

## Close Brothers Finance plc

### SECTION 172(1) STATEMENT

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the directors provide the following statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company under section 172.

Section 172 requires a director to have regard to the following matters, among others, when discharging their duty: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The Company is a subsidiary of Close Brothers Limited and is part of the Group. As such it follows a range of group-wide policies in place to ensure compliance with all regulatory requirements and adherence to the highest professional and ethical standards in dealing with suppliers and colleagues, and to ensure that it continues to operate in a socially responsible and compliant manner. In doing so, and by balancing the interests of the Company's stakeholders when making decisions, the Board seeks to maintain a reputation for high standards of business conduct. Further information on these group-wide policies can be found in the annual report of the Company's ultimate holding company, Close Brothers Group plc.

The Company exists as a funding vehicle for the Group through the issuance of notes under a Euro Medium Term Note Programme by the Company as required, guaranteed by Close Brothers Limited. As such, it performs a very limited range of activities and the breadth of stakeholder and other considerations that would often apply to commercial trading companies generally do not apply to the decisions made by the directors. Accordingly, the Company has no employees, only a sole member, and limited stakeholders, combined with the size of the Group which it supports, means that stakeholder engagement often takes place at an operational or group level. The board considers that this approach creates greater efficiency and facilitates a greater positive impact on environmental, social and other issues than may be possible at an individual company level only.

Board meetings are held periodically where the directors consider the Company's principal activities and make decisions. At those meetings, the directors receive information in a range of different formats on section 172 matters when making relevant decisions.

The directors have had regards to the matters set out in section 172(1) of the Act as follows:

- the documents governing the financing transactions to which the Company is party (together, the "transaction documents") have been formulated with the aim of achieving the Company's purpose and business objectives and promoting the success of the Company with a long term view;
- as the Company exists as a funding vehicle for the Group it does not generate profit and loss on its own account;
- the Company has no employees;
- the directors have regard to the interests of the bondholders amongst other factors as part of their decision-making process;
- the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment; and
- the Company has a sole member, Close Brothers Limited.

During the financial year, the board met to discuss the update of the Euro Medium Term Note Programme. As part of its consideration of the programme documents, the Board considered whether the Company's participation in the update would be in the best interest of the Company's business and would promote the success of the Company for the benefit of its members as a whole, as well as the likely long term consequences of such decision.