance Products

On 11 January 2024, the Financial Conduct Authority ("**FCA**") announced that it would use its powers under section 166 of the Financial Services and Markets Act 2000 ("**FSMA**") to review historical motor finance commission arrangements and sales at several firms, following high numbers of complaints from customers. The review followed the Financial Ombudsman Service's ("**FOS**") publication of its first two decisions upholding customer complaints relating to discretionary commission arrangements ("**DCAs**") against two other lenders in the market. The purpose of the FCA's review was to understand if there was any widespread misconduct, whether consumers had faced losses and, if so, how consumers should be compensated in an orderly, consistent and efficient way.

As well as complaints, consumers have also brought claims through the County Court. Three such cases concerning disclosure of motor finance commissions, namely *Hopcraft v Close Brothers Limited* ("**Hopcraft**"), Johnson v FirstRand Bank Ltd ("**Johnson**") and Wrench v FirstRand Bank Ltd ("**Wrench**"), were appealed to the Court of Appeal and heard together in July 2024. On 25 October 2024, the Court of Appeal published its judgment in respect of Hopcraft, upholding the appeal brought against Close Brothers Limited, which had initially been determined in Close Brothers Limited's favour. The Court of Appeal held that where a motor dealer acts as a credit broker, it owes, *inter alia*, a fiduciary duty to the customer and the failure to fully disclose commissions and the payment of commissions without informed customer consent breaches that duty and gives rise to lender liability.

In December 2024, Close Brothers Limited obtained permission from the Supreme Court of the United Kingdom (the "**Supreme Court**") to appeal the Court of Appeal's judgment against Close Brothers Limited in respect of the Hopcraft motor finance commissions case (the "**Hopcraft Appeal**"). FirstRand Bank Limited ("**FirstRand**") was also granted permission to appeal Johnson and Wrench (the "**FirstRand Appeals**" and together with the Hopcraft Appeal, the "**Appeals**"). The Appeals were heard by the Supreme Court between 1 April 2025 and 3 April 2025.

On 1 August 2025 the Supreme Court gave its judgment, in which Close Brothers Limited successfully overturned the Court of Appeal's judgment in respect of the Hopcraft case. The Supreme Court determined that motor dealers (acting as credit brokers) generally do not owe fiduciary duties to their customers. As a result, the Supreme Court dismissed the Hopcraft's claim against Close Brothers Limited entirely. The Supreme Court reached the same conclusion on these issues in relation to the two FirstRand cases ("**Wrench**" and "**Johnson**").

On the issue in *Johnson* relating to unfairness under s.140A of the Consumer Credit Act 1974, the Supreme Court made clear that the test for unfairness is highly fact sensitive and takes into account a broad range of factors. On the facts of *Johnson*, the Supreme Court upheld the Court of Appeal's decision that the relationship between Mr Johnson and FirstRand was unfair and required FirstRand to pay Mr Johnson the value of the commission paid to the dealer plus compensatory interest at an appropriate commercial rate.

The Group welcomed the outcome of the Appeals, which provided clarity on important legal and commercial principles. Following the publication of the Supreme Court's judgment, the FCA announced on 3 August 2025 its intention to launch a public consultation on an industry-wide redress scheme to compensate motor finance customers who were treated unfairly. On 7 October 2025 the FCA published its consultation paper on the redress scheme (with the consultation period having closed on 12 December 2025) and the FCA expects to publish its final rules in early 2026 (expected in February / March 2026).

As announced on 14 October 2025, the Group has carried out a review of the potential financial impact of the proposed scheme and, while uncertainty in relation to the outcome of the consultation remains, the Group has revised its range of probability-weighted scenarios resulting in an additional expected charge of approximately £135 million, increasing the total provision to approximately £300 million on the basis of a range of probability-weighted scenarios (as compared to £165 million as at 31 July 2025). The total provision, which includes both redress and certain operational costs, represents the Group's current best estimate based on the information available. The ultimate cost to the Group could be materially higher or lower than the estimated provision depending on the outcome of the consultation and any further legal, regulatory or industry developments.

While there is no certainty regarding any potential impact as a result of the FCA's review or otherwise relating to these claims and complaints, the Board of Directors of the Issuer has taken a prudent approach to managing its financial resources and building capital strength. As a result, the Board of Directors of the Issuer took the decision not to pay any dividends on its ordinary shares for the financial years ending 31 July 2024 (the "**2024 Financial Year**") and 31 July 2025 (the "**2025 Financial Year**") and will review the decision to reinstate dividends once there is further clarity on the financial impact of the FCA's review of motor finance commissions.

The Board of Directors of the Issuer remains confident in the Group's capital strength in light of the decision not to pay dividends, combined with other capital management actions.

Nonetheless, given the uncertainty associated with the FCA's redress scheme and the potential financial impact, reputational risk is heightened and there is a risk that the ultimate cost to the Group is greater than the estimated provision, which may in turn affect the revenues, profit and reputation of the Group.

Remediation exercise in relation to historical deficiencies identified in the early settlement of loans

As announced in the full year results statement on 30 September 2025, the Board commenced a separate remediation exercise in relation to historical deficiencies which have been identified in certain operational processes in relation to the early settlements of loans in the Motor Finance business. As a result, the Group recognised a separate provision of £33 million as at the end of the 2025 Financial Year, reflecting management's best estimate of the cost of remediation based on available information in relation to impacted customers, including compensatory interest and associated administrative costs. However, the actual cost to the Group may be greater than the estimated provision, which may affect the revenues, profit and reputation of the Group.

(B) Economic and political risks

Adverse Economic Conditions

The Group is directly and indirectly subject to inherent risks arising from general economic conditions in the UK and the other economies in which it operates, in respect of which there remains persistent uncertainty about future economic development, and economic conditions remain challenging. Specifically, cost of living pressures on consumers, inflation, and/or a rise in unemployment has the potential to impact the Group's performance or prospects. Although there has been some improvement in macroeconomic indicators, investors and consumers remain cautious and any worsening, or failure to improve, of economic conditions would likely aggravate the adverse effects of difficult economic and market conditions on the Group and on others in the financial services industry. While there have been recent reductions in the Bank of England base rate during the 2025 Financial Year, headwinds remain, with elevated input costs, increased trade-related uncertainty and cost of living pressures all continuing.

Due to the diversified nature of the Group's activities, variable and/or volatile economic conditions could impact the Group in a number of different ways including, among other things, lower demand for the Group's products and services, lower investor risk appetite as a result of instability in the financial markets, high bad debt charges due to the inability of customers to repay loans and associated interest and charges and reductions in asset values or ability to recover from third parties under other arrangements treated as security for those loans, and increased volatility in the funding markets. The Group operates in specialist areas where staff have significant expertise of the market and its products, along with an in depth understanding of the requirements of the Group's customers, which has improved the Group's resilience, enabling it to trade profitably through economic downturns. However, in a sustained economic phase of low growth and high public debt, characterised by higher unemployment, lower

household income, lower corporate earnings, lower business investment and/or lower consumer spending, demand for the Group's products and services could be materially and adversely affected.

There continues to be a risk to the demand for the Group's products and services and the associated impacts on the Group's profitability as demand for such products and services, especially those within the UK, is sensitive to economic conditions, particularly in the event of a renewed economic downturn. Geopolitical factors (including the conflicts in Ukraine, Gaza, wider hostilities in the Middle East, South China Sea, and uncertainty regarding political intervention in Venezuela and Greenland), inflation and pressures on the cost of living for consumers, continue to add an element of uncertainty to the economic outlook in the UK and across global supply chains and markets more generally. Factors relating to general economic conditions such as consumer spending, business investment, government spending, the volatility and strength of both debt and equity markets, inflation and energy prices and pressures on the cost of living, all have the potential to adversely affect the profitability of the Group. The exact impact of these market risks faced by the Group is uncertain and difficult to predict and respond to, particularly in view of: difficulties in predicting the rate at which any economic deterioration may occur, and over what duration; and the fact that many of the related risks to the business are totally, or partly, outside the control of the Group.

Economic stagnation, or a deterioration in economic conditions, could result in an increase in impairments to the Group's loan book as a result of customers becoming unable to service debt and/or a reduction in the value of assets on which loans are secured, and declines in the market value of the debt securities held by the Group. Such instability and reduction in asset values could have a material adverse effect on the Group's business, financial condition and/or results of operations.

For the 2025 Financial Year, the Group's annualised, bad debt ratio was 1.0 per cent. Although the Bank of England has recently seen modest reductions in the base rate and is expected to continue to reduce, there continues to be a risk of future bad debt in response to factors such as macroeconomic inflationary pressures, political uncertainty, impacts on supply chains and global economic uncertainty. The timing, pace and quantum of any future interest rate rises will be a key factor in the impact on bad debt rates. The Group is alert to the fact that the environment remains highly uncertain and continues to monitor closely the performance of the loan book, including through portfolio reviews, regular forecasting and stress testing undertaken to reflect uncertainties in the economic environment. A range of forward-looking scenarios have been considered, with distinct social and economic assumptions.

While the Group's risk management, internal control systems and overall business model are designed to enable it to trade profitably through downturns in the economic cycle, there can be no assurance that the effectiveness of the Group's strategy (or ability to implement its strategy) and the Group's business, financial condition, results of operations and/or prospects will not be adversely affected by future deterioration in economic conditions.

Liquidity and funding risk

Funding risk is the risk that the Group will be unable to raise funds at an acceptable price or to access markets in a timely manner, or that there will be a decrease in the stability of the current

funding base. If the Group is unable to source sufficient funding, this could constrain growth and, in extreme circumstances, require the Group to reduce lending levels. The Group has diversified sources of funding, by type and by tenor, and the cost and availability of these sources continues to fluctuate. Although the Group has historically been able to access sufficient funding from diverse sources to support its operations, there can be no assurance that sufficient funding would always be available to the Group in future, especially under uncertain market conditions.

Liquidity risk is the risk that the Group will have insufficient liquidity to meet its liabilities as they fall due, or that the Group can only meet such liabilities at an uneconomic price. A lack of available liquid resources would constrain the Group's ability to conduct its business and pursue its strategic objectives, and would expose the Group to regulatory risk.

The Group seeks to manage its liquidity and funding position on a prudent basis, and is required under the applicable Prudential Regulation Authority ("**PRA**") rules to maintain liquid assets equal to at least 100 per cent. of its expected liquidity outflows over a 30-day stress period as well as net stable funding equal to at least 100 per cent. of its net stable funding requirement.

The Group holds a significant amount of high quality liquid assets in the form of cash placed on deposit with the Bank of England as well as sovereign and central bank debt and other qualifying high-quality liquid assets. The Group monitors liquidity risk using a variety of measures, including regular stress testing and cash flow monitoring, and reporting to both the Group and divisional board. Despite these measures, there can be no assurance that the Group would always have sufficient liquidity such that the Group's results of operations, financial condition and cash flows could not be materially and adversely affected.

Heightened disruption and volatility in the global financial markets (such as that arising from inflation and cost of living pressures, geopolitical uncertainty arising from the conflicts in Ukraine, Gaza as well as wider hostilities in the Middle East, South China Sea, and uncertainty regarding political intervention in Venezuela and Greenland and the failure of banking institutions and supply chain disruption) could have a material adverse effect on the Group, including its ability to access capital and liquidity, particularly in light of increased market competitiveness. The Group's cost of obtaining funding is directly related to the prevailing market interest rates and to its credit spreads. Increases to interest rates and the Group's credit spreads can significantly increase the cost of its funding and may affect the Group further if its reliance on retail funding increases. Changes in the Group's credit spreads are market-driven and may be influenced by market perceptions of its creditworthiness. Changes to interest rates and the Group's credit spreads occur continuously and may be unpredictable and highly volatile.

The availability of central bank facilities for UK financial institutions, to the extent that they provide the Group with access to more attractive funding than other sources, reduces the Group's reliance on retail or wholesale markets. To the extent that the Group makes use of central bank facilities, any significant reduction or withdrawal of those facilities would be likely to increase the Group's funding costs. In addition, other financial institutions who have relied significantly on governmental support to meet their funding needs will also need to find alternative sources of funding and, in such a scenario, the Group expects to face increased competition for funding, particularly retail funding which the Group utilises. This competition could further increase the Group's funding costs and so adversely impact its results of

operations and financial position. If increased inflationary pressures arise or prevailing macroeconomic conditions change, the Group's cost of funding could increase due to changes made to interest rates by the Bank of England.

Each of the factors described above – inflation, unemployment and cost of living pressures, geopolitical uncertainty arising from the conflicts in Ukraine, Gaza, as well as wider hostilities in the Middle East, South China Sea, and uncertainty regarding political intervention in Venezuela and Greenland and supply chain disruption – could have a material adverse effect on the Group's ability to access capital, funding and liquidity (whether directly or indirectly).

(C) Capital risk

Capital and liquidity requirements

The Group is subject to capital adequacy requirements adopted by the Prudential Regulation Authority ("**PRA**") for banks under Regulation (EU) No 575/2013, as it forms part of the domestic law of the UK pursuant to the European Union (Withdrawal) Act 2020 (as amended) (the "**EUWA**"), including as it has been amended by the laws of England and Wales (the "**UK CRR**"). Any failure by the Group to comply with the requirements of the UK CRR and associated subordinate legislation and regulatory rules (including as regards capital adequacy and liquidity) may result in the Group being subject to administrative actions or sanctions which may affect its ability to fulfil its obligations.

The UK CRR, together with subordinate legislation and regulatory rules, implements the Basel III regulatory capital framework promulgated by the Basel Committee on Banking Supervision ("**BCBS**") between 2010 and 2019. It does not, at present, reflect in full the requirements of the BCBS framework referred to as "Basel 3.1". In November 2022, the PRA published a consultation paper (CP16/22) setting out its proposed approach to implementing Basel 3.1, which was followed in December 2023 and September 2024 by two policy statements (PS 17/23 and PS9/24 respectively) containing near-final rules. Basel 3.1 is designed to standardise approaches between banks' own measurement of risk to make capital ratios more consistent and comparable. The UK's implementation is expected to be substantively aligned with the approach advocated by the BCBS, and will involve the revocation of some elements of the UK CRR and their replacement with rules made by the PRA. It is also expected that in the future the UK CRR may be repealed in full, and its requirements transcribed into regulatory rules, as part of proposed post-Brexit reforms to the regulation of financial services in the United Kingdom. On 17 January 2025, the PRA announced that it was delaying the implementation of Basel 3.1 rules by a year until 1 January 2027, with the transitional period reduced from four to three years such that it will continue to end on 31 December 2029. On 15 July 2025, the PRA published a further consultation paper (CP 17/25) proposing to delay the implementation of adjustments to the market risk framework, known as the fundamental review of the trading book, by a year to 1 January 2028.

The Group is required to maintain certain capital ratios by applicable law, regulation and guidance. These capital ratios express the ratio between required capital resources and risk-weighted assets. Certain events are likely to affect the Group's capital ratios in differing ways. The Group has disclosed its capital ratios under the transitional and fully loaded arrangements set out in the UK CRR. The Group currently anticipates the UK's implementation of Basel 3.1 to

have a less significant impact on the Group's overall capital headroom position than initially anticipated given the PRA's publication of PS7/25 which provides near final methodology for setting the Pillar 2a SME and infrastructure lending adjustments but still expects the implementation to result in an increase of up to 10 per cent. in the Group's risk-weighted averages calculated under the standardised approach. In addition, to calculate regulatory capital requirements for credit risk, the Group has applied to transition to the Internal Ratings Based approach, which is a supervisor-approved method using internal models, rather than standardised risk weightings. Following the submission of the Group's initial application to the PRA in December 2020 to transition to the Internal Ratings Based ("**IRB**") approach, the application successfully moved to Phase 2 of the process in March 2022 and engagement with the regulator continues. The Group's Motor Finance, Property Finance and Energy portfolios, where the use of models is most mature, were submitted with its initial application, with work on the subsequent portfolios in progress. There is a risk that the transition may impact the Group's capital ratios in the short-term and increase the volatility of such capital ratios going forward.

Risks arising from the FCA's review of historical motor finance commission arrangements may impact the Group's capital position in the future; see "*Historic commission arrangements with intermediaries on the Group's Motor Finance Products*" for further details. The Board of Directors of the Issuer has identified actions which seek to mitigate these risks including, but not limited to, the decision to not pay any dividend payments in the 2025 Financial Year (which follows the decision not to pay any dividend in 2024 Financial Year), optimising risk-weighted assets growth and significant risk transfer of assets. The Board of Directors of the Issuer has taken a prudent approach to capital management and the decision to reinstate dividends will be reviewed by the Board of Directors of the Issuer once there is further clarity on the financial impact of the FCA's review of motor finance commissions. This decision will build further capital strength and ensure that a strong balance sheet is maintained. To strengthen the capital position and maintain high levels of liquidity in the face of the motor commissions uncertainty, the Board of Directors of the Issuer has also undertaken selective loan book growth, cost-saving initiatives, organic capital generation and also completed the sale of Close Brothers Asset Management in February 2025, resulting in over £400 million of common equity tier 1 capital ("**CET1**") generated by the end of the 2025 Financial Year. For the financial year ending 31 July 2026 (the "**2026 Financial Year**"), the Board of Directors of the Issuer intends to continue strengthening its capital position by delivering approximately £20 million of annualised savings per annum for the next three financial years, through consolidation of centrally provided functions, outsourcing and offshoring, and the simplification and rationalisation of technology, including automation and the use of artificial intelligence. On completion, the sale of Winterflood Securities Limited ("**Winterflood**") increased the Group's CET1 capital ratio by approximately 30 basis points (on a pro forma basis as at 31 October 2025), with a further increase of approximately 25 basis points expected in due course from the reduction in operational risk weighted assets. While there can be no assurance that these measures will be effective in mitigating this risk and any impact of the FCA's review on the Group's capital position could have a material adverse effect on the Group's business, financial condition and/or results of operations.

Effective management of the Group's capital position is important to its ability to operate its business. Any future legislative, regulatory or policy changes that limit the Group's ability to manage its balance sheet and capital resources effectively, or to access funding on

commercially acceptable terms, could have a material adverse effect on the Group's business, financial condition and/or results of operations.

In connection with the special resolution regime (the "**SRR**"), and in order to support the Bank of England's preferred resolution strategy for each resolution entity or group under its supervision, firms (including the Group) are required to maintain a minimum requirement for own funds and eligible liabilities ("**MREL**"). The MREL requirement is, broadly, split into two components: a loss absorption component (comprising the firm's capital requirement, to be met with own funds instruments) and, if applicable, a recapitalisation component (to be met with additional loss-absorbing capacity, including 'eligible liabilities instruments'). The MREL requirement for a firm depends, in part, upon the Bank of England's preferred resolution strategy for that firm. See also "*Risks relating to the Banking Act 2009*" below.

