

Governance at a glance

Compliance with the UK Corporate Governance Code 2018

The UK Corporate Governance Code 2018, published by the Financial Reporting Council (“FRC”), applied to the company throughout the financial year ended 31 July 2025. A copy of the Code can be found on the FRC’s website at www.frc.org.uk.

It is the Board’s view that, throughout the year, the company has applied the principles and complied in full with the provisions set out in the Code. The following table sets out the relevant sections of this Annual Report 2025, where shareholders can read in more detail how we have embedded governance principles and specific provisions of the Code across our organisation.

| | |
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The UK Corporate Governance Code 2024 (the “2024 Code”) applies to the financial year beginning 1 August 2025. The principles and provisions of the 2024 Code have been robustly considered and the group is evolving its corporate governance practices to ensure continued compliance once the provisions of the 2024 Code become applicable. More information on the group’s response to the 2024 Code can be found on page 135.

Board statistics

Board composition as at the date of publication is summarised below. Membership of the Board is continuously reviewed to ensure the group’s current and future needs are met. More information can be found on pages 136.



Gender diversity

| | |
|--------|---|
| Female | 5 |
| Male | 4 |



Ethnic diversity

| | |
|---------------------|---|
| White/White British | 8 |
| Asian/Asian British | 1 |



Balance of the Board

| | |
|-------------------------|---|
| Executive Directors | 2 |
| Non-executive Directors | 7 |



Board tenure

| | |
|-----------|---|
| 0-3 years | 3 |
| 4-6 years | 5 |
| 7-9 years | 1 |

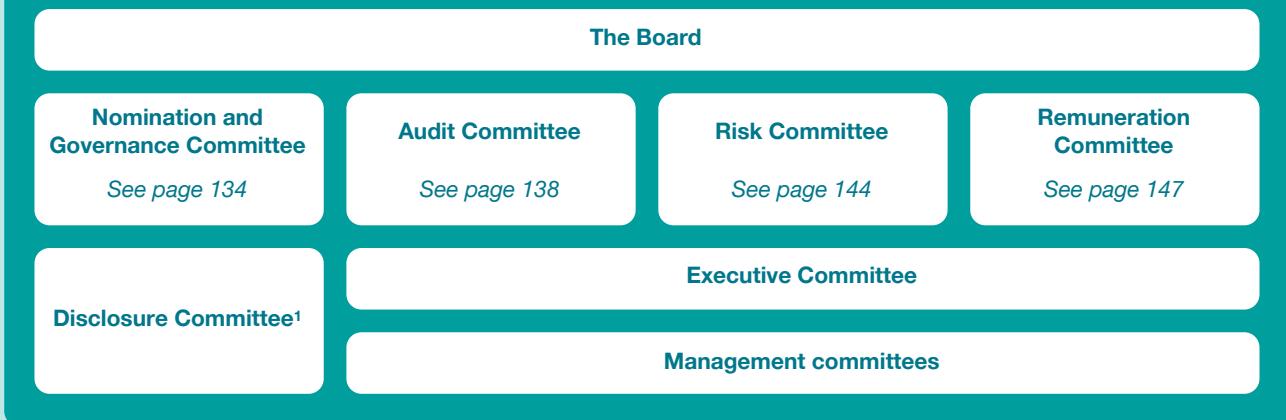
Non-executive Directors’ skills and experience

All appointments to the Board follow a robust decision-making process, which may include conducting an external search where appropriate. Our view is that the Board possesses the right balance of skills and experience to navigate the challenges ahead and to deliver long-term, sustainable growth. The effectiveness of the Board and its committees has been assessed this financial year by an internal approach led by the Company Secretary, which confirmed that the Board and its committees continue to be effective. The findings of the annual Board evaluation can be found on page 130. The number of Non-executive Directors possessing deep experience in each area as at the date of publication is shown in the chart below.

| | | |
|------------------------------------|-----|---------|
| Broad financial services | 6/7 | ●●●●●● |
| Finance, audit and accounting | 7/7 | ●●●●●●● |
| People and culture | 7/7 | ●●●●●●● |
| Risk | 7/7 | ●●●●●●● |
| Regulatory framework | 7/7 | ●●●●●●● |
| ESG | 6/7 | ●●●●●● |
| Technology, digital and operations | 6/7 | ●●●●●● |
| Strategy | 7/7 | ●●●●●●● |
| Leadership | 6/7 | ●●●●●● |
| Listed company governance | 7/7 | ●●●●●●● |

Our governance framework

The Board's principal responsibilities are to promote the long-term success of the group and to create and deliver value for shareholders, while protecting the interests of other stakeholders. The Board sets the group's strategy and has responsibility for the governance, performance, culture and risk management, and internal controls of the group.



Overview of the Board's work this year

See page 126.



Leading the group's response to regulatory matters, in particular the ongoing uncertainty in relation to motor commissions, which included the decision to appeal the Court of Appeal's decision in Hopcraft to the Supreme Court.



Oversight of strategic activities to simplify the group and to ensure it is well positioned to generate strong returns. These decisions included the sale of Close Brothers Asset Management and Winterflood, the decision to wind down Close Brothers Vehicle Hire, and the repositioning of the Premium Finance business to focus the growth of the business towards commercial lines insurance premium finance.



Executing a number of actions to strengthen the group's available CET1 capital by approximately £400 million by the end of the 2025 financial year including loan book moderation, cost-saving initiatives, and the sale of Close Brothers Asset Management.



Further development of significant multi-year cost management initiatives, aimed at achieving at least £20 million of annualised cost savings by the end of the 2025 financial year, which has been exceeded with £25 million of savings achieved.

Board priorities for FY 2026



Concluding the execution of activities for simplification of the group and cost saving initiatives to drive sustainable growth and enhance efficiency.



Continuing to build on the findings of recent Board evaluations and the embedding of enhanced internal controls processes ahead of the adoption of the 2024 Code, to ensure the group operates under the highest standards of corporate governance.



Continuing to engage with a wide range of stakeholder groups to ensure the expectations of stakeholders are considered and embedded in Board decision-making, especially as the group emerges from the ongoing motor commissions uncertainty.



Overseeing orderly succession planning at Board level, taking into account the tenure of current Directors and the current Board's skill set against its current needs, along with diversity and inclusion.