As at the date of these Admission Particulars, the Bank of England's preferred resolution strategy for the Group is 'modified insolvency'. Accordingly, the recapitalisation component of the Group's MREL requirement is presently set at nil. As such, the Group's MREL requirement does not presently exceed its own funds (capital) requirement, however future balance sheet growth may lead to the Group's MREL requirements being set in in excess of its own funds (capital) requirements. It remains possible that the Bank of England could decide to take a different approach in relation to the Group and/or change its preferred resolution strategy in the future. It is difficult to predict the full effect of such changes on the Group if they take place. However, the future changes of the preferred resolution strategy may limit or restrict the execution of the Group's strategy and may have an adverse effect on the Group's business, capital and funding structure, financial condition, results of operations and/or prospects, and may increase compliance costs.

(D) Legal, regulatory and tax risks

Legal and Regulatory Risk

The Group operates in a highly regulated environment and is subject to the laws and regulations of the various jurisdictions in which it operates. There remains significant regulatory scrutiny over the banking and financial services sector as well as over the regulatory framework in which the sector operates.

The UK government's current proposals to reform UK financial services regulation and potential divergence between the UK and EU regulatory regimes could affect and provide further challenges for the Group. The nature, effect and impact of future changes (whether currently proposed or actual) in laws, regulations and regulatory policies (including in relation to taxation) are not predictable and are beyond the Group's control, and changes in such laws, regulations and regulatory policies in the jurisdictions in which the Group operates could affect the way the Group conducts business and manages capital and liquidity and may have an adverse effect on the Group's financial condition, results of operations and profitability.

See also "*Risks relating to the Group's Motor Finance Products*" above.

Further details of the legal and regulatory risks to which the Group is subject are set out below:

The Group is subject to the emerging risks associated with climate change

The risks associated with climate change continue to be a key focus area, both in the UK and internationally, from governments, regulators, activist organisations and large sections of society, including the Group's various stakeholder groups. The Group continues to focus on climate change considerations and to progress in embedding an appropriate and regulatory-compliant climate risk framework (the "**Framework**") which is overseen by the Board Risk Committee of the Board of Directors of the Issuer. The Framework facilitates a consistent application of all features of the Group's risk management approach to the risks associated with climate change. This extends to both the physical risks, which are considered a cross-cutting risk impacting across the Group's suite of principal risks, as well as transitional risks, which are additionally measured and monitored in line with its emerging risks. The Group continues to mature the Framework and ensure appropriate governance and oversight.

The Financial Stability Board's Taskforce on Climate-related Financial Disclosures ("**TCFD**") provides a suite of recommendations for consistent climate-related financial risk disclosures in mainstream company filings. The Group has published climate disclosures consistent with the TCFD recommendations.

In assessing both the risks and opportunities of climate impacts and in preparing its TCFD disclosures, the Group has aimed to provide appropriate granularity, proportionate to the materiality of the climate-risks identified across the Group. The Group's work identifying, assessing and reporting the impacts of physical and transitional climate-related risks and opportunities over a range of time horizons enables the Group to react to any potential effect on its operating results, financial condition and prospects. The Group's analysis of climate related risks to date indicates that it is not materially exposed to loss or disruption over the short to medium term. Over the long term, however, increased risk is expected, driven primarily by potential transition impacts such as changes to regulation, policy, technologies and customer appetites, but also by extreme variability in weather patterns, increasing incidence and severity of physical impacts, which could have a material adverse effect on the Group's operating results, financial condition and prospects. Severe physical risks are considered only likely to materialise over the long term, although the Group recognises that acute events are already occurring.

The primary focus of the Group's climate-related risk management is on credit and operational risk, which are considered to be the greatest potential impacts, and which have the potential to affect both counterparties and collateral. The alignment of the Group's risk management framework with climate-related risks and opportunities remains a priority to ensure that the Group can support its customers with appropriate financing solutions as they develop and deliver their own transition plans. This will also ensure the Group is well-placed to deliver upon its climate-related commitments and meet the expectations of other key stakeholder groups.

Consumer Credit Regulation

Firms carrying on regulated consumer credit activities must comply with the relevant provisions of FSMA and related secondary legislation, the FCA Handbook's Consumer Credit Sourcebook ("**CONC**") and the provisions of the Consumer Credit Act 1974 (the "**CCA**") and related secondary legislation which have been retained following the transfer of the regime from the

Office of Fair Trading to the FCA in accordance with provisions under the Financial Services Act 2012. Failure to hold the appropriate Part IV of FSMA permissions to carry on regulated activities in respect of consumer credit activities or to comply with prescriptive requirements regarding the form and content of credit agreements and the issuance of certain post-contract documentation, may render an agreement unenforceable or require a firm to provide financial redress in respect of interest payments or charges collected during any period of non-compliance (under the CCA regime) or require a firm to repay all money paid under the credit agreement and compensate the customer for any losses suffered (under the FSMA regime). In addition, failure to comply with the FCA's CONC rules and / or any other provisions of the FCA Handbook may lead to a firm being required to provide financial redress and/or be subject to regulatory enforcement action, which in some cases could affect a firm's ability to recover relevant debts. FSMA and the Financial Services Act 2012 also provides for formalised co-operation to exist between the FCA and the FOS (which determines complaints by eligible complainants in relation to authorised financial services firms and certain other businesses), particularly where issues identified potentially have wider implications with a view to the FCA requiring firms to operate consumer redress schemes.

In June 2022, HM Treasury announced its intention to reform the UK consumer credit regime by bringing many of the requirements of the CCA within the FCA's Handbook of rules and guidance. On 19 May 2025, HM Treasury published its Phase 1 consultation, which set out its initial proposals to reform the CCA. The proposals look to simplify the existing regime, including a reduction in prescriptive information requirements, removal of automatic sanctions and potentially repealing some or all the criminal offences in the CCA. The Phase 1 consultation closed on 21 July 2025 and a Phase 2 consultation is expected imminently. Any such changes could have an adverse effect on the Group's operating results, financial condition and prospects.

Three subsidiaries of the Issuer are authorised by the Central Bank of Ireland (the "**CBI**") to carry on certain consumer lending activities in the Republic of Ireland. Close Brothers Premium DAC is authorised as a high cost credit provider and each of Close Brothers DAC and Close Brothers Finance DAC (which was formerly known as Bluestone Motor Finance (Ireland) DAC and acquired by the Group in 2023) is transitionally authorised as a retail credit firm by the CBI. Accordingly, the Group is also subject to supervision and regulation by the CBI in relation to its consumer lending activities in the Republic of Ireland. Failure by the Group to comply with any consumer credit requirements as prescribed by the CBI may lead to the Group being required to provide financial redress and/or be subject to regulatory enforcement action.

Possible impact of regulatory change

The resolution of a number of issues, including regulatory investigations and reviews and court cases, affecting the financial services sector in the markets in which the Group operates could have an adverse effect on the Group's operating results, financial condition and prospects, or its relations with its customers and potential customers.

The introduction of the Digital Markets, Competition and Consumers Act 2024 (the "**DMCCA**") came into force on 6 April 2025 and provides the Competition and Markets Authority (the "**CMA**") with enhanced powers in relation to consumer protection, including the determination of whether consumer protection laws have been breached and the ability to take direct action (without the need to apply to the courts) against businesses to address breaches, including

through penalties and redress. There is the potential that the CMA and FCA (which have concurrent competition powers in financial services) take different stances on certain policy issues in these spheres.

Regulatory focus and prioritisation of conduct risk continue to increase. In particular, the FCA implemented the "consumer duty" (the "**Consumer Duty**") as one of its Principles for Business for products and services sold to Retail customers, which applies to new and existing products and services that are open to sale or renewal and to closed products and services. The Consumer Duty has three elements: (i) a consumer principle that provides a high-level expectation of conduct (namely, that a firm must act to deliver good outcomes for retail clients); (ii) a set of overarching cross-cutting rules which develop and amplify the standards of conduct that the FCA expects under the consumer principle; and (iii) a suite of rules and guidance setting more detailed expectations for a firm's conduct according to the four specific outcomes that represent the key elements of the firm and its consumer relationships (customer understanding, products and services, price and value and customer support). Firms are required to monitor, evidence and report against the Consumer Duty requirements. On an ongoing basis, the Board of Directors of the Issuer actively oversees Consumer Duty, including through engagement with regular management information to identify risks to these outcomes and through monitoring the status of work to improve outcomes where necessary.

The Consumer Duty affects elements of the Group's business model and strategy, the products and services it offers and the pricing or costs of those products and services; it may result in an increase in civil litigation or claims to the FOS by customers alleging a breach of the Consumer Duty or in regulatory action by the FCA. The Consumer Duty may in turn affect the revenue and profits that the Group generates. The FCA's business strategy for 2025 to 2030 highlights that the Consumer Duty remains a priority as the FCA seeks to embed the Consumer Duty across all sectors. Conduct risk considerations arising from the FCA's review of historical motor finance commission arrangements will continue to be kept under review as the situation develops. See "*Historic commission arrangements with intermediaries on the Group's Motor Finance Products*" for further details.

Changes in supervision and regulation, in particular in the UK, could materially affect the Group's business, the products and services it offers, the value of its assets and its ability to respond to the requirements of the relevant UK regulatory authorities.

The Group monitors regulatory developments and engages in dialogue with regulatory authorities on a regular basis and continues to maintain a conservative model with a strong, well-capitalised balance sheet, and believes it is well placed to react to regulatory change. Each of the Group's regulated businesses has a dedicated compliance officer who is responsible for supporting the business in meeting its regulatory compliance obligations. In addition, risk-based monitoring reviews are used to assess compliance. The activities of these compliance professionals are co-ordinated and overseen on a Group-wide basis by the Group Head of Non-Financial Risk to whom they report. Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to legal and regulatory risk arise in the future.

As the Group offers products to customers in a number of industries which are regulated, any changes in the regulatory environment for those industries may also have a material adverse effect on the Group's business, profitability, financial condition and prospects. For example, changes in regulation affecting the businesses of customers to which the Group provides

financing could potentially negatively impact the ability of such customers to service their loans and so reduce the value of the underlying asset.

The Financial Services and Markets Acts 2023 enables HM Treasury to revoke EU law relating to financial services and the FCA and PRA to replace it with legislation and regulatory rules. This process may result in material changes to the UK regulatory regime which could impact aspects of the Group's business model and strategy, which may in turn affect the revenues and profit of the Group.

In October 2024, the FCA launched its premium finance market study with the aim of assessing whether premium finance arrangements represent fair value for consumers and whether the premium finance market is sufficiently competitive. On 22 July 2025, the FCA published its preliminary findings and will focus on affordability, value for customers and transparency in the premium finance market. The FCA invited feedback on its preliminary findings by 30 September 2025, which will be used to inform the next phase of the market study. As the study progresses, it is expected that there will be further scrutiny of the current regulations for premium finance, which may lead to a change in regulation. Any regulatory change arising as a result of the FCA's premium finance market study could impact the Group's premium finance business or the markets in which it operates, which may in turn affect the financial performance of the Group. Nonetheless, in line with the Group's strategic priorities to simplify the Group's portfolio, improve operational efficiency and drive sustainable growth, the Group is focusing the growth of its Premium Finance business towards commercial lines insurance premium finance ("**commercial lines**"). As a result, on 9 July 2025, the Group announced that it would withdraw from certain broker relationships over the next six to 12 months. These brokers predominantly offer personal lines, without a material commercial lines focus, and represent a modest portion (c.10%) of the Group's broker network as at 31 July 2025. The Group expects the Premium Finance loan book to decline by c.30% in the next three years. Over the same period, operating profit in this business is expected to reduce, reflecting both the lower loan balances and the investment required to enhance the proposition and optimise the cost base.

There is also a risk that the Group's profits will be affected by any change in regulation arising out of the FCA's motor finance compensation scheme; see "*Historic commission arrangements with intermediaries on the Group's Motor Finance Products*" for further details.

Change execution

As the Group undertakes multiple strategic initiatives and change programmes driven by an evolving regulatory landscape and cost optimisation agenda, it faces increased exposure to associated risks. The Group seeks to avoid entering into change programmes that would incur a disproportionate level of risk exposure, as well as risks that would trigger secondary impacts, especially which run counter to its ethical stance and could cause customer harm or have reputational impacts. However, failure to ensure safe execution of significant change programmes and to effectively deliver business and technology change may hinder the Group's ability to achieve strategic objectives and meet the expectations of customers, regulators, colleagues, and shareholders. Depending on the nature of the change, delays or failures in implementation could also impact financial performance and have the potential for regulatory and reputational consequences.

Financial Services Compensation Scheme

Close Brothers Limited, by virtue of being a PRA-authorised deposit taker, contributes to the Financial Services Compensation Scheme ("**FSCS**") which provides compensation to eligible customers of financial institutions in the event that an institution is unable, or is likely to be unable, to pay claims against it. The Bank Resolution (Recapitalisation) Act 2025, which received royal assent on 15 May 2025 and came into force on 16 July 2025, expands the statutory functions of the FSCS to require funds to be provided to the Bank of England on request as a "recapitalisation payment", which can be used to meet certain costs arising from the use of the resolution regime to manage the failure of an institution. Any levies imposed on Close Brothers Limited to recover such payments could have a material impact on the Group's profits.

Further reform initiatives may also result in changes to the FSCS which could result in additional costs and risks for the Group. In particular, on 18 November 2025, the PRA published its policy statement (PS24/25) containing final rules relating to the limits for deposit protection available from the FSCS. Under the final rules, effective from 1 December 2025, the deposit protection limit increased to £120,000 (greater than the previous PRA's proposal of £110,000), and Close Brothers Limited was required to update its single customer view systems, which provide information about eligible deposits to enable the FSCS to quickly compensate depositors in the event of a firm's failure, to reflect the new limit from that date. During the PRA's consultation process (CP4/25), the PRA set out an analysis of the potential impact on compensation costs arising from a hypothetical deposit taker failure from an increase in the limit to £110,000 from £85,000. This analysis has been updated for the revised £120,000 limit, with the total levy across all firms in this hypothetical scenario being £67 million (22%) higher under the £120,000 limit than under the previous £85,000 limit.

It remains possible that future policy of the FSCS and future levies on the firms authorised by the FCA or the PRA may differ from those at present. The Group may incur additional costs and liabilities as a result of such changes, or any further related changes which may be made, which may adversely affect its operating results, financial condition and prospects.

Legal and Compliance Risk

Compliance with current legislation and regulation applicable to the Group

The Group is exposed to risks associated with current legislation and regulation, which may arise in a number of ways. Primarily:

- the Bank of England, the FCA, the PRA, HM Treasury, the FOS, the courts, the CMA, the CBI or other regulators outside the UK may determine that the Group is not conducting certain aspects of its business in accordance with applicable laws or regulations, or, in the case of the FOS, with what is fair and reasonable in the FOS's opinion;

- the Group holds accounts for entities that might be or are subject to interest from various regulators, including the UK's Serious Fraud Office, those in the U.S. and others. The Group is not aware of any current investigation into the Group as a result of

any such enquiries, but cannot exclude the possibility of the Group's conduct being reviewed as part of any such investigations;

- the Group may be liable for damages to third parties harmed by the conduct of its business; and

- the Group is subject to rules and regulations related to the prevention of money laundering, bribery and terrorist financing and financial sanctions and any failure to comply with such rules and regulations may result in regulatory action or damage the reputation of the Group.

Failure to comply with the wide range of laws and regulations which apply to the Group could have a number of adverse consequences for the Group, including the risk of:

- substantial monetary damages, fines or other penalties, the amounts of which are difficult to predict and may exceed the amount of any provisions set aside to cover such risks, in addition to potential injunctive relief;

- regulatory investigations, reviews, proceedings and enforcement actions;

- regulatory interventions such as being required to amend sales processes, product and service terms and disclosures, withdraw products or provide redress or compensation to affected customers;

- the Group either not being able to enforce contractual terms as intended or having contractual terms enforced against it in an adverse way;

- civil or private litigation (brought by individuals or groups of individuals or claimants as a class or as a bulk proceeding) in the UK and other jurisdictions (which may arise out of regulatory investigations and enforcement actions or customer complaints);

- criminal enforcement proceedings; and

- regulatory restrictions on the Group's business,

any or all of which (i) could result in the Group incurring significant costs, (ii) may require provisions to be recorded in the Group's financial statements, (iii) could negatively impact future revenues from affected products and services, and (iv) could have a negative impact on the Group's reputation and the confidence of customers in the Group, as well as taking a significant amount of management time and resources away from the implementation of the Group's strategy. Regulatory restrictions could also require additional capital and/or liquidity to be held. Any of these risks, should they materialise, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Risks relating to regulatory intervention

In addition to the risk "*Historic commission arrangements with intermediaries on the Group's Motor Finance Products*" detailed above, there is an ongoing risk that a regulator may identify

further industry-wide issues and seek to address such issues through direct intervention, in a similar way to which regulators have intervened in recent years to seek to address industry-wide misselling issues in respect of payment protection insurance. Such interventions could result in litigation (including claims management company-driven legal campaigns) and/or enforcement action which could cause significant direct costs or liabilities and/or changes in the practices of the Group's businesses which may have an adverse effect on the Group's business, financial condition and/or results of operations.

Related to the wider risk of regulatory intervention, the Financial Services and Markets Act 2000 (Designated Consumer Bodies) Order 2013 (the "**Order**") designates the National Association of Citizens Advice Bureaux, the Consumers' Association, the General Consumer Council for Northern Ireland and the National Federation of Self Employed and Small Businesses as consumer bodies that may submit a super-complaint to the FCA on behalf of consumers of financial services where it considers that a feature, or a combination of features, of the market for financial services in the UK is seriously damaging the interests of these customers. Complaints about damage to the interests of individual consumers will continue to be dealt with by the FOS. If a super-complaint is made against the Group by a designated consumer body under this Order, any response published or action taken by the FCA could have a material adverse effect on the Group's business, results of operations and prospects.

In addition, unforeseeable legal and regulatory actions or developments pose a number of risks to the Group, including substantial monetary damages or fines. It is difficult to quantify potential liability and any estimates will be uncertain. Amounts which the Group is eventually liable to pay may be materially different to the amount of provisions set aside to cover such risks, or existing provisions may need to be materially increased to cover such risk or in response to changing circumstances. Any adverse outcomes or decisions in any such matters could result in significant losses to the Group which have not been provided for. Such losses would have an adverse impact on the Group's business, financial condition and results of operations.

Were any material failure to comply with applicable laws, regulations, rules and other conduct guidance to occur, this could result in investigations, enforcement, licensing actions or other action that may lead to fines or suspension or termination of the Group's authorisations, permissions and/or licences. In addition, such failure to comply, revocation of an authorisation, permission or licence, or any actions by the Group may damage the reputation or increase the compliance risk and conduct risk for the Group. Any of these developments could have a material adverse effect on the Group's ability to conduct business and on the Group's financial condition, financial returns or results of operations.

While the Group continues to invest significantly in both staff and operating systems to ensure the Group remains well placed to respond to changes in regulation, the anti-money laundering, anti-bribery and anti-terrorist financing laws and regulations to which the Group is subject have become increasingly complex and detailed, require improved systems and sophisticated monitoring and compliance personnel and have become the subject of enhanced government supervision.

<u>Risks associated with changes to the legal and regulatory frameworks to which the Group is subject</u>

The Group faces risks associated with an uncertain and changing legal and regulatory environment (including in relation to the UK government's current proposals to reform UK financial services regulation post-Brexit and the extent to which a significant regulatory divergence develops). At both a national and European (or wider) level, existing laws and regulations may be amended, or new laws and regulations may be introduced, which could affect the Group by, for example:

- resulting in the need for increased operational and compliance resources to ensure compliance with the new or amended laws and regulations;
- restricting the customer base to which the Group's products or services can be offered; or
- restricting the products or services which the Group can provide.

Any of these results could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, changes to the regulatory authorities' approaches and expectations may result in increased scrutiny of the Group's compliance with existing laws and regulation, which may further result in the Group needing to change its internal operations, at increased cost. For example, the high level of scrutiny of the treatment of customers by financial institutions from regulatory bodies, the press and politicians may persist and the FCA may continue to focus on retail conduct risk issues as well as conduct of business activities through its supervision activity which could result in higher expectations, or a different interpretation, of what is required to demonstrate compliance with conduct of business standards in certain markets.

Pensions Risk

Pensions risk is the potential for loss due to having to meet an actuarially assessed shortfall in the Group's pension schemes. Pensions risk exposure is focussed upon the risk to the Group's financial position which arises from the need to meet its pension scheme funding obligations. In the event of a shortfall, the Group may be required, or may choose, to make additional payments to the Group's pension schemes which, depending on the amount, could have a material adverse effect on the Group's business, results of operations and prospects.

The UK Pensions Regulator has the power to issue a financial support direction to companies within a group in respect of the liability of employers participating in the UK defined benefit pension plan where that employer is a service company, or is otherwise "insufficiently resourced" (as defined for the purposes of the relevant legislation). Such a financial support direction could require the companies to guarantee or provide security for the pension liabilities of those employers, or could require additional amounts to be paid into the relevant pension schemes in respect of them.

The Group's defined benefit pension scheme was closed to new entrants in August 1996. In September 2022, the scheme's trustees agreed terms for a buy-in with a regulated insurer. A buy-in is effectively the purchase of an insurance policy that forms part of the scheme's assets and pays an income equal to the members' benefits. The ultimate obligation to pay the

members' benefits remains with the scheme but the insurance policy significantly de-risks the Group's balance sheet from future contributions.

Tax Risk

Tax risk is the risk of loss arising from changes in tax legislation or practice or the Group's interpretation or application of applicable tax legislation materially differing from the interpretation or application of such tax legislation by the relevant tax authorities. Changes in the basis of taxation, including as a result of government policy changes, could materially impact the Group's performance or performance of its obligations under the Notes. In addition, the Group is subject to periodic tax audits which could result in additional tax assessments relating to past periods of up to six years being made. Any such assessments could be material which might also affect the Group's financial condition in the future.

(E) Business risks

Structural Subordination and Dependencies

The Issuer is a holding company and therefore many of the Group's risks reside in Subsidiaries and affiliated companies. The Issuer's ability to meet its financial obligations is dependent upon the availability of cash flows from members of the Group through dividends, inter-company loans and other payments.

Claims by the creditors of the Issuer's Subsidiaries may adversely affect the ability of such Subsidiaries to support the Issuer in fulfilling its obligations. The Issuer's obligation to make payments on the Notes is solely an obligation of the Issuer and will not be guaranteed by any of its Subsidiaries or affiliates. Claims by the creditors of the Issuer's Subsidiaries will rank ahead of any claims of the Noteholders against the Issuer insofar as such claims may involve recourse to the assets of those Subsidiaries. By virtue of its dependence on its Subsidiaries, each of the risks described in this Risk Factors section which affect the Issuer's Subsidiaries will also indirectly affect the Issuer.

Risk Management

Effective risk management is integral to the Group's activities and business model. Risk reflects the probability that a situation may lead to financial, physical or reputational damage or loss, and is incurred through various sources including credit risk (retail and wholesale), market risk, operational risk, securitisation risk, concentration risk, liquidity and funding risk, reputational risk, strategic risk, pension obligation risk, residual value risk and legal and regulatory risk. The Group employs a broad and diversified set of risk monitoring and risk mitigation techniques, including an Enterprise Risk Management Framework, which details the core risk management components and structures used by the Group and provides the board and senior management with oversight of the Group's financial position as well as the risks that may adversely affect it. The risk management framework and associated governance arrangements are designed to ensure a clear organisational structure with distinct, transparent and consistent lines of responsibility and effective processes to identify, manage, monitor and report the risks to which the Group is, or may become, exposed. On an annual basis, the board reviews the effectiveness of the Group's risk management and internal control systems. However, such

techniques, and the judgements that accompany their application, cannot anticipate every unfavourable event or the specifics and timing of every outcome. Accordingly, the Group's ability to successfully identify and balance risks and rewards, and to manage all material risks, is critical. Failure to manage such risks appropriately could have a significant adverse effect on the Group's business, financial condition and/or results of operations.

Reputational Risk

The Issuer considers a loss of reputation to be a significant risk to the Group's businesses. The Issuer sees reputational risk as the risk of detriment to stakeholder perception of the Group, leading to impairment of the business and its future goals, due to any action or inaction of the Group, its employees or associated third parties. Risk to the Group's reputation can arise from numerous sources, including (but not limited to) breaching or facing allegations of having breached legal and regulatory requirements (including sanctions, anti-bribery, money laundering and anti-terrorism financing requirements), failing to appropriately address potential conflicts of interest, employee misconduct, provision of inappropriate products or services, technology failures that impact upon customer service and accounts or the failure of intermediaries or third parties on whom the Group's businesses rely, failing to properly identify legal, reputational, credit, liquidity and market risks inherent in products offered or generally poor business performance. In addition, how the Group's businesses are perceived to have supported their members, customers, employees and suppliers (as applicable) through periods of economic downturn and cost of living difficulties, as well as the Group's perceived conduct as a responsible and sustainable business, could have a material effect on the Group's brand and reputation, particularly at a time of heightened public interest in businesses taking a proactive, responsible approach to their operations, products and services.

The FCA's market-wide review of historic motor finance commission arrangements has attracted increased media speculation and increased the Group's reputational risk. The Group expects this reputational risk will remain heightened in light of the continued attention and uncertainty in respect of the FCA's redress scheme.

The Group places significant importance on product governance and risk management at all levels of the organisation, and strives to demonstrate the highest level of integrity in all its activities, dedicating significant senior management time and other resources to ensure all employees are aware of the need to display the highest ethical standards in their day to day work. While the Group is exposed to risks relating to the operation and conduct of third parties' intermediary sales teams, ongoing rigorous due diligence is undertaken both through assurance reviews and customer complaint management.

The Group recognises that the ability to attract and retain customers and conduct business with its counterparties could be adversely affected if the Group's reputation or the Close Brothers brand is damaged. Failure to address, or appearing to fail to address, issues that give rise to reputational risk could damage the Issuer's reputation or the reputation of the Issuer and its Subsidiaries and materially and adversely affect the Group's business, financial condition, results of operations and prospects and could damage its relationships with its regulators.

Corporate transaction activity and integration of acquisitions

The Group evaluates and enters into corporate transactions (including acquisitions, investments and divestments) where it considers that such transactions align with its strategy and will enhance its services and increase the value of the business in the long term. However, given the inherent uncertainty involved in such corporate transactions, there can be no assurance that the Group will be able to identify suitable targets for acquisition or divestment or to implement its strategy in this area on favourable terms or at all, and there could be an adverse impact on the Group's businesses, results of operations and financial position as a result.

The Group has completed a number of acquisitions in the past. New growth initiatives and potential acquisitions are assessed against both the Group's strategic objectives and its Model Fit Assessment Framework, to ensure consistency with the Group's strategic priorities and the key attributes of its business model. The corresponding risks may include delays and challenges which could arise in the process of integrating the acquired businesses into the Group. There can be no assurance that the Group has anticipated all problems associated with the acquired businesses, or that all potential losses associated with such acquired businesses, or with any businesses which may in future be acquired by the Group, may come to light prior to the expiration of any warranty and indemnity protections. The Group's businesses, results of operations and financial position could be adversely affected should there be any failure in the Group's due diligence of the operating and financial condition of these acquired businesses, or their integration into the Group's operations.

Divestment risk

The Issuer has recently completed divestments of significant business units that previously contributed to the Issuer's revenues and financial position. While the divestments were undertaken to simplify the Group, drive operational efficiencies and grow the core lending business, they may result in a narrower business base.

There can also be no assurance that the Issuer will be able to successfully adapt to its revised business model or maintain its financial performance following these divestments. The simplification of the Group may increase the Issuer's exposure to the sector specific business risks otherwise outlined in these Risk Factors. If the Issuer is unable to effectively manage these changes, its financial condition, results of operations and ability to meet its obligations under the Notes could be adversely affected.

Competition Risk

The market for UK financial services is highly competitive and the Group experiences competition from traditional and new players, varying in both nature and extent across its businesses. Such competition may be expected to intensify in response to competitor behaviour, consumer demand, technological changes, the impact of consolidation, changing consumer habits as a result of wider market volatility, regulatory actions and/or other factors. The Group competes mainly with other providers of finance services and fintech providers. If the Group is not successful in implementing its strategy and retaining and strengthening customer relationships, its financial condition and results of operations may be materially and adversely affected by competition, including pricing competition or competition for savings.

Credit/counterparty Risk

The Group places deposits with, and may hold debt securities of, financial institution and non-banking financial institution counterparties, and such deposits and holdings of debt securities may be material in amount. The Group also enters into derivative contracts with counterparties, which create an exposure through the life of those contracts. These derivative contracts are vanilla in nature and cash collateral is paid and/or received on a daily basis. While some of these amounts may be material, the counterparties are all regulated institutions with investment grade credit ratings assigned by international credit rating agencies and fall within the large exposure limits set by regulatory requirements. The credit quality of the counterparties with whom the Group places deposits, whose debt securities the Group holds, and with whom the Group transacts, is continuously monitored by the risk and compliance committees within the Group against established limits. The Group seeks to reduce its exposure to counterparty risks by holding the majority of excess liquidity through cash and balances at central banks (£1,917.0 million of £2,770.4 million treasury assets as at 31 July 2025). There can, however, be no assurance that the Group would not incur financial loss if any such counterparties were to default or fail.

Credit risk across the Group mainly arises through lending activities. The Group remains exposed to credit losses if customers are unable to repay loans and any outstanding interest and fees. Failure to recover the amounts lent or the interest and fees associated with those loans or inability to recover from third parties under other arrangements treated as security for those loans could result in a bad debt charge. Other factors, such as the higher cost of living and increased pressure on consumers, combined with heightened market uncertainty and prevailing macroeconomic factors, including geopolitical uncertainty arising from conflict in Ukraine, Gaza, and wider geo-political hostilities in the Middle East, South China Sea, and uncertainty regarding political intervention in Venezuela and Greenland, as well as supply chain disruption, increased energy prices and rising pressures on the cost of living, may also contribute to increased delinquencies in outstanding loans.

The Group seeks to maintain the discipline of its lending criteria both to preserve its business model and maintain an acceptable return that appropriately balances risk and reward. This is underpinned by a strong customer focus and credit culture that extends across people, structures, policies and principles. This in turn provides an environment for long-term sustainable growth and low, predictable loan losses.

To support this approach, the Group maintains a credit risk appetite framework in order to define and align credit risk strategy with its overall appetite for risk and business strategies as defined by the board. The Group Credit Risk Appetite Statement ("**CRAS**") outlines the specific level of credit risk that the Group is willing to assume, utilising defined quantitative limits and triggers, and covers both credit concentration and portfolio performance measures; these are based on the following key principles:

- To lend within asset classes the Group is familiar with, and in markets it knows and understands.

- To operate as a predominantly secured, or structurally protected, lender against identifiable and accessible assets, and maintain conservative loan-to-value ("**LTV**")

ratios across the Banking division's portfolios.

- To maintain a diversified loan portfolio (by business, asset class and UK geography), as well as a short average tenor and low average loan size.

- To rely on local underwriting expertise, with authority delegated from the Risk Committee, with ongoing central oversight.

- To maintain rigorous and timely collections and arrears management processes.

- To operate strong control and governance within the lending businesses overseen by a central group credit risk team.

Notwithstanding the Group's mitigation of this risk, counterparty risk and credit risk could adversely affect the Group's business, financial condition, results of operations and/or prospects.

Foreign Exchange Risk

The Group has a restricted appetite for foreign exchange risk. It avoids large open positions and sets individual currency limits to mitigate the risk.

The Group recognises the extent to which its financial reporting (primarily balance sheet and profit and loss account) is affected by exchange rate movements. Translating foreign assets and liabilities from foreign to domestic currency may not affect the Group's cash flows, but may have an impact on the Group's reported earnings. The majority of the Group's activities are located in the British Isles and are transacted in Sterling.

The Group does, however, have material currency assets and liabilities primarily due to its euro lending and borrowing activities, which include deposit taking. The Group's largest foreign exchange exposure is from its euro lending and funding activities.

Foreign exchange risk is incurred across the Group and arises from:

- managing funding requirements through deposit gathering and wholesale funding, and managing the associated foreign exchange risks;

- conducting foreign exchange payment services on behalf of the Group; and

- non-sterling investments.

The Group's policy is to match currency assets and liabilities as closely as possible, by value and term, or with derivatives where necessary and to repatriate profits to Sterling on a regular basis. Failure to adequately manage fluctuations in the exchange rate between currencies may negatively affect the Group's earnings and value of the Group's assets and securities.

Interest rate risk

Interest rate risk exists in interest-bearing assets (and liabilities), such as loans, due to the possibility of a change in the assets value, or income, resulting from a change in interest rates.

The Group has a restricted appetite for interest rate risk, which is limited to that required to operate efficiently. The Group's policy is to match repricing characteristics of assets and liabilities, naturally where possible, or by the use of interest rate swaps to secure the margin on its loans and advances to customers within prescribed limits. Despite these measures, there can be no assurance that the Group's financial performance will not be adversely affected by unforeseen events relating to interest rate risk in the future. Interest income is a substantial proportion of the Group's revenues and movements in interest rates, which are impacted by factors outside of the Group's control, including the fiscal and monetary policies of governments and central banks, as well as UK and international political and economic conditions, have the potential to materially affect the Group's earnings.

Reference rates and indices, including interest rate benchmarks, such as the London Interbank Offered Rate ("**LIBOR**"), which are or have historically been used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to Benchmarks, with the progressive transition of activity to reference different rates and indices, with further changes anticipated. See "Reform and regulation of "benchmarks" and Floating Rate Notes which reference EURIBOR or other benchmarks" below for further details. As part of the transition away from LIBOR to alternative reference rates, the Group's businesses transitioned to applying the Bank of England's base rate as a reference rate for calculating the rate of interest in relevant products instead of LIBOR.

The Group's business applies the Bank of England's base rate as a reference for calculating the rate of interest in relevant products. Any fluctuations to the Bank of England's base rate could therefore materially impact the Group's financial performance.

Uncertainty as to the nature of such potential changes, alternative reference rates (including, without limitation, the Sterling Overnight Index Average ("**SONIA**"), the Euro short-term rate and the Secured Overnight Financing Rate ("**SOFR**") or term versions of those rates) or other reforms may adversely affect a broad array of financial products. Any of these factors may have a material adverse effect on the Group's results of operations, financial condition or prospects.

Credit ratings downgrades

Credit ratings affect the cost and other terms upon which the Group, including the Issuer, is able to obtain funding and are an important reference for market participants in evaluating the Group and its products, services and securities. Rating agencies regularly evaluate the Group and certain members of the Group, as well as their respective debt securities. Their ratings are based on a number of factors, including the financial strength of the Group (or of the relevant member) as well as market-wide phenomena and any other conditions affecting the financial services industry generally, such as the general political and economic conditions in the UK. There can be no assurance that the rating agencies will maintain the Group's or the relevant member's current ratings or outlook, especially in light of the difficulties in the financial services industry and the financial markets in recent years. A credit downgrade, suspension or

withdrawal could increase the cost of the Group's funding, limit access to capital markets and require additional collateral to be placed and, consequently, adversely affect the Group's interest margins and/or affect its liquidity position and weaken the Group's competitive position in certain markets.

(F) Operational risks

Operational and Fraud Risk

Operational risk is the risk of loss or adverse impact resulting from inadequate or failed internal processes, people and systems, or from external events, and is inherent in all of the Group's businesses. This includes the risk of loss resulting from fraud/ financial crime, cyber attacks, information security breaches and being unable to recover systems quickly and maintain critical services. Industry, market and regulatory focus on operational resilience continue to emphasise stability of customer and financial sector outcomes.

Recent public incidences of operational disruption to financial services firms and corresponding customer impact highlight the importance of operational resilience. The Group is exposed to various operational risks through its day-to-day operations, all of which have the potential to result in financial loss or adverse impact to the Group's reputation, levels of customer care, business, financial condition, results of operations and prospects. Operational risk management within the Group is designed to ensure that operational risks are assessed, mitigated and reported in a consistent manner. Operational risk is measured through key risk indicators ("**KRIs**"), observed impact of risk incidents, risk and control self-assessment and scenario analysis. KRIs are regularly monitored via local, divisional and Group committees and the population of KRIs is reviewed annually in line with the scheduled review of the Group's risk appetite. Operational risk incidents are identified and recorded in a common system. This facilitates root cause analysis, enables thematic and trend analysis, and enables the consistent delivery of management information to risk committees. In addition, the Group's investment into (i) cyber security, including expertise and tools and staff engagement (as described in "*Technology, Cyber-Security and Data Processing Risk*" below); and (ii) fraud prevention and detection capabilities aligned to the Group's risk profile, help to mitigate against operational risks. However, despite the Group's enterprise-wide risk management framework, there can be no assurance that the Group's financial performance will not be adversely affected should unforeseen events relating to operational risk arise in the future.

The Group is subject to a number of operational risks which may affect business continuity. Whilst business continuity plans are in place and regularly tested, there can be no assurances that the Group's business, results of operations and future prospects will not be adversely affected by unforeseen events impacting continuity of operations in the future. Such risks include disruption to the Group's infrastructure caused by terrorist acts, other acts of war, damage to the Group's properties (such as by flood or fire), failing public infrastructure systems, pandemic and people risk (as described further in "*People Risk*" below). The Group is also exposed through its engagement with third parties, delivery of new products and services and the effective use of reliable data in a changing external environment.

Internal and external persons may target the Group's systems or information to perpetrate fraud. Operational processes are designed to prevent, detect and respond to fraud attempts. Anti-

fraud controls are continuously enhanced following a risk-based approach to limit the potential impact on the Group and its customers, and the Group has an established controls framework to help prevent and mitigate fraud risks including fraud loss recovery plans, consistent with the Group's purpose and these are designed to help safeguard the interests of customers. However, there can be no assurances that the Group's controls framework will be effective in all circumstances, and occurrence of fraud could expose the Group to risk of loss, adverse regulatory consequences or litigation, each of which could have a material adverse effect on the business, results of operations, reputation and prospects of the Group.

Technology, Cyber-Security and Data Processing Risk

A number of the Group's businesses are highly reliant on their IT infrastructure in their daily operations, including the Issuer, with all of the Group's businesses reliant on the existence of secure and stable technological platforms and the secure transmission of confidential information. The ability to continue to compete in many of the markets in which the Group operates necessitates an ability to respond to new technology and maintain appropriate levels of cyber-security. The Group is committed to upholding high standards of cyber security in pursuit of its strategic goals, acknowledging that its exposure to risks may arise as threats and vulnerabilities evolve. Robust cyber controls are therefore in place and the Group continuously monitors to ensure that risks are managed within acceptable levels. However, there can be no assurance that the Group's controls will be effective in all circumstances, and failure to keep up to date across the Group's businesses could disrupt its business, result in the disclosure of confidential information and loss of data, result in increased fraudulent activity on customer accounts and customer detriment (leading to increased costs of remediation) and create significant financial and/or legal and/or regulatory exposure and the possibility of damage to the Group's reputation and lead to a material impact on the Group's earnings.

Each of the Group's businesses invest in their IT platforms to ensure they are up to date and fit for purpose for the markets in which they operate. Additionally, the Group uses an industry-standard framework to anchor its cyber risk management, continually assessing and developing its maturity, and has strategic partnerships with external experts, participates in industry forums and utilises the three lines of defence model to manage cyber risk. The Operations and Technology Risk Committee manages the Group's cyber-risk on a day-to-day basis. The Group also engages specialist internal resources and third party consultancies periodically to assess the cyber security programme. Despite these measures, there can be no assurances that the Group's businesses will not be adversely affected by unforeseen events relating to technology risk in the future. Material cyber risks are identified, reviewed and escalated within the Group in line with the criteria set out in the Enterprise Risk Management Framework, the Information Security Policy and supporting standards. While the Group undertakes root cause analyses and lessons learned are captured, where it faces cyber incidents, there can be no assurances that these measures will be sufficient to detect or prevent all potential cyber incidents.

Cyber risk is an increasing concern for the Group, consistent with the financial services industry as a whole and other sectors. The UK Government and Bank of England have highlighted cyber threat as an issue across the financial sector. The maturity and sophistication of organised cyber-crime continue to increase and has been highlighted by a number of recent attacks in the financial and non-financial sectors, including payment services. Such attacks have also increased the public awareness of cyber-threats. As a result of the increased threat from cyber-

crime, and industry-wide consideration of cyber threats arising from the Russia-Ukraine and Israel-Hamas conflicts and wider hostilities relating to the Middle East, South China Sea, and uncertainty regarding political intervention in Venezuela and Greenland, security controls have needed to keep pace to prevent, detect and respond to any threats or attacks. In particular, computer systems of companies have been targeted by cyber criminals, activists and nation state sponsored groups. Wider availability of advanced tools such as ransomware-as-a-service and artificial intelligence ("**AI**") technologies are expected to lower barriers to entry for both sophisticated and opportunistic attacks. The constant threat posed by a cyber-attack directly impacts the increased risks associated with external fraud, data loss, data integrity and availability.

The Group's audit and risk functions conduct regular cyber threat reviews which include testing its internal controls framework and reviewing planned investment on cyber risk to ensure it remains well placed to detect and resist threats. However, although the Group maintains measures designed to ensure the integrity and resilience of key systems and processes, it may be the victim of cyber-attacks, including denial of service attacks and ransomware attacks, which could significantly disrupt the Group's operations and the services it provides to its customers or attacks designed to obtain an illegal financial advantage. Persons who circumvent the security measures could use the Group's or its clients' confidential information wrongfully which could expose the Group to a risk of loss, adverse regulatory consequences or litigation, each of which could have a material adverse effect on the business, results of operations and prospects of the Group. Additionally, any such attack or any other failure in the Group's IT systems could, among other things, result in a loss of confidence in it, potentially resulting in existing customers withdrawing deposits and/or deterring prospective new customers.

Third-party vendors provide key components of the Group's business infrastructure such as loan and deposit servicing systems, internet connections and network access. Third-party risk management processes are embedded, utilising a risk based approach when entering into, monitoring, assuring and exiting from supplier and outsourcing relationships. However, any problems caused by these third parties, including as a result of their not providing the Group their services for any reason, or their poor performance of their services, could adversely affect the Group's ability to deliver products and services to customers and otherwise to conduct business. As the use and depth of the Group's relationship with third parties increase, including the use of AI and cloud-based services, the Group increasingly faces the risk of operational failure with respect to its systems including as a result of cyber incidents. Replacing these third-party vendors could also entail significant delays and expense.

The Group is subject to regulation regarding the use of personal data, including that of its customers. The Group processes personal customer data (including name, address and bank details) as part of its business, some of which may be sensitive personal data, and therefore must comply with strict data protection and privacy laws and regulations. Such laws restrict the Group's ability to collect and use personal information relating to customers and potential customers including the use of that information for marketing purposes. The Group seeks to ensure that procedures are in place to ensure compliance with the relevant data protection regulations by its employees and any third-party service providers, and also implements security measures to help prevent cyber-crime. Notwithstanding such efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection and privacy laws and regulations. Increasingly sophisticated and more

frequent cyber attacks including through the use of AI tools means that the Group must ensure that the procedures and data protection in place by third party vendors is appropriate. If the Group or any of the third-party service providers on which it relies fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, the Group could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations. The Group and its customers could also be targeted by other forms of fraudulent activity. Any of these events could also result in the loss of the goodwill of its customers and deter new customers which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

People Risk

The calibre, quality and expertise of employees is critical to the success of the Group. The Group's performance and ability to deliver its strategy could be adversely affected by increased market-wide risks relating to recruitment and retention, resulting in the loss of the services of certain key teams or individuals. The ability of the Group to attract, engage and retain key personnel is critical to the Group's prospects in the medium and long-term. Any failure by the Group to attract and retain highly skilled employees could have a material adverse effect on its competitive position. This could, in turn, affect the business, financial condition, results and operations and prospects of the Group.

In order to manage these risks, the Group seeks to create an open, diverse, inclusive and supportive working environment for its employees, and monitors market expectations regarding evolving working practices (including in relation to flexible working). Group-wide systems provide tools and online guidance to employees to support them in discharging their responsibilities and creating a culture in which all can thrive. Opportunities for learning and development are offered to employees, including leadership development programmes. Employee engagement surveys are periodically completed and reward scheme, incentive schemes and benefits offerings are regularly reviewed to ensure that the Group is successful in attracting, motivating and retaining the calibre of employees necessary to meet its objectives, while aligning such schemes with risk, compliance and conduct risk objectives. Despite these measures, there can be no assurances that the Group will continue to be able to attract and retain certain key teams and individuals. A failure to attract, or the loss of, such key personnel could adversely affect the Group's businesses, results of operations and financial position.

Conduct Risk

Conduct risk is the risk that the Group's behaviours, or those of its colleagues, whether intentional or unintentional, result in poor outcomes for customers or the markets in which it operates. Conduct risk is measured through a number of business activities which form part of the Conduct Risk Framework. These activities span several areas where harm could occur. The Group is exposed to conduct risk in its provision of products and services to customers either directly or via its distributors, and through other business activities that enable delivery. This requires the Group to adapt to the need for revised market strategies due to the impact of regulatory change on product design and distribution. Failure to evidence delivery of good customer outcomes may lead to reputational harm, legal or regulatory sanctions and/or customer redress. The Group faces a significant volume of regulatory change, which is

expected to continue over the near term and which is aimed at enhancing consumer protection and maintaining market integrity given the current macroeconomic environment. These risks are heightened in light of the prevailing economic environment, which is increasing pressure on consumers as a result of the higher cost of living. As a result, support for customers in financial difficulty, including vulnerable customers, remains a key priority for the Group.

Such an increase in support for vulnerable customers creates additional opportunities for conduct risk to arise, particularly in the context of a more stringent regulatory environment: the FCA has outlined requirements under the Consumer Duty, which introduces Principle 12 (setting a higher standard than the existing standards for retail business) and requires firms to act to deliver good outcomes for retail customers. The Consumer Duty also introduced new requirements and guidance on customer outcomes, including in relation to the design and delivery of products and services, price and value, consumer understanding and consumer support.

In addition, the Group is exposed to risks such as:

- outsourcing of customer service, or product delivery via third parties which may not have the same level of control, oversight or culture as the Group (potentially resulting in unfair outcomes for customers); and

- poor governance of colleagues' incentives or reward schemes, which may also drive poor customer outcomes.

Such risks can give rise to reputational damage and require remediation to address deficiencies; they may also result in regulatory intervention (including fines).

Whilst the Group has implemented a set of policies, standards, governance structures and reporting mechanisms in order to help mitigate these risks, and continues to develop a set of the same to mitigate new conduct risks arising out of the Consumer Duty, no assurance can be given that the strategy and framework will be completely effective in eliminating conduct risk, hence the potential remains for an adverse effect on the Group's results. In addition, certain risks may not be accurately quantified by the Group's risk management systems.

Factors which are material for the purpose of assessing the market risks associated with the Notes

Defined terms used in this section and not otherwise defined below or above have the meaning given in "Terms and Conditions of the Notes".

(A) Risks related to the Notes generally

Set out below is a description of material risks relating to the Notes generally:

The obligations of the Issuer in respect of the Notes are unsecured and subordinated

The Notes constitute unsecured and subordinated obligations of the Issuer. On a Winding-Up of the Issuer, all claims in respect of the Notes will rank junior to the claims of all Senior Creditors

of the Issuer. If, in a Winding-Up of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Noteholders will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims that rank *pari passu* with the Notes, Noteholders will lose all or some (which may be substantially all) of their investment in the Notes.

For the avoidance of doubt, the holders of the Notes shall have no claim in respect of the surplus assets (if any) of the Issuer remaining in any liquidation following payment of all amounts due in respect of the liabilities of the Issuer.

In addition, subject to applicable law, no Noteholder (or holder of any beneficial interest in any Note) may exercise, claim or plead any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes or the Trust Deed and each Noteholder (and each holder of any beneficial interest in any Note) will, by virtue of their holding of any Note (or a beneficial interest therein), be deemed to have waived all such rights of set-off, compensation, counterclaim, netting or retention.

If the Issuer's financial condition deteriorates such that there is an increased risk that a Winding-Up of the Issuer may occur, such circumstances can be expected to have a material adverse effect on the market price of the Notes. Noteholders may find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such a sale, Noteholders may lose some or substantially all of their investment in the Notes, whether or not a Winding-Up of the Issuer occurs.

Although the Notes have the potential to pay a higher rate of interest than notes which are not subordinated, there is a substantial risk that investors in the Notes will lose all or some of the value of their investment should the Issuer become insolvent.

As the Issuer is a holding company, investors in the Notes will be structurally subordinated to creditors of the Issuer's operating subsidiaries

The Issuer is a holding company and conducts substantially all of its operations through its subsidiaries. The claims of the Noteholders under the Notes will be structurally subordinated to the claims of creditors of the Issuer's subsidiaries (in addition to being subordinated within the Issuer's creditor hierarchy as described above under "*The obligations of the Issuer in respect of the Notes are unsecured and subordinated*"). The Issuer's rights to participate in the assets of any of its subsidiaries if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors (including subordinated creditors) and any preference shareholders (if any), except in the limited circumstance where the Issuer is a creditor of such subsidiary with claims that are recognised to be ranked ahead of or *pari passu* with such claims. The Issuer's subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due or to provide the Issuer with funds to meet any of the Issuer's payment obligations under the Notes.

The ability of the Issuer's subsidiaries to pay dividends and the Issuer's ability to receive distributions and other payments from the Issuer's investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements and/or expectations, statutory reserves, financial and operating performance and applicable tax laws, and any changes thereto. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by the Issuer's subsidiaries, which could restrict the Issuer's ability to make payments on the Notes.

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders. Additionally, following the occurrence of a Tax Event or a Capital Disqualification Event, the Issuer may (subject to certain conditions) at any time substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or become (as applicable), Compliant Notes, without the consent of the Noteholders.

Compliant Notes must have terms not materially less favourable to holders than the terms of the Notes, as reasonably determined by the Issuer in consultation with an independent investment bank or financial adviser of international standing. However, there can be no assurance that, due to the particular circumstances of a holder of Notes, such Compliant Notes will be as favourable to each investor in all respects or that, if it were entitled to do so, a particular investor would make the same determination as the Issuer as to whether the terms of the Compliant Notes are not materially less favourable to holders than the terms of the Notes.

Noteholders will be solely responsible for any taxes payable by them (if any) arising out of or in connection with any such substitution or variation of the Notes, and will bear the risk of any changes in tax treatment of holding Compliant Notes.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters and vote upon resolutions affecting their interests generally. Noteholders may also vote on resolutions by way of resolutions in writing or by way of electronic consents given through the applicable clearing systems. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the resolution in writing or provide electronic consents, and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, in any of the circumstances described in Condition 14, without the consent of Noteholders, agree to the substitution of another company as principal debtor under the Notes in place of the Issuer.

Noteholders will be solely responsible for any taxes payable by them (if any) arising out of or in connection with any such Issuer substitution, and the tax and stamp duty consequences of holding Notes following a substitution could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution.

In addition, the Trustee may agree (other than in respect of a Reserved Matter, as defined in the Trust Deed), without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed or the Agency Agreement that (i) in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders; or (ii) (irrespective of whether the same constitutes a Reserved Matter) in its opinion is of a formal, minor or technical nature or to correct a manifest error. Any such modification shall be binding on the Noteholders.

The Notes do not contain events of default and the remedies available to Noteholders under the Notes are limited

The terms of the Notes do not provide for any events of default. Noteholders may not at any time demand repayment or redemption of their Notes prior to the Maturity Date, although in a Winding-Up of the Issuer the Noteholders (or the Trustee on their behalf) will have a claim for an amount equal to the principal amount of the Notes plus any accrued and unpaid interest thereon and any damages awarded for breach of any obligations in respect thereof. There is no right of acceleration in the case of non-payment of principal or interest on the Notes or of the Issuer's failure to perform any of its obligations under or in respect of the Notes.

The sole remedy in the event of any non-payment of principal or interest when due under the Notes, subject to certain conditions as described under Condition 10, is that the Trustee, on behalf of the Noteholders may, at its discretion, or (subject to certain Trustee protections) shall at the direction of the holders of at least 25 per cent. of the aggregate principal amount of the outstanding Notes subject to applicable laws, institute proceedings for the winding-up of the Issuer and/or claim and/or prove in respect of the Notes in any Winding-Up of the Issuer.

The remedies under the Notes are more limited than those typically available to the Issuer's unsubordinated creditors. For further details regarding the limited remedies of the Trustee and the Noteholders, see Condition 10.

There is no limit on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee

There is no restriction on the amount of securities or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders during a winding-up or administration or resolution of the Issuer and may limit the Issuer's ability to meet its obligations under the Notes. The Issuer may also issue, in the future, subordinated liabilities which rank senior to the Notes.

The Notes are not protected by the Financial Services Compensation Scheme

As noted above, the FSCS established under the FSMA is the statutory fund of last resort for customers of authorised financial services firms paying compensation to customers if the firm is unable, or likely to be unable, to pay certain claims (including in respect of deposits and insurance policies) made against it (together, "**Protected Liabilities**").

The Notes are not, however, Protected Liabilities under the FSCS and, moreover, are not guaranteed or insured by any government, government agency or compensation scheme of the UK or any other jurisdiction.

Noteholders may not require the redemption of the Notes prior to their maturity

The Notes mature on 3 August 2036. The Issuer is under no obligation to redeem the Notes at any time prior thereto and the Noteholders have no right to require the Issuer to redeem the Notes prior to maturity or to purchase any Notes at any time. Any redemption of the Notes prior to maturity and any purchase of any Notes by the Issuer will be subject to the prior approval of the Supervisory Authority and to compliance with prevailing Regulatory Capital Requirements. Noteholders may not be able to sell their Notes in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Notes. Accordingly, investors in the Notes should be prepared to hold their Notes for a significant period of time.

The Notes are subject to early redemption at the option of the Issuer

Subject as provided in Condition 7, the Issuer may, at its option, redeem all (but not some only) of the Notes at any time at their principal amount plus any accrued and unpaid interest up to (but excluding) the date of redemption, upon the occurrence of a Tax Event or a Capital Disqualification Event. The Issuer may also, in its sole discretion but subject to certain regulatory pre-conditions, redeem all (but not some only) of the Notes on any date in the period commencing on (and including) the First Call Date and ending on (and including) the Reset Date, at their principal amount together with any accrued and unpaid up to (but excluding) the date of redemption. Additionally, the Issuer has the option to exercise a clean-up call in accordance with Condition 7(c) if, at any time on or after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (for which purpose any Further Notes issued pursuant to Condition 16 will be deemed to have been originally issued) has been purchased by the Issuer (or any member of the Group) and cancelled.

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be the case prior to any such period.

If the Issuer redeems the Notes at any of the times or in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Noteholders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether a Tax Event or a Capital Disqualification Event will occur and/or whether the clean-up call option may become available to the Issuer, and if so whether or not the Issuer will satisfy the conditions, or elect, to redeem the Notes. The Issuer may be more likely to exercise any option available to it to redeem the Notes in circumstances where its funding costs would be lower than the prevailing interest rate payable in respect of the Notes. If the Notes are so redeemed, there can be no assurance that Noteholders will be able to reinvest

the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Notes.

The Issuer will not be required to gross up payments of principal in the event of any withholding or deduction for or on account of taxes

All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. While, in the event of any such withholding or deduction on payments of interest, the Issuer may (subject as provided in Condition 8) be required to pay additional amounts to Noteholders, no such additional amounts will be payable in the event of any such withholding or deduction in respect of payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal (or any other amounts, other than interest) under the Notes, Noteholders would receive less than the full amount due under the Notes and the market value of the Notes may be adversely affected.

Change of law

The Terms and Conditions of the Notes will be governed by the laws of England and are based on English law in effect as at the date of these Admission Particulars. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of these Admission Particulars and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

The denominations of the Notes are £100,000 and integral multiples of £1,000 in excess thereof. It is possible that the Notes may be traded in amounts that are not integral multiples of £100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than £100,000 in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of £100,000 such that its holding amounts to £100,000 or a higher integral multiple of £1,000. Further, a Noteholder who, as a result of trading such amounts, holds an amount which is less than £100,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to at least £100,000.

If such Notes in definitive form are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

The interest rate on the Notes will be reset on the Reset Date, which may affect the market value of the Notes

The Notes will initially accrue interest at a fixed rate of interest to, but excluding, the Reset Date. From, and including, the Reset Date, however, the interest rate will be reset to the Reset Interest Rate (as described in Condition 5(c)). This reset rate could be less than the Initial Interest Rate, which could adversely affect the amounts of interest payable under the Notes and the market value of an investment in the Notes.

As the Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

The Notes will, upon issue, be represented by a Global Certificate that will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Notes are in global form, the payment obligations of the Issuer under the Notes will be discharged upon such payments being made by or on behalf of the Issuer to or to the order of the nominee for the common depositary. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the Notes. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro- rata commissions depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of the Notes (direct costs), Noteholders must also take into account any follow up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

(B) Risks related to the market

*Risks relating to the Banking Act 2009 (the "**Banking Act**")*

Under the Banking Act, substantial powers have been granted to HM Treasury, the Bank of England, the FCA and the PRA (the FCA and PRA, together with HM Treasury and the Bank of England, the "**Authorities**") as part of the special resolution regime (the "**SRR**"). These powers can be exercised, as applicable, by the Authorities in respect of a UK bank, UK building society, UK investment firm or UK recognised central counterparty (each a "**relevant entity**") in circumstances in which the Authorities consider its failure has become likely and if certain other conditions are satisfied (depending on the relevant power) for example, to protect and enhance the stability of the financial system of the UK. Certain of these powers may also be used in respect of a UK incorporated company which meets certain conditions and is in the same group as a relevant entity (such as the Issuer), an EU incorporated credit institution or investment firm or a third country incorporated credit institution or investment firm (a "**UK banking group company**").

The SRR consists of five stabilisation options and two special insolvency procedures (bank administration and bank insolvency). The stabilisation options provide for: (i) private sector transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a "bridge bank" wholly owned by the Bank of England; (iii) transfer of all or part of the business of the relevant entity to an asset management vehicle owned and controlled by the Bank of England or HM Treasury; (iv) writing down (including to zero) certain claims of unsecured creditors of the relevant entity (including Notes) and/or converting certain unsecured debt claims (including Notes) to equity (the "**bail-in option**"), which equity could also be subject to any future cancellation, transfer or dilution; and (v) temporary public ownership (nationalisation) of all or part of the relevant entity or its UK holding company.

In addition, if the Authorities determine that the relevant entity or UK banking group company meets certain conditions (but no resolution action has yet been taken) or that the relevant entity or group will no longer be viable unless the relevant capital instruments are written-down or converted (the point of non-viability), the Banking Act provides the Authorities with the power to permanently write-down (including to zero) or convert capital instruments, such as the Notes, into equity before any other resolution action is taken. Any shares issued to holders of such capital instruments upon any such conversion into equity may also be subject to any future cancellation, transfer or dilution.

The following paragraphs set out some of the possible consequences of the exercise of the powers under the SRR.

<u>The terms of the Notes may be modified without the consent of the Noteholders</u>

If the Issuer were made subject to the SRR, HM Treasury or the Bank of England may exercise extensive share transfer powers (applying to a wide range of securities), property transfer powers (including powers for partial transfers of property, rights and liabilities in respect of the Issuer) and resolution instrument powers (including powers to make special bail-in provisions). Exercise of these powers could involve taking various actions in relation to any securities issued by the Issuer (including the Notes) without the consent of the Noteholders, including (among other things):

- transferring the Notes notwithstanding any restrictions on transfer and free from any trust, liability or encumbrance;

- delisting the Notes;

- writing down the principal amount of the Notes (including to zero) and/or converting the Notes into another form or class (which may include, for example, conversion of the Notes into equity securities);

- modifying any interest payable in respect of the Notes, the maturity date or the dates on which any payments are due, including by suspending payment for a temporary period; and/or

- disapplying certain terms of the Notes including disregarding any termination or acceleration rights or events of default under the terms of the Notes which would be triggered by the exercise of the powers and certain related events.

The taking of such actions could adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

A partial transfer of the Issuer's business may result in a deterioration of their creditworthiness

If the Issuer were made subject to the SRR and a partial transfer of the Issuer's business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with the Issuer (as applicable) (which may include the Notes) may result in a deterioration in the creditworthiness of the Issuer and, as a result, increase the risk that it will be unable to meet its obligations in respect of the Notes and/or eventually become subject to administration or insolvency proceedings. In such circumstances, Noteholders may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that Noteholders would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of these Admission Particulars, the Authorities have not made an instrument or order under the Banking Act relating to the Group and there has been no indication that they will make any such instrument or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made in future.

Exercise of the bail-in and/or write down powers could impose losses on an investment in the Notes

As explained above, the Banking Act provides for a bail-in option. The bail-in option under the Banking Act would potentially apply to any debt and derivative securities issued by a financial institution under resolution or a relevant group company, regardless of when they were issued.

Accordingly, it could potentially apply to Notes issued by the Issuer. Consequently, Noteholders may lose all of their investment in the Notes.

As explained above, the Banking Act also provides for a mandatory write down power. Before determining that any institution has reached a point of non-viability (and accordingly, before taking any form of resolution action or applying any resolution power), the Authorities have the power (and are obliged when specified conditions are determined to have been met) to write down, or convert Tier 1 and Tier 2 capital instruments (such as the Notes) issued by that institution into CET1 capital instruments. These measures could be applied to certain of the Group's debt securities (including the Notes); the exercise of this power and the occurrence of circumstances in which write down powers would need to be exercised in respect of the Group would be likely to have a negative impact on the Group's business.

Notwithstanding the pre-conditions which must be satisfied before the bail-in and write down powers may be exercised, there remains uncertainty as to the specific considerations to which the relevant Authority would in practice have regard to when assessing whether to exercise bail-in powers and/or capital write-down powers with respect to the Issuer and its respective liabilities (including the Notes). As the relevant Authority has considerable discretion in relation to how and when it may exercise such powers, holders of the Notes may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such powers and consequently its potential effect on the Issuer and the Notes.

Under the Banking Act, holders of securities have a right to be compensated under a bail-in compensation order which is based on the principle that such investors should receive no less favourable treatment than they would have received had the bank entered into insolvency immediately before the coming into effect of the bail-in power. However, compensation will not necessarily be payable in all circumstances, including where the capital write-down or conversion powers are used without broader bail-in powers also being used. The holders of the Notes otherwise have limited rights to challenge any decision of the relevant Authority to exercise the bail-in power.

Noteholders agree to be bound by the exercise of any Bail-in Power by the Resolution Authority

In recognition of the powers granted by law to the Resolution Authority, by its acquisition of Notes, each Noteholder acknowledges and accepts that the Amounts Due arising under the Notes may be subject to the exercise of any Bail-in Power by the Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by the effect of the exercise of Bail-in Power by the Resolution Authority which may result in (i) the reduction of all, or a portion, of the Amounts Due, (ii) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholders of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, (iii) the cancellation of the Notes and/or (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period. Each Noteholder further acknowledges, accepts, consents and agrees that to be bound by the variation of the terms of the Notes, if necessary, to give effect to, the exercise of any Bail-in Power by the Resolution Authority.

Accordingly, the Bail-in Power may be exercised in such a manner as to result in Noteholders losing all or a part of the value of their investment in the Notes or receiving a different security from the Notes, which may be worth significantly less than the Notes and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Resolution Authority may exercise the Bail-in Power without providing any advance notice to, or requiring the consent of, the Noteholders. In addition, under the Conditions, the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes is not an event of default or a default for any purpose.

Any use by the Authorities of the resolution and/or capital write-down powers in respect of the Issuer or the Group may have a material adverse effect on the rights of the Noteholders and/or the value or market price of their Notes. Furthermore, if there is any perception or anticipation that any resolution and/or capital write-down powers may be used in respect of the Issuer or the Group, this may be expected to have a material adverse effect on the market price of, and/or trading behaviour in, the Notes, including an increase in volatility and/or a reduction in liquidity, such that Noteholders may find it difficult to sell their Notes, or may only be able to do so at prices that are considerably lower than their initial investment. This may be the case whether or not any such resolution and/or capital write-down powers are, in fact, used.

Risks related to the market generally

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Secondary market

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes. The Notes represent a new security and will have no established trading market when issued, and one may never develop, If a market does develop, it may not be very liquid and may be sensitive to changes in financial markets. In particular, holdings in the Notes upon issue may be concentrated as they will be purchased by a limited number of initial investors, one or more of whom may hold a significant proportion of the total issuance. If the initial investors decide to sell any Notes and a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be (or be perceived to be) in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount. Illiquidity may have a severely adverse effect on the market value of Notes.

If a market for the Notes does develop, the trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this section "*Risk Factors*" of these Admission Particulars, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Notes. Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them, and such volatility may be increased in an illiquid market. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition of the Group deteriorates

such that there is an actual or perceived increased likelihood of the Issuer being unable to pay interest on the Notes in full, or of the Notes being subject to loss absorption under an applicable statutory loss absorption regime. In addition, the market price of the Notes may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer's control.

Any or all such events could result in material fluctuations in the price of Notes which could lead to investors losing some or all of their investment.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them, or at a price that would provide it with a yield comparable to more conventional investments that have a developed secondary market.

Moreover, although the Issuer and any Subsidiary can (subject to regulatory approval and compliance with prevailing prudential requirements) purchase Notes at any time, they have no obligation to do so. Purchases made by the Issuer or any member of the Group could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of these Admission Particulars), whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Although application has been made for the Notes to be admitted to trading on the International Securities Market of the London Stock Exchange, there is no assurance that such application will be accepted or that (irrespective of any such admission to trading) an active trading market will develop.

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Notes in pounds Sterling (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to

make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

As the interest rate on the Notes will be fixed for an extended period of time (reset only on the Reset Date), an investment in the Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Notes from time to time, this will adversely affect the value of the Notes and the interest paid under the Notes will be less than the then applicable market interest rate. The rate of interest will be reset on the Reset Date, and as such the reset rate is not pre-defined at the date of issue of the Notes; it may be different from the initial rate of interest and may adversely affect the yield of the Notes.

Credit ratings may not reflect all risks

Credit ratings assigned to the Issuer or the Notes may not reflect all the risks associated with an investment in the Notes. One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by its assigning rating agency at any time. Accordingly, an investor may suffer losses if the credit rating assigned to the Notes does not reflect the true creditworthiness of such Notes.

Rating agencies could also elect to rate the Issuer or the Notes on an unsolicited basis, and if such unsolicited ratings are lower than the comparable ratings assigned to the Issuer or the Notes by other rating agencies on a solicited basis, those unsolicited ratings could have an adverse effect on the market value of the Notes.

Furthermore, in general, European regulated investors are restricted under Regulation 1060/2009/EC (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**EU CRA Regulation**") from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the retained EU law version of the EU CRA Regulation (the "**UK CRA Regulation**"). As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency

established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Issuer or the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

INFORMATION INCORPORATED BY REFERENCE

The following documents (or sections of documents), which have previously been published or are published simultaneously with these Admission Particulars, shall be incorporated in, and form part of, these Admission Particulars:

(a) the information set out on the pages of the Annual Reports of the Issuer as of and for each of the financial years ended 31 July 2024 and 31 July 2025 which are set out in the tables on pages 49 and 50 of these Admission Particulars (and which includes the Issuer's audited consolidated financial statements as of and for each of the years ended 31 July 2025 and 31 July 2024, prepared in accordance with UK-IAS as applied in accordance with the provisions of the Companies Act 2006, the independent auditors' report in respect thereof and the notes thereto); and

(b) the unaudited first quarter trading update of the Issuer for the three months to 31 October 2025, as set out in the Issuer's announcement "Scheduled Q1 2026 Trading Update" published on 20 November 2025.

Copies of the documents containing information incorporated by reference in these Admission Particulars, as listed in (a) and (b) above, are available for viewing at https://www.closebrothers.com/investor-relations/investor-information/results-reports-and-presentations.

Such documents shall be deemed to be incorporated in, and form part of, these Admission Particulars, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of these Admission Particulars to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, be deemed, except as so modified or superseded, to constitute a part of these Admission Particulars.

Any documents themselves incorporated by reference in documents which are deemed to be incorporated in, and to form part of, these Admission Particulars, shall not form part of these Admission Particulars.

References in these Admission Particulars to websites are made for information purposes only and (other than the information expressly incorporated by reference herein, as referenced above) the contents of those websites do not form part of these Admission Particulars.

The tables below set out the page number references for certain sections of the documents incorporated in these Admission Particulars by reference. The sections denoted by those page number references form part of these Admission Particulars and are referred to in these Admission Particulars as the "information incorporated by reference".

Annual Report of the Issuer for the financial year ended 31 July 2025:

Information incorporated by reference into these Admission Particulars	Page numbers in "Annual Report and Financial Statements" 2025
At a glance	2-3
Historical motor finance commission arrangements	8-9
Our strategy	10-11
Key performance indicators	12-13
Investment case	14-15
Our business model	16-18
Financial overview	51-67
Risk report	68-112
Independent auditor's report to the members of Close Brothers Group plc	168-176
Consolidated income statement	177
Consolidated statement of comprehensive income	178
Consolidated balance sheet	179
Consolidated statement of changes in equity	180
Consolidated cash flow statement	181
Notes to the consolidated financial statements	184 – 231
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Annual Report of the Issuer for the financial year ended 31 July 2024:

Information incorporated by reference into these Admission Particulars	Page numbers in "Annual Report and Financial Statements" 2024
At a glance	4-5
FCA's review of historical motor finance commission arrangements	10-11
Investment case	12-13
Our business model	14-15
Our strategy	20-25
Key performance indicators	26-28
Financial overview	57-73
Risk report	74-116
Independent auditor's report to the members of Close Brothers Group plc	180-191
Consolidated income statement	192
Consolidated statement of comprehensive income	193
Consolidated balance sheet	194
Consolidated statement of changes in equity	195
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Certain information contained in the documents listed above has not been incorporated by reference in these Admission Particulars. Such information is either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued or (ii) covered elsewhere in these Admission Particulars.

TERMS AND CONDITIONS OF THE NOTES

The following (save for paragraphs in italics, which are for information purposes only and do not form part of the terms and conditions) are the terms and conditions that shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note.

The £250,000,000 6.125 per cent. Subordinated Tier 2 Notes due 2036 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any Further Notes issued pursuant to Condition 16 which are consolidated and form a single series with the Notes) of Close Brothers Group plc (the "**Issuer**") are constituted by a trust deed dated 3 February 2026 (as amended, restated and/or supplemented from time to time, the "**Trust Deed**") made between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include all persons from time to time being trustee or trustees appointed under the Trust Deed) as trustee for the Noteholders. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed.

Copies of the Trust Deed and an agency agreement dated 3 February 2026 (as amended, restated and/or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, the Registrar, the Principal Paying Agent, the Agent Bank, the other Agents and the Trustee (i) are available for inspection during normal business hours by prior arrangement by the Noteholders at the specified office of the Principal Paying Agent, being at the date of issue of the Notes at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, and (ii) may be provided by email to a Noteholder following its prior written request to the Trustee or the Principal Paying Agent, in each case upon provision of proof of holding of Notes and identity (in a form satisfactory to the Trustee or, as the case may be, the Principal Paying Agent). The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

1 FORM, DENOMINATION AND TITLE

The Notes are issued in registered form in specified denominations of £100,000 and integral multiples of £1,000 in excess thereof.

The Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Notes by the same Holder.

Title to the Notes shall pass by registration in the register of the Noteholders that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the Holder.

2 TRANSFER OF NOTES

(a) *Transfer of Notes*

One or more Notes may, subject to Condition 2(d), be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. A new Certificate shall be issued to the transferee in respect of the Notes the subject of the relevant transfer and, in the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate in respect of the balance of the Notes not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a Holder of Notes, a new Certificate representing the enlarged holding may be issued but only against surrender of the Certificate representing the existing holding of such person. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(b) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within five business days of receipt of the duly completed form of transfer and surrender of the relevant Certificate. Delivery of new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery and surrender of such form of transfer and Certificate or, as the case may be, surrender of such Certificate, shall have been made or, at the option of the relevant Holder and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b) "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) *Transfers Free of Charge*

Transfers of Notes and the issue of new Certificates on transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to the transfer or registration by the person submitting such certificate or by the transferor (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(d) *Closed Periods*

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the due date for redemption of the Notes pursuant

to Condition 7 or (ii) during the period of seven days ending on (and including) any Record Date.

3 STATUS

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu,* without any preference among themselves. The rights and claims of Noteholders in respect of, or arising under, the Notes (including any damages awarded for breach of obligations in respect thereof) are subordinated to the claims of Senior Creditors of the Issuer, present and future, as described in Condition 4.

4 SUBORDINATION

(a) *Winding-Up*

If a Winding-Up occurs, the rights and claims of the Noteholders against the Issuer in respect of, or arising under, each Note shall be for (in lieu of any other payment by the Issuer) an amount equal to the principal amount of the relevant Note, together with, to the extent not otherwise included within the foregoing, any other amounts attributable to such Note, including any accrued and unpaid interest thereon and any damages awarded for breach of any obligations in respect thereof, provided however that such rights and claims shall be subordinated as provided in this Condition 4(a) and in the Trust Deed to the claims of all Senior Creditors but shall rank (a) at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital (including the Existing Subordinated Debt) and (b) in priority to the claims of holders of (i) all obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital and all obligations which rank, or are expressed by their terms to rank, *pari passu* therewith and (ii) all classes of share capital of the Issuer.

(b) *No set-off*

Subject to applicable law, no Noteholder (or holder of any beneficial interest in any Note) may exercise, claim or plead any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes or the Trust Deed and each Noteholder (and each holder of any beneficial interest in any Note) will, by virtue of their holding of any Note (or a beneficial interest therein), be deemed to have waived all such rights of set-off, compensation, counterclaim, netting or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder (or any holder of any beneficial interest in any Note) by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, compensation, counterclaim, netting or retention, such Noteholder (or such holder of any beneficial interest in any Note) shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of a Winding-Up, the liquidator, administrator or, as appropriate, other similar official of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator, administrator or, as appropriate,

other similar official of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

As stated in further detail in Condition 15(d), the provisions of this Condition 4 apply only to the principal and interest and any other amounts payable in respect of the Notes and nothing in this Condition 4 or in Condition 10 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

5 INTEREST

(a) *Interest Rate and Interest Payment Dates*

The Notes bear interest on their outstanding principal amount:

(i) from (and including) the Issue Date to (but excluding) 3 August 2031 (the "**Reset Date**"), at the rate of 6.125 per cent. per annum (the "**Initial Interest Rate**"); and

(ii) thereafter, at the Reset Interest Rate,

in each case, payable semi-annually in arrear on 3 February and 3 August of each year, commencing on 3 August 2026 (each an "**Interest Payment Date**"). The period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**".

(b) *Calculation of interest*

When interest is required to be calculated in respect of any period, the relevant day-count fraction (the "**Day-Count Fraction**") shall be calculated by the Agent Bank on the basis of (i) the actual number of days in the period from (and including) the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the date on which it falls due divided by (ii) twice the actual number of days from (and including) the Accrual Date to (but excluding) the next following Interest Payment Date.

Interest in respect of any Note shall be calculated per Calculation Amount. The amount of interest payable in respect of a Note for a relevant period shall be calculated by (i) determining the product of the Calculation Amount, the relevant Interest Rate and the Day-Count Fraction for the relevant period, (ii) rounding the resultant figure to the nearest penny (half a penny being rounded upwards) and (iii) multiplying that rounded figure by a fraction the numerator of which is the principal amount of such Note and the denominator of which is the Calculation Amount.

(c) *Reset Interest Rate*

The "**Reset Interest Rate**" in respect of the Reset Period will be the sum of the 5-year Gilt Rate and the Margin, all as determined by the Agent Bank at or

around 11:00 a.m. (London time) on the Reset Determination Date (rounded to three decimal places with 0.0005 rounded down).

In these Conditions, the expression:

(i) "**5-year Gilt Rate**" means, in relation to the Reset Period, the Reset Reference Bank Rate on the Reset Determination Date;

(ii) "**5-year Gilt Yield Quotations**" means the arithmetic mean of the bid and offered yields for the relevant Reference Bond;

(iii) "**Business Day**" means a day which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

(iv) "**Margin**" means 2.137 per cent. per annum;

(v) "**Reference Bond**" means the United Kingdom government bond selected by the Issuer on the advice of an investment bank of international repute that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in sterling and with a five year tenor;

(vi) "**Reset Determination Date**" means the day falling two Business Days prior to the Reset Date;

(vii) "**Reset Reference Bank Rate**" means, in relation to the Reset Period, the percentage rate determined on the basis of the 5-year Gilt Yield Quotations provided, upon the request and instruction by or on behalf of the Issuer, by the Reset Reference Banks (upon the request of the Issuer) to the Issuer (and thereupon provided by the Issuer to the Agent Bank) at or around 10:00 a.m. (London time) on the Reset Determination Date. If at least four quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate for the Reset Period will be an amount equal to the Initial Interest Rate less the Margin; and

(viii) "**Reset Reference Banks**" means six banks which are primary government securities dealers or market makers in pricing corporate bond issues selected by the Issuer.

(d) *Publication of Reset Interest Rate*

The Issuer shall cause the Agent Bank to give notice of the Reset Interest Rate to the Issuer, the Agents, the Trustee and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed (by no later

than the Reset Determination Date) and to be notified to Noteholders in accordance with Condition 12 as soon as possible after its determination, but in no event later than the fourth Business Day thereafter. The Reset Interest Rate so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of manifest error.

(e) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Reset Reference Banks (or any of them) or the Agent Bank, will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Agent Bank and all Noteholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Trustee or the Noteholders shall attach to the Reset Reference Banks (or any of them) or the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(f) *Agent Bank*

The Issuer shall procure that, from the Reset Date and for so long as any of the Notes remains outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Trustee, terminate the appointment of the Agent Bank and replace it with another Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Reset Interest Rate for the Reset Period or to comply with any other requirement, the Issuer shall, subject to the prior written approval of the Trustee, appoint another Agent Bank. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

(g) *Interest accrual*

Each Note will cease to bear interest from (and including) its due date for redemption pursuant to Condition 7(a), 7(b), 7(c), 7(d) and/or 7(e) or its date of substitution pursuant to Condition 7(g) as the case may be, unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue as provided in the Trust Deed.

6 PAYMENTS

(a) *Payments in respect of Notes*

Payments of principal and interest in respect of each Note will be by transfer to the registered account of the Noteholder or by sterling cheque drawn on a bank that processes payments in sterling mailed to the registered address of the Noteholder if it does not have a registered account. Payments of principal and payments of interest due otherwise than on an Interest Payment Date will only be made against surrender (in the case of payments of principal) or presentation (in respect of payments of interest) of the relevant Certificate at the specified office of any Agent. Interest on Notes due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business

on the date (the "**Record Date**") being the fifteenth day before the due date for the payment of interest.

For the purposes of this Condition 6(a), a Noteholder's "**registered account**" means the sterling account maintained by or on behalf of it with a bank that processes payments in sterling, details of which appear on the register of Noteholders at the close of business, in the case of principal, on the second Business Day before the due date for payment and, in the case of interest, on the relevant Record Date, and a Noteholder's registered address means its address appearing on the Register at that time.

(b) *Payments subject to applicable laws*

Payments in respect of principal, interest and any other amounts on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (as amended, the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (a "**FATCA Withholding Tax**") and the Issuer will not be liable to pay to any Noteholders any additional amounts on account of, or in respect of, any FATCA Withholding Tax.

(c) *No commissions*

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 6.

(d) *Payment on Business Days*

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering or presenting its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

(e) *Agents*

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement. The Issuer reserves the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment

of any Agent or the Agent Bank and to appoint additional or other Agents provided that:

(i) there will at all times be a Principal Paying Agent;

(ii) there will at all times be a Paying Agent having a specified office in London;

(iii) so long as the Notes are listed on any stock exchange or admitted to listing or trading by any other relevant authority, there will at all times be an Agent (which may be the Principal Paying Agent) having a specified office in the place required by the rules and regulations of the relevant Stock Exchange or any other relevant authority;

(iv) there will at all times be a Transfer Agent;

(v) there will at all times be a Registrar; and

(vi) there will be an Agent Bank in the circumstances described in Condition 5(f).

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12.

7 REDEMPTION AND PURCHASE

(a) *Final redemption*

Unless previously redeemed, purchased and cancelled or (pursuant to Condition 7(g)) substituted, the Notes will be redeemed at their principal amount, together with accrued and unpaid interest on 3 August 2036 (the "**Maturity Date**"). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) *Redemption at the option of the Issuer*

The Issuer may, in its sole discretion but subject to Condition 7(h), having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12, the Trustee, the Agent Bank and the Agents (which notice shall be irrevocable and shall specify the date fixed for redemption), elect to redeem all, but not some only, of the Notes on any day falling in the period commencing on (and including) 3 May 2031 (the "**First Call Date**") and ending on (and including) the Reset Date, at their principal amount, together with any unpaid interest accrued to (but excluding) the date fixed for redemption.

(c) *Clean-up Redemption at the Option of the Issuer*

If at any time a Clean Up Event has occurred, the Issuer may, in its sole discretion but subject to Condition 7(h), give not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12, the Trustee, the Agent Bank and the Agents (which notice to the Noteholders shall, subject to the following proviso, be irrevocable, and shall specify the date set for

redemption), of its intention to redeem, and shall (subject to the following proviso) thereafter redeem in accordance with such notice and these Conditions, all, but not some only, of the remaining Notes at any time at their principal amount, together with any unpaid interest accrued to (but excluding) the date fixed for redemption; *provided that* if a notice is sent to Noteholders pursuant to this Condition 7(c) before the date in respect of which 75 per cent. or more of the aggregate principal amount of the Notes originally issued (taking into account any Further Notes as aforesaid) has been purchased by a member of the Issuer Group and cancelled and if such aggregate principal amount of the Notes has not, for any reason, been so purchased and cancelled prior to the date set for redemption in the relevant notice to Noteholders, such notice shall be automatically rescinded and shall have no effect and the Notes will not be redeemed pursuant to this Condition 7(c) on such date (but this is without prejudice to any subsequent redemption of the Notes pursuant to the further operation of this Condition 7(c)).

A "**Clean Up Event**" shall occur if at any time after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes issued pursuant to Condition 16 will be deemed to have been originally issued) has been purchased by a member of the Issuer Group and cancelled (or the Issuer expects that such aggregate principal amount of the Notes will, prior to any date fixed for redemption, have been purchased by a member of the Issuer Group and cancelled).

Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer stating that the requirements for redeeming the Notes pursuant to this Condition 7(c) have been met and the Trustee shall be entitled, without liability to any person, to accept the certificate without inquiry as sufficient evidence of the satisfaction of the requirements set out above, in which event it shall be conclusive and binding on the Trustee and the Noteholders.

(d) *Redemption for regulatory reasons*

If at any time a Capital Disqualification Event has occurred, the Issuer may, in its sole discretion but subject to Condition 7(h), having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12, the Trustee, the Agent Bank and the Agents (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount together with any unpaid interest accrued to (but excluding) the date fixed for redemption.

A "**Capital Disqualification Event**" shall occur if at any time there is a change (or pending change) in (or a change to the interpretation by any court or authority entitled to do so of) the regulatory classification of the Notes which becomes effective on or after the Issue Date that results, or would be likely to result, in all or any part of the outstanding principal amount of the Notes ceasing to be included in, or counting towards, the Issuer Group's Tier 2 Capital under the Regulatory Capital Requirements (provided that, for the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 (*Amortisation of Tier 2 Instruments*) as set out in Chapter 4 (*Tier 2 Capital*) of the Own Funds (CRR)

Part of the PRA Rulebook (or any equivalent or successor provision) shall not comprise a Capital Disqualification Event).

Prior to the publication of any notice of redemption pursuant to this Condition 7(d), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer stating that the requirements for redeeming the Notes pursuant to this Condition 7(d) have been met and the Trustee shall be entitled, without liability to any person, to accept the certificate without inquiry as sufficient evidence of the satisfaction of the requirements set out above, in which event it shall be conclusive and binding on the Trustee and the Noteholders.

(e) *Redemption for tax reasons*

If a Tax Event has occurred, the Issuer may, in its sole discretion but subject to Condition 7(h), having given not less than 15 nor more than 30 days' notice to Noteholders in accordance with Condition 12, the Trustee, the Agent Bank and the Agents (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount together with any unpaid interest accrued to (but excluding) the date fixed for redemption.

A "**Tax Event**" shall occur if the Issuer determines that as a result of a Tax Law Change:

(i) in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts;

(ii) the Notes are prevented from being treated as loan relationships for United Kingdom tax purposes;

(iii) the Issuer would not be entitled to a deduction in computing its tax liabilities in respect of all or any part of its financing expense arising in relation to the Notes or the amount of such deduction is materially reduced; or

(iv) the Issuer would not be able to have losses or deductions in respect of its finance expense arising in relation to the Notes set against the profits or gains, or profits or gains offset by the losses as deductions, of companies with which the Issuer is grouped, or otherwise would be so grouped for United Kingdom tax purposes,

and, in any such case, the effect of the foregoing cannot be avoided by the Issuer taking measures reasonably available to it.

"**Tax Law Change**" means a change in or proposed change in, or amendment to or proposed amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which the United Kingdom is a party, or any change in the application or official interpretation of such laws, including by a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar

transactions, which change or amendment becomes effective, or, in the case of a change in law, if such change is enacted (or, for the purpose of a proposed change, is expected to be enacted) by a United Kingdom Act of Parliament or by statutory instrument, on or after the Issue Date.

Prior to the publication of any notice of redemption pursuant to this Condition 7(e), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer stating that the requirements for redeeming the Notes pursuant to this Condition 7(e) have been met, and the Trustee shall be entitled, without liability to any person, to accept the certificate as sufficient evidence of the satisfaction of the requirements set out above, in which event it shall be conclusive and binding on the Trustee and the Noteholders.

(f) *Purchases*

The Issuer or any of its Subsidiaries may, at its option but subject to Condition 7(h), purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise at any time in accordance with the then prevailing Regulatory Capital Requirements. All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer or any such Subsidiary, surrendered to the Registrar for cancellation.

(g) *Substitution or Variation*

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, in its sole discretion but subject to Condition 7(h), having given not less than 15 nor more than 30 days' notice to Noteholders in accordance with Condition 12, the Trustee, the Agent Bank and the Agents (which notice shall be irrevocable and shall specify the date for substitution or variation, as the case may be, of the Notes), at its option and without any requirement for the consent or approval of the Noteholders, at any time (whether before, on or following the First Call Date), either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Compliant Notes, and the Trustee shall (subject to the following provisions of this Condition 7(g) and subject to the receipt by it of the certificates of the Authorised Signatory referred to below and in the definition of Compliant Notes) agree to such substitution or variation. Upon the expiry of such notice, the Issuer shall either vary the terms of or substitute the Notes in accordance with this Condition 7(g), as the case may be.

The Trustee shall use its reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Compliant Notes, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation (i) if the terms of the proposed alternative Compliant Notes or the participation in or assistance with such substitution or variation would, in the Trustee's opinion, impose more onerous obligations upon it or expose it to additional liabilities or (ii) it is not indemnified and/or secured and/or pre-funded to its satisfaction in connection with such participation or assistance. If, notwithstanding the above, the Trustee does not participate or assist as

provided above, the Issuer may, subject as provided above, redeem the Notes as provided in, as appropriate, Condition 7(c) or Condition 7(e).

Prior to the publication of any notice of substitution or variation pursuant to this Condition 7(g), the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory of the Issuer stating that the conditions precedent for substituting or varying the Notes pursuant to this Condition 7(g) have been met and that the terms of the relevant Compliant Notes comply with the definition thereof in Condition 20 and the Trustee shall be entitled, without liability to any person, to accept the certificate without inquiry as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

In connection with any substitution or variation in accordance with this Condition 7(g), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(h) *Conditions to redemption, purchase, substitution and variation*

Any redemption, purchase, substitution or variation of the Notes under Conditions 7(b), 7(c), 7(d), 7(e), 7(f) or 7(g) is subject to the Issuer obtaining Regulatory Approval and (in the case of any redemption or purchase) compliance with the Regulatory Preconditions.

(i) *Cancellation*

All Notes which are redeemed or substituted by the Issuer pursuant to this Condition 7, and all Notes which are purchased by the Issuer or any of its Subsidiaries pursuant to Condition 7(f) and surrendered to the Registrar for cancellation, will be cancelled.

(j) *Notices final*

Upon the expiry of any notice as is referred to in Condition 7(b), 7(c), 7(d), 7(e) and 7(g), the Issuer shall be bound (subject in all circumstances only to Condition 7(h) and, if applicable in the case of a redemption pursuant to Condition 7(c), to the proviso in that Condition) to redeem, vary the terms of or substitute (as applicable) the Notes to which the notice refers in accordance with the terms of such Condition.

(k) *Trustee not obliged to monitor*

The Trustee shall not be under any duty to investigate whether any condition precedent to redemption, substitution or variation under this Condition 7 has occurred and (i) shall not be responsible to Noteholders for any loss arising from any failure by it to do so and (ii) shall be entitled to assume, unless it has actual knowledge to the contrary, that no such condition precedent to redemption, substitution or variation has occurred and that all Regulatory Approvals and/or Regulatory Preconditions have been satisfied. The Trustee shall be entitled to rely without investigation and without liability as aforesaid on any certificate delivered to it in connection with this Condition 7.

8 TAXATION

(a) *Payment without withholding*

All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of the Taxes is required by law. If any such withholding or deduction for or on account of any Taxes is required by law, the Issuer will pay such additional amounts ("**Additional Amounts**") in respect of interest payments, but not in respect of any payments of principal or other amounts, as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of any withholding or deduction, except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

(i) held by or on behalf of a Noteholder who is liable to such Taxes in respect of such Note by reason of it having some connection with the United Kingdom other than the mere holding of the Note or the receipt of amounts in respect of the Note;

(ii) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the Noteholder would have been entitled to such Additional Amounts on surrendering such Certificate for payment on the last day of such period of 30 days; or

(iii) where the Noteholder is, or would have been, able to avoid (and no such Additional Amounts shall be payable in relation to any payment in respect of any Note to the extent such Noteholder would have been able to reduce) such withholding or deduction by complying with, or procuring that a third party complies with, any applicable statutory requirements or by making, or procuring that any third party makes, a declaration of non-residence or other similar claim for exemption.

(b) *Additional Amounts*

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 8 or under any undertakings given in addition to, or in substitution for, this Condition 8 pursuant to the Trust Deed.

9 PRESCRIPTION

Notes will become void unless presented for payment within periods of 10 years (in the case of principal) and 5 years (in the case of interest or any other amount) from the Relevant Date (as defined below) in respect of the Notes.

10 NON-PAYMENT WHEN DUE AND WINDING-UP

The Trust Deed contains provisions entitling the Trustee to claim from the Issuer, inter alia, the fees, expenses and liabilities incurred by it in carrying out its duties under the Trust Deed. The restrictions on commencing proceedings described below will not apply to any such claim.

(a) *Proceedings for Winding-Up*

If the Issuer has not made payment in respect of the Notes for a period of seven days or more (in the case of any payments of principal), or (in the case of any interest payment or any other amount in respect of the Notes) for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in default under the Notes and, unless proceedings for a Winding-Up have already commenced, the Trustee may institute proceedings for a winding-up of the Issuer in England (but not elsewhere).

In the event of a Winding-Up (whether or not instituted by the Trustee) the Trustee may (or, in the circumstances provided in Condition 10(c), shall) claim and/or prove in respect of the Notes in such Winding-Up, such claim being that set out in Condition 4(a).

(b) *Enforcement*

Without prejudice to Condition 10(a), the Trustee at its discretion may (or, in the circumstances provided in Condition 10(c), shall), without notice, institute such proceedings and/or take any other steps or action against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) provided that in no event shall the Issuer, by virtue of the institution of any such proceedings or the taking of any such other steps or action, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions or the Trust Deed.

Nothing in this Condition 10(b) shall, however, prevent the Trustee instituting proceedings for the winding-up of the Issuer, claiming and/or proving in any Winding-Up or exercising rights under Condition 4(a) in respect of any payment obligations of the Issuer arising from or in respect of the Notes or the Trust Deed (including any damages awarded for breach of any obligations) in the circumstances provided in Condition 10(a).

(c) *Entitlement of Trustee*

The Trustee shall not be bound to take any of the actions referred to in Conditions 10(a) or 10(b) against the Issuer to enforce the terms of the Notes or the Trust Deed or any other action under or pursuant to the Trust Deed unless (i) it shall have been so directed or requested by an Extraordinary Resolution of the Noteholders or in writing by the holders of at least one-quarter in principal

amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

(d) *Right of Noteholders*

No Noteholder shall be entitled to proceed directly against the Issuer or to institute proceedings for a winding-up of the Issuer or to claim or prove in a Winding-Up unless the Trustee, having become bound so to do, fails or is unable to do so within 60 days and such failure or inability shall be continuing, in which case the Noteholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 10.

(e) *Extent of Noteholder's remedy*

No remedy against the Issuer, other than as referred to in this Condition 10, shall be available to the Trustee or the Noteholders in respect of the Notes, whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or the Trust Deed.

11 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or any other Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and/or the Registrar may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 NOTICES

All notices regarding the Notes shall be valid if sent by post to the Noteholders at their respective addresses in the Register and, if and for so long as the Notes are admitted to trading on the London Stock Exchange or on any other stock exchange, notices will also be given in accordance with any applicable requirements of such stock exchange. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

13 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVERS

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders (which may be at a physical location or by way of conference call or video conference) to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting of Noteholders for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. of the aggregate principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal

amount of the Notes held or represented by him or them, except that at any meeting the business of which includes Reserved Matters, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the aggregate principal amount of the Notes for the time being outstanding.

In addition, a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in aggregate principal amount of the outstanding Notes who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

An Extraordinary Resolution passed at any meeting of the Noteholders or by way of a resolution in writing will be binding on all Noteholders, whether or not they are present at the meeting and whether or not they voted on the resolution or, as the case may be, whether or not they sign the resolution in writing.

(b) *Modification, authorisation, waiver*

Without prejudice to Condition 7(g), the Trustee may agree (other than in respect of a Reserved Matter), without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid and irrespective of whether the same constitutes a Reserved Matter, to any modification which, in its opinion, is of a formal, minor or technical nature or is to correct a manifest error.

(c) *Trustee to have regard to interests of Noteholders as a class*

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or substitution of the Issuer pursuant to Condition 14), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

(d) *Regulatory Approval and notification to the Noteholders*

Any modification, abrogation, waiver, authorisation or substitution referred to in this Condition 13 or in Condition 14 shall be subject to the Issuer obtaining any required Regulatory Approval therefor, and shall be binding on the Noteholders and, unless the Trustee agrees otherwise, notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12.

14 SUBSTITUTION OF THE ISSUER

The Trust Deed contains provisions permitting the Trustee (subject to the Issuer having obtained any required Regulatory Approval) to agree with the Issuer, without any need for the consent of the Noteholders, to the substitution of the Successor in business or the Holding Company (each as defined in Condition 20) of the Issuer (or of any previous substitute obligor under this Condition 14) in place of the Issuer (or of any previous substitute obligor under this Condition 14) as principal debtor under the Trust Deed and the Notes, subject to:

(i) the Trustee being of the opinion that such substitution is not materially prejudicial to the interests of the Noteholders; and

(ii) certain other conditions set out in the Trust Deed being complied with.

In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

15 RIGHTS OF THE TRUSTEE

(a) *Indemnification and protection of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility and liability towards the Issuer and the Noteholders.

(b) *Trustee Contracting with the Issuer*

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, among other things, to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

(c) *Reliance by Trustee on reports, confirmations, certificates and advice*

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institutions or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled, without liability to any person, to rely on any such

report, confirmation or certificate or advice in which event such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Noteholders.

(d) *Trustee's remuneration, liability etc.*

The provisions of Condition 4 apply only to the principal and interest and any other amounts payable in respect of the Notes and nothing in Conditions 4 or 10 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

16 FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes either (i) having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest thereon) so that the same shall be consolidated and form a single series with the Notes ("**Further Notes**") or (ii) on such other terms and conditions as the Issuer may determine. Any Further Notes shall be, and any other securities may with the consent of the Trustee be, constituted by the Trust Deed or by a deed supplemental to the Trust Deed.

17 GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing law*

The Trust Deed and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

(b) *Jurisdiction of English courts*

The Issuer has, in the Trust Deed, irrevocably agreed for the benefit of the Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Notes) (each a "**Dispute**") and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

To the extent allowed by law, the Trustee and the Noteholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

18 RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19 AGREEMENT AND ACKNOWLEDGEMENT WITH RESPECT TO THE EXERCISE OF BAIL-IN POWER

(a) *Recognition of Bail-in*

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements, or understandings between the Issuer and any Noteholder, by its acquisition of any Note, each Noteholder (and the Trustee on behalf of the Noteholders), acknowledges and accepts that the Amounts Due arising under these Notes may be subject to the exercise of Bail-in Powers by the Resolution Authority, and acknowledges, accepts, consents and agrees to be bound by:

(i) the effect of the exercise of the Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due;

(B) the conversion of all, or a portion, of the Amounts Due on the Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes.

(C) the cancellation of the Notes; and

(D) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Notes, if necessary, to give effect to the exercise of the Bail-in Power by the Resolution Authority.

(b) *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

(c) *Event of default*

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Resolution Authority with respect to the Issuer, nor the exercise of the Bail-in Power by the

Resolution Authority with respect to the Notes will be an event of default or default for any purpose.

(d) *Notice to Noteholders*

Upon the exercise of the Bail-in Power by the Resolution Authority with respect to the Notes, the Issuer shall notify the Trustee and the Principal Paying Agent in writing of such exercise and give notice of the same to Noteholders in accordance with Condition 12. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 19(d) shall not affect the validity and enforceability of the Bail-in Power.

(e) *Definitions and interpretation*

In this Condition 19, references to a 'Note' and a 'Noteholder' shall, where the context admits, be deemed to include references to any beneficial interest in a Note and to the holder of such beneficial interest, respectively.

For the purposes of this Condition 19:

"**Amounts Due**" means the principal amount of, together with any accrued but unpaid interest, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of Bail-in Power by the Resolution Authority;

"**Bail-In Legislation**" means Part I of the Banking Act 2009, as amended and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings);

"**Bail-in Power**" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability; and

"**Resolution Authority**" means the Bank of England or any successor or replacement thereto or such other authority in the United Kingdom with the ability to exercise the Bail-in Power.

20 DEFINITIONS

In these Conditions:

"**5-year Gilt Rate**" has the meaning given to it in Condition 5(c).

"**5-year Gilt Yield Quotations**" has the meaning given to it in Condition 5(c).

"**Accrual Date**" has the meaning given to it in Condition 5(b).

"**Additional Amounts**" has the meaning given to it in Condition 8(a).

"**Agency Agreement**" has the meaning given to it in the preamble to these Conditions.

"**Agent**" means the Registrar and each of the other agents appointed pursuant to the Agency Agreement, save for the Agent Bank.

"**Agent Bank**" means Citibank, N.A., London Branch or such other agent bank appointed by the Issuer from time to time in respect of the Notes in accordance with these Conditions.

"**Authorised Signatory**" has the meaning given to it in the Trust Deed.

"**Business Day**" has the meaning given to it in Condition 5(c).

"**Calculation Amount**" means £1,000 in principal amount of Notes.

"**Capital Disqualification Event**" has the meaning given to it in Condition 7(d).

"**Certificate**" has the meaning given to it in Condition 1.

"**Code**" has the meaning given to it in Condition 6(b).

"**Compliant Notes**" means securities issued directly by the Issuer or issued indirectly by the Issuer and guaranteed by the Issuer (on a subordinated basis equivalent to the subordination set out in Conditions 3 and 4 and in the Trust Deed) that:

(i) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer), and provided that a certification to such effect (including as to such consultation) of an Authorised Signatory shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without enquiry and without liability to any person) prior to the issue or, as appropriate, variation of the relevant securities);

(ii) subject to (i) above, (1) contain terms which comply with the then current requirements of the Supervisory Authority in relation to Tier 2 Capital; (2) include terms which provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Notes and do not provide for interest cancellation or deferral; (3) rank senior to, or *pari passu* with, the ranking of the Notes; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption and (5) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been paid; and

(iii) are (i) listed on the Official List (within the meaning of and in accordance with the provisions of Part VI of the Financial Services and Markets Act 2000) and admitted to trading on the main market of the London Stock Exchange plc or (ii) admitted to trading on the International Securities Market operated by the London Stock Exchange plc or (iii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer.

"**Conditions**" means these terms and conditions of the Notes, as amended from time to time, and references to a particularly numbered "**Condition**" shall be construed accordingly.

"**Day-Count Fraction**" has the meaning given to it in Condition 5(b).

"**Existing Subordinated Debt**" means the £200,000,000 subordinated notes due 2031 (ISIN: XS2351480566) issued by the Issuer.

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed.

"**FATCA Withholding Tax**" has the meaning given to it in Condition 6(b).

"**Further Notes**" has the meaning given to it in Condition 16.

"**Holding Company**" means, with respect to the Issuer (or any previous substitute obligor under Condition 14), a company or other entity which at any time is or becomes a holding company (as defined under section 1159 of the Companies Act 2006) of the Issuer (or of such previous substitute obligor).

"**Initial Interest Rate**" has the meaning given to it in Condition 5(a)(i).

"**Interest Payment Date**" has the meaning given to it in Condition 5(a).

"**Interest Period**" has the meaning given to it in Condition 5(a).

"**Interest Rate**" means the Initial Interest Rate and/or the Reset Interest Rate, as the case may be.

"**Issue Date**" means 3 February 2026.

"**Issuer**" has the meaning given to it in the preamble to these Conditions.

"**Issuer Group**" means the Issuer and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements) of which the Issuer is part from time to time.

"**London Stock Exchange**" means London Stock Exchange plc.

"**Margin**" has the meaning given to it in Condition 5(c).

"**Maturity Date**" has the meaning given to it in Condition 7(a).

"**Noteholder**" **or** "**Holder**" means the person in whose name a Note is registered.

"**Notes**" has the meaning given to it in the preamble to these Conditions.

"**Paying Agent**" means each entity appointed as a paying agent from time to time pursuant to the Agency Agreement.

"**PRA Rulebook**" means the Prudential Regulation Authority ("**PRA**") Rulebook containing published PRA policy, rules made and enforced by the PRA under powers conferred by the Financial Services and Markets Act 2000 and guidance in the form of supervisory statements and statements of policy (as the same may be amended or superseded from time to time).

"**Principal Paying Agent**" means Citibank, N.A., London Branch or such other principal paying agent appointed by the Issuer from time to time in respect of the Notes in accordance with these Conditions.

"**Proceedings**" has the meaning given to it in Condition 17(b).

"**Recognised Stock Exchange**" means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time.

"**Record Date**" has the meaning given to it in Condition 6(a).

"**Reference Bond**" has the meaning given to it in Condition 5(c).

"**Register**" has the meaning given to it in Condition 1.

"**Registrar**" means Citibank, N.A., London Branch or such other registrar appointed by the Issuer from time to time in respect of the Notes in accordance with these Conditions.

"**Regulatory Approval"** means, at any time and with respect to any proposed act or action, such supervisory permission required within prescribed periods from the Supervisory Authority (if any), or such waiver of the then prevailing Regulatory Capital Requirements from the Supervisory Authority (if any), as is required for such act or action under the then prevailing Regulatory Capital Requirements.

"**Regulatory Capital Requirements**" means, at any time, any requirements or provisions contained in the laws and regulations of the United Kingdom or the requirements, guidelines, regulatory expectations and policies of the Supervisory Authority (whether or not having the force of law) then in effect in the United Kingdom relating to capital adequacy and prudential supervision (including as regards the requisite features of own funds instruments) and/or to the resolution of credit institutions (including as regards any minimum requirement for own funds and eligible liabilities) and, in each case, applicable to the Issuer and/or the Issuer Group.

"**Regulatory Preconditions**" means, in relation to any redemption or purchase of the Notes, if and to the extent then required by prevailing Regulatory Capital Requirements:

(i) in the case of any redemption or purchase at any time, the Issuer having demonstrated to the satisfaction of the Supervisory Authority that either:

(1) the Issuer has (or by no later than the date of the relevant redemption or purchase will have) replaced the Notes being redeemed or purchased with own funds instruments of equal or higher quality on terms that are sustainable for the income capacity of the Issuer; or

(2) the own funds and eligible liabilities of the Issuer Group would, following such redemption or purchase, exceed its minimum requirements (including any applicable buffer requirements) by a margin that the Supervisory Authority considers necessary at such time; and

(ii) in respect of any redemption or purchase proposed to be made prior to the fifth anniversary of the Issue Date:

(1) in the case of a redemption upon the occurrence of a Tax Event pursuant to Condition 7(e), the Issuer having demonstrated to the satisfaction of the Supervisory Authority that the relevant change (or pending change) in tax treatment is material and was not reasonably foreseeable as at the Issue Date; or

(2) in the case of a redemption upon the occurrence of a Capital Disqualification Event pursuant to Condition 7(d), the Issuer having demonstrated to the satisfaction of the Supervisory Authority that the relevant change (or pending change) in the regulatory classification of the Notes is sufficiently certain and was not reasonably foreseeable as at the Issue Date; or

(3) in respect of any redemption or purchase pursuant to Condition 7(c) or Condition 7(f), the Issuer having demonstrated to the satisfaction of the Supervisory Authority that the Issuer has (or by no later than the time of settlement of such redemption or purchase will have) replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Supervisory Authority having permitted such action on the basis of a determination that it would be beneficial from a prudential point of view; or

(4) in respect of any purchase pursuant to Condition 7(f), the relevant Notes being purchased for market-making purposes in accordance with the Regulatory Capital Requirements; or

(5) in the case of a purchase, in exceptional circumstances where none of the conditions in (1) to (4) above are met, the Supervisory Authority considers that the purchase of the relevant Notes would materially enhance the safety and soundness of the Issuer or Issuer Group,

provided that if, at the time of any redemption or purchase, the prevailing Regulatory Capital Requirements permit the relevant redemption or purchase after compliance with one or more alternative or additional pre-conditions to those set out in paragraphs (i) and (ii) of this definition, the "**Regulatory Preconditions**" shall mean (in the alternative or, as the case may be, in addition to the foregoing) such other pre-condition(s) as are then so required for such redemption or purchase by the prevailing Regulatory Capital Requirements;

and *provided further that* the granting of approval by the Supervisory Authority in respect of any redemption or purchase of Notes shall be treated (without liability) by the Issuer, the Trustee, the Noteholders and all other interested parties as conclusive and sufficient evidence of the satisfaction of the Regulatory Preconditions.

"**Relevant Date**" means whichever is the later of: (1) the date on which the payment in question first becomes due; and (2) if the full amount payable has not been received by the Registrar or another Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

"**Reserved Matter**" has the meaning given to it in the Trust Deed.

"**Reset Date**" has the meaning given to it in Condition 5(a)(i).

"**Reset Determination Date**" has the meaning given to it in Condition 5(c).

"**Reset Interest Rate**" has the meaning given to it in Condition 5(c).

"**Reset Period**" means the period from (and including) the Reset Date to (but excluding) the Maturity Date.

"**Reset Reference Bank Rate**" has the meaning given to it in Condition 5(c).

"**Reset Reference Banks**" has the meaning given to it in Condition 5(c).

"**Senior Creditors**" means (i) creditors of the Issuer who are unsubordinated creditors of the Issuer; or (ii) creditors of the Issuer whose claims are or are expressed by their terms to be subordinated (whether only in the event of a Winding-Up or otherwise) to the claims of other creditors of the Issuer (other than those whose claims are in respect of obligations which constitute, or would but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital or Tier 2 Capital of the Issuer Group or whose claims otherwise rank, or are expressed by their terms to rank, *pari passu* with, or junior to, the claims of Noteholders in respect of the Notes).

"**Subsidiary**" means each subsidiary (as defined under section 1159 of the Companies Act 2006) for the time being of the Issuer.

"**Successor in business**" means, with respect to the Issuer (or any previous substitute obligor under Condition 14):

(i) any company or other entity to whom the Issuer (or such previous substitute obligor) validly and effectually, in accordance with all enactments, orders and regulations in force for the time being and from time to time, transfers the whole or substantially the whole of its business, undertaking and assets for the purpose of assuming and conducting the business of the Issuer (or such previous substitute obligor) in its place; or

(ii) any other entity which acquires in any other manner the whole or substantially the whole of the undertaking, property and assets of the Issuer (or such previous substitute obligor) and carries on as a successor to the Issuer (or such previous substitute obligor) the whole or substantially the whole of the business carried on by the Issuer (or such previous substitute obligor) prior thereto.

"**Supervisory Authority**" means the United Kingdom Prudential Regulation Authority and any successor or replacement thereto or such other authority having primary responsibility for the prudential oversight and supervision of the Issuer and/or the Issuer Group and/or, if applicable, the Bank of England and any successor or replacement thereto or such other authority having primary responsibility for resolution matters concerning the Issuer and/or the Issuer Group.

"**Tax Event**" has the meaning given to it in Condition 7(e).

"**Tax Law Change**" has the meaning given to it in Condition 7(e).

"**Taxes**" has the meaning given to it in Condition 8(a).

"**Tier 1 Capital**" has the meaning given to it (or any successor term) from time to time in the Regulatory Capital Requirements.

"**Tier 2 Capital**" has the meaning given to it (or any successor term) from time to time in the Regulatory Capital Requirements.

"**Transfer Agent**" means Citibank, N.A., London Branch and any other entity appointed as a transfer agent from time to time pursuant to the Agency Agreement.

"**Trustee**" means Citicorp Trustee Company Limited or such other trustee appointed by the Issuer from time to time in respect of the Notes in accordance with the Conditions and the Trust Deed.

"**Trust Deed**" has the meaning given to it in the preamble to these Conditions.

"**Winding-Up**" means:

(i) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation, the terms of which reorganisation, reconstruction or amalgamation have previously been approved in writing by the Trustee or an Extraordinary Resolution and do not provide that the Notes thereby become redeemable or repayable in accordance with the Conditions);

(ii) following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend; or

(iii) the liquidation or dissolution of the Issuer or any other event or procedure similar to that described in paragraph (i) or (ii) of this definition occurring in respect of the Issuer (including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009) which has the effect of a winding-up or liquidation of the Issuer.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following is a summary of the provisions to be contained in the Trust Deed and in the Global Certificate which will apply to, and in some cases modify the effect of, the Conditions while the Notes are represented by the Global Certificate:

Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") and may be delivered on or prior to the original issue date of the Notes.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Relationship of accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for their share of each payment made by the Issuer to or to the order of the registered holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Note for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to or to the order of the registered holder of the Global Certificate in respect of each amount so paid.

Exchange of the Global Certificate

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or any Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system, in accordance with the rules and operating procedures of such clearing system, whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(a) may only be made in part:

(i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason

of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no successor or replacement clearing system satisfactory to the Trustee is available; or

(ii) upon or following any failure to pay principal in respect of any Notes when it is due and payable,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the holder of the Notes represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer. Where the holding of Notes represented by the Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

Calculation of Interest

For so long as all of the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, interest shall be calculated on the basis of the aggregate principal amount of the Notes represented by the Global Certificate, and not per Calculation Amount as provided in Condition 5(b).

Payments

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which (notwithstanding Condition 6(a)) shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

Notices

For so long as the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, notices may be given to the Noteholders by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to their respective accountholders in substitution for publication as required by the Conditions provided that, for so long as the Notes are admitted to trading on the ISM or listed or admitted to trading on any other stock exchange, notices will also be given in accordance with any applicable requirements of such stock exchange. Any notice shall be deemed to have been given on the date of delivery or publication which, in the case of communication through Euroclear and Clearstream, Luxembourg, shall mean the date on which the notice is delivered to Euroclear and Clearstream, Luxembourg.

Prescription

Claims against the Issuer in respect of any amounts payable in respect of the Notes represented by the Global Certificate will be prescribed after 10 years (in the case of principal) and five years (in the case of interest or any other amounts) from the due date.

Meetings

For the purposes of any meeting of the Noteholders, the holder of the Notes represented by the Global Certificate shall be treated as being entitled to one vote in respect of each £1.00 in principal amount of the Notes.

Written Resolution and Electronic Consent

For so long as the Notes are in the form of a Global Certificate registered in the name of any nominee for one or more of Euroclear and Clearstream, Luxembourg or another clearing system, then, in respect of any resolution proposed by the Issuer or the Trustee:

(i) where the terms of the proposed resolution have been notified to the Noteholder through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding ("**Electronic Consent**"). None of the Issuer or the Trustee shall be liable or responsible to anyone for such reliance; and

(ii) where Electronic Consent is not being sought, for the purpose of determining whether a written resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system(s) with entitlements to such Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EasyWay or Clearstream, Luxembourg's Xact Web Portal system) in accordance with its usual

procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Euroclear and Clearstream, Luxembourg

References in the Global Certificate and this summary to Euroclear and Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved for the purposes of the Notes by the Trustee and the Registrar.

USE OF PROCEEDS

The Notes are being issued to diversify and further strengthen the Group's capital structure including, without limitation, for the refinancing of the Issuer's existing securities (in the Issuer's sole and absolute discretion) including the repurchase and cancellation, pursuant to the tender offers announced by the Issuer on 26 January 2026 of its outstanding £200,000,000 2.00 per cent. Fixed Rate Subordinated Tier 2 Notes (ISIN: XS2351480566). It is the Group's intention to downstream proceeds of the issuance of the Notes in whole to Close Brothers Limited on a like-for-like basis.

DESCRIPTION OF THE ISSUER AND THE GROUP

History and Development of the Issuer

The Issuer was incorporated in England and Wales on 3 June 1953 under the name "Safeguard Industrial Investments Limited" as a company with limited liability under the Companies Act 1948 with registered number 00520241.

On 4 December 1981, it was re-registered as a public limited company under the Companies Acts 1948 to 1980 and, on 30 November 1984, its name was changed to "Close Brothers Group plc".

The Issuer has its principal place of business and registered office at 10 Crown Place, London EC2A 4FT and its telephone number is +44 (0)20 7655 3100.

The ordinary shares of the Issuer are listed on the Official List of the Financial Conduct Authority and traded on the main market of the London Stock Exchange plc. As at the date of these Admission Particulars, the Issuer is a constituent member of the FTSE 250. As at 23 January 2026, the Issuer had a market capitalisation of £779.78 million.

The Issuer is the ultimate holding company of a group of companies engaged in specialist financial services.

Overview of the Group

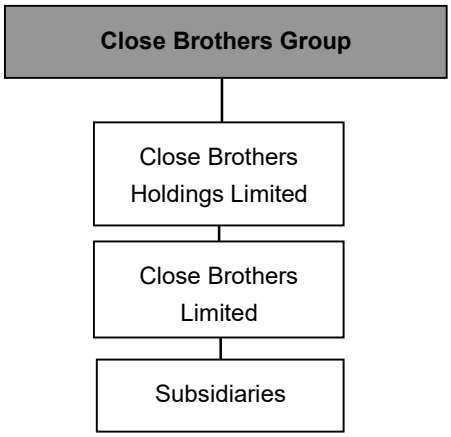
Close Brothers is a UK specialist banking group providing lending and deposit taking. The Group employs approximately 3,000 people, principally in the United Kingdom and Ireland. Close Brothers Group plc is listed on the London Stock Exchange and is a constituent of the FTSE 250.

The Group has historically operated three divisions: (i) Banking; (ii) Securities; and (iii) Asset Management. However, on 28 February 2025, the Group completed the sale of Close Brothers Asset Management ("**CBAM**") to funds managed by Oaktree Capital Management, L.P. for consideration of up to £200 million. Further, on 1 December 2025, the Group announced the completion of the sale of Winterflood Securities Limited ("**Winterflood**") to Marex Group plc ("**Marex**") for a consideration amount of approximately £104 million.

The sale of CBAM and Winterflood furthered the Group's strategy of simplifying the Group, driving operational efficiencies and growing the core lending business, and marked the cessation of the Group's Asset Management and Securities divisions.

Following the sale of CBAM and Winterflood, the Group's sole focus going forwards is on its Banking business.

The following diagram provides an overview of the Group:



The Group is comprised of the Issuer, together with its principal subsidiary, Close Brothers Limited ("**CBL**"), and a number of further subsidiaries held through CBL. CBL is a bank and is authorised to accept deposits under FSMA, is authorised by the PRA and is regulated by the FCA and the PRA.

The Group provides a range of banking services and specialist finance solutions focused on secured lending to SMEs, professionals and consumers, mainly in the UK as well as in the Republic of Ireland, the Channel Islands and Germany, through three lending businesses: (i) Retail, which provides intermediated lending solutions principally to consumers; (ii) Commercial, which provides asset and invoice finance solutions principally to SMEs; and (iii) Property, which provides short term finance principally for residential property development.

Retail

The Retail business comprises Premium Finance, Motor Finance and Savings.

The *Premium Finance* business finances the insurance payments for companies and individuals via a network of insurance brokers, allowing the insured to pay insurance premiums in instalments. The Premium Finance business had total net loans and advances to customers of £0.9 billion as at 31 July 2025, with typical maturity of 11 months, an average loan size of c. £600 and approximately 2 million customers. The Group expects the Premium Finance loan book to decline by c.30% in the next three years, as a result of a strategic decision to withdraw from certain broker relationships which predominantly offer personal lines, to allow the Group to focus on its commercial lines.

The *Motor Finance* business provides point of sale finance for the acquisition of predominantly used cars, motorcycles and light commercial vehicles, and operates through a network of motor dealers and brokers. The Motor Finance business had total net loans and advances to customers of £2.0 billion as at 31 July 2025, with typical maturity of 4 years, an average loan size of c. £7,000 and approximately 294,000 customers.

Commercial

The Commercial business comprises both Asset Finance and Invoice Finance.

The *Asset Finance* business provides commercial asset financing, hire-purchase and leasing solutions for a diverse range of assets and sectors, including the financing of commercial vehicles, machine tools, contractors' plant, printing equipment, aircraft and medical equipment. The Asset Finance business had total net loans and advances to customers and operating lease assets of £3.3 billion as at 31 July 2025, with a typical maturity of 3-4 years, an average loan size of c. £52,000 and approximately 32,000 customers.

The *Invoice Finance* business provides debt factoring and invoice discounting and asset-based lending to the SME sector. The Invoice Finance business had total net loans and advances to customers of £1.4 billion as at 31 July 2025, with a typical maturity of 4 months, an average loan size of c. £612,000 and approximately 5,800 small businesses (excluding rentals businesses).

Property

The Property business specialises in short-term residential development finance and bridging finance in the UK. The client base is predominantly professional property developers with an established track record. The Property business had total net loans and advances to customers of £1.9 billion as at 31 July 2025, with a typical maturity of 12-24 months, an average loan size of c. £2.1 million and approximately 575 customers. The portfolio does not include any mortgages, buy-to-let mortgages or mezzanine finance.

LTV ratios and underwriting model

CBL is a predominantly secured lender, focusing on small ticket short tenor deals, with conservative loan to value ("**LTV**") ratios, with typical LTV ratios ranging from 84% in the Motor Finance business, 80-90% in the Premium Finance business, 98% in the Asset Finance business and 101% in the Leasing business, 60-70% in the Invoice Finance business and 50-70% in the Property business as at 31 July 2025. The underwriting model is well established and is based on local, specialist underwriting expertise with strong central oversight, resulting in a strong credit performance with loan losses limited to 0.6-2.3% over a 10 year period and an average of 1.1%.

Funding and liquidity

The lending businesses are supported by the Treasury function, which provides funding for the Group's lending activities through corporate deposits, retail savings products and wholesale funding while maintaining an appropriate level of liquidity.

The Group remains soundly funded with access to total funding of £12.7 billion as at 31 July 2025, funding total net loans and advances to customers of £9.5 billion and £0.2 billion of operating lease assets. The Group has diverse sources of funding and currently utilises:

- senior unsecured debt and subordinated debt;
- other facilities including securitisations and the government's Term Funding Scheme;
- retail deposits;

- corporate deposits; and
- equity.

The Group has diversified its sources of funding through debt capital markets issuance, raising retail deposits and utilising repurchase and securitisation agreements. This has enabled it to consistently meet its funding requirements and support growth in the loan book.

The Group has a robust liquidity framework with policies in place to ensure it meets short-term and long-term cash flow needs as well as satisfying any external regulatory requirements. The Group has maintained a level of liquidity which is appropriate in relation to the Group's cash flow needs and the current market environment.

At 31 July 2025, the Group had £2.8 billion of treasury assets, all of which were high quality liquid assets. As at 31 July 2025, the Group did not hold any certificates of deposit.

Performance

The following table sets out a summary of certain information relating to the performance of the Group's Banking business for the financial year ended 31 July 2025 and for the 10 year average over the financial years ended 31 July 2016 to 31 July 2025.

	10 year average (2016 – 2025)[1]	**Year ended 31 July 2025**
Return on opening equity[2]	14.4%	8.6%
Return on net loan book[3]	2.6%	2.1%
Bad debt ratio[4]	1.1%	1.0%
Net interest margin[5]	7.7%	7.2%

[1] Results for the 2024 Financial Year have been re-presented to present rentals business below the line, in line with the results for the 2025 Financial Year .

[2] Adjusted operating profit after tax and non-controlling interests on opening equity, excluding non-controlling interests.

[3] Adjusted operating profit from lending activities on average net loans and advances to customers and operating lease assets.

[4] Impairment losses on average net loans and advances to customers and operating lease assets.

[5] Net income generated by lending activities, including net interest income, net fees and commissions and net operating lease income (deducting depreciation), on average net loans and advances to customers and operating lease assets.

Loan book growth (including operating lease assets)	5.0%	(4%)

Tender Offer

On 26 January 2026, the Issuer announced an invitation to holders of its £200,000,000 subordinated notes due 2031 (ISIN: XS2351480566) (the "**Existing Notes**") to tender such Existing Notes for purchase by the Issuer for cash (the "**Tender Offer**").

The Tender Offer is being made as part of the Issuer's active management of its capital base. The Tender Offer will also provide liquidity to holders of the Existing Notes and an opportunity to redeploy funding into the Notes. Existing Notes purchased by the Issuer pursuant to the Tender Offer are expected to be cancelled and will not be re-issued or re-sold.

Directors

The directors of the Issuer are as follows:

Name	***Position***	***Principal Outside Activities***
Mike Biggs……..	Chairman	None
Mike Morgan……	Chief Executive	Member of the finance, audit and risk committee of Battersea Dogs & Cats Home
Fiona McCarthy……..	Group Chief Finance Officer	None
Mark Pain……	Senior Independent Director	Chairman and Non-executive Director of AXA UK plc and Non-executive Chairman of Empiric Student Property plc
Tracey Graham……..	Independent Non-executive Director	Senior Independent Director of Nationwide Building Society, Senior Independent Director and non-executive director of Pension Insurance Corporation plc and Pension Insurance Corporation Group Limited, and non-executive director of Virgin Money UK plc and Clydesdale

		Bank plc
Kari Hale…….	Independent Non-executive Director	Non-executive Director at AXA UK plc
Patricia Halliday……..	Independent Non-executive Director	Director of State Street Corporation and Non-executive director of TD Bank Europe Limited
Tesula Mohindra…..……..	Independent Non-executive Director	Non-executive Director of RAC Group and NHBC (National House Building Council) and trustee at Variety, the Children's Charity
Sally Williams…….	Independent Non-executive Director	Non-executive Director of Lancashire Holdings Limited and the National Farmers Union Insurance Society (NFU) and trustee of Ovarian Cancer Action

The business address of each of the directors of the Issuer is 10 Crown Place, London EC2A 4FT.

There are no potential conflicts of interests between any duties to the Issuer of the directors listed above and their private interests and/or other duties.

Recent Developments

On 20 November 2025, the Issuer published its scheduled unaudited trading update relating to the first quarter of its 2026 financial year from 1 August 2025 to 31 October 2025 (the "**Trading Update**") (which is incorporated by reference in these Admission Particulars).

In the Trading Update, the Group announced that its CET1 capital and total capital ratios stood at 12.9 per cent. and 17.1 per cent., respectively, at 31 October 2025 (31 July 2025: 13.8 per cent. and 17.8 per cent.). The decrease in the quarter was primarily driven by the additional provision in respect of motor finance commissions. Taking into account the estimated CET1 benefit from the sale of Winterflood[6], the *pro-forma* CET1 capital ratio as at 31 October 2025

[6] The sale of Winterflood is expected to increase the Group's CET1 capital ratio by c.55 basis points on a *pro-forma basis* as at 31 October 2025, of which c.30 basis points was recognised upon completion, with a further c.25 basis points expected in due course from the reduction in operational risk weighted assets.

would be c.13.4 per cent., significantly above the Group's regulatory requirement of 9.7 per cent.

TAXATION

UK Taxation

The comments below, which are of a general nature and are based on the Issuer's understanding of UK tax law (as applied in England and Wales) and HM Revenue & Customs' published practice (which may not be binding on HM Revenue & Customs, in each case as at the date of these Admission Particulars and which are subject to change (possibly with retrospective effect)), relate only to the UK withholding tax treatment of payments of interest in respect of the Notes. They are not exhaustive and do not purport to constitute legal or tax advice. They do not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. They relate only to the position of persons who are the absolute beneficial owners of their Notes and some aspects may not apply to certain classes of person to whom special rules may apply. References to "interest" and "principal" refer to "interest" and "principal" as those terms are understood for UK tax purposes, and the comments below do not take any account of any different definitions of "interest" or "principal" which may be created by the Conditions or any relevant documentation. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly advised to consult their own professional advisers.

The Notes issued will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 ("**ITA 2007**") provided they carry a right to interest and are and continue to be (i) listed on a recognised stock exchange, within the meaning of section 1005 ITA 2007 or (ii) admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange, within the meaning of section 987 ITA 2007. The International Securities Market of the London Stock Exchange is a multilateral trading facility operated by a regulated recognised stock exchange for these purposes. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of UK income tax.

Interest on the Notes may also be paid without withholding or deduction for or on account of UK income tax where the maturity of the Notes is less than 365 days (provided that such Notes do not form part of an arrangement of borrowing intended to be, or capable of remaining, outstanding for more than 364 days). In other cases, an amount must generally be withheld from payments of interest on the Notes on account of UK income tax at the basic rate (currently 20%), subject to any other available exemptions and reliefs (such as a direction by HM Revenue & Customs that interest may be paid without withholding, or with withholding at a reduced rate, to a specified Noteholder following an application by that Noteholder under an applicable double tax treaty).

As part of the UK Autumn Budget 2025, the Chancellor of the Exchequer announced plans to increase the savings rate of income tax, to take effect from 6 April 2027. Assuming that the relevant provisions of the Finance (No.2) Bill published on 4 December 2025 are enacted as currently drafted, the basic rate at which an amount must be withheld from payment of interest on the Notes on account of UK income tax will be 22%.

SUBSCRIPTION AND SALE

Merrill Lynch International and UBS AG London Branch (together, the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement (the "**Subscription Agreement**") dated 30 January 2026, agreed to subscribe or procure subscribers for the Notes at the issue price of 100.00 per cent. of their principal amount less a combined management and underwriting commission, subject to the provisions of the Subscription Agreement. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the issue price to the Issuer.

Selling Restrictions

United States

The Notes have not been, nor will they be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act.

Each Joint Lead Manager has represented and agreed that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Joint Lead Manager has further agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to UK retail investors

Each Joint Lead Manager has represented and warranted that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by these Admission Particulars in relation thereto to any retail investor in the UK. For the purposes of this section, the expression "**retail investor**"

means a person who is not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Other UK regulatory restrictions

Each Joint Lead Manager has represented and agreed that:

(A) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(B) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Prohibition of sales to EEA retail investors

Each of the Joint Lead Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of EU MiFiD II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Italy

Each Joint Lead Manager has acknowledged that the offering of the Notes has not been and will not be registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Admission Particulars or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the "**Prospectus Regulation**") and any application provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Accordingly, each Joint Lead Manager has acknowledged that any offer, sale or delivery of the Notes or distribution of copies of the Admission Particulars or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if these Admission Particulars (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Singapore

These Admission Particulars have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, these Admission Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Notification under Section 309B(1)(c) of the SFA - Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and "Excluded Investment Products" (as

defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Hong Kong

Each Joint Lead Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

General

Each Joint Lead Manager has represented and agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes these Admission Particulars and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee nor any of the Joint Lead Managers shall have any responsibility therefor.

None of the Issuer, the Trustee or any of the Joint Lead Managers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

GENERAL INFORMATION

Authorisation

The issue of the Notes was duly authorised by resolutions of the Board passed on 9 December 2025 and resolutions of a committee of the Board passed on 15 January 2026.

Listing of Notes

Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the ISM. It is expected that admission of the Notes to trading on the ISM will be granted on or about the Issue Date.

The Issuer estimates that the total expenses related to the admission to trading will be approximately £7,200.

Documents Available

For so long as any Note remains outstanding, the following documents will be available for inspection on the Issuer's website at https://www.closebrothers.com/close-brothers-group, save where an alternative location is stated below:

(a) these Admission Particulars together with the documents containing information incorporated by reference herein;

(b) the Trust Deed (which includes the form of the Global Certificate); and

(c) the up-to-date articles of association of the Issuer (accessible at: https://find-and-update.company-information.service.gov.uk/company/00520241/filing-history).

Copies of these Admission Particulars and any documents containing information incorporated by reference in these Admission Particulars will also be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at the following address: http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Indication of Yield

Based upon an issue price of 100.00 per cent. of the principal amount of the Notes, the yield of the Notes for the period from (and including) the Issue Date to (but excluding) the Reset Date, is 6.125 per cent. per annum on a semi-annual basis. The yield is calculated at the Issue Date and is not an indication of future yield.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS3277031293 and the Common Code is 327703129. The CFI and FISN for Notes will be set out on the website of the Association of National Numbering Agencies

(ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN for the Notes (as applicable).

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Adverse Change

There has been no significant change in the financial or trading position of the Issuer or the Group since 31 July 2025 and there has been no material adverse change in the prospects of the Issuer or the Group as a whole since 31 July 2025.

Litigation

Save as disclosed in relation to the FCA's review of historic motor commission arrangements as detailed in the sections of the Annual Report for the 2025 Financial Year which are incorporated by reference into these Admission Particulars, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer is aware which may have, or have had during the 12 months prior to the date hereof, a significant effect on the Issuer's ability to meet its obligations to holders of the Notes.

Independent Auditors

PricewaterhouseCoopers LLP, a member of the Institute of Chartered Accountants in England and Wales and Registered Auditors, audited the Issuer's consolidated financial statements without qualification as of and for each of the financial years ending 31 July 2024 and 31 July 2025.

The independent auditors of the Issuer have no material interest in the Issuer.

Conflicts of Interest

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Joint Lead Managers and/or their affiliates may receive allocations of Notes (subject to customary closing

conditions) which may affect the future trading of the Notes. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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