

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 investors 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 and accounts 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 do not generally apply to the decisions made by the Directors. Accordingly, the Company has no employees, only a sole member, and a limited number and range of stakeholders. Combined with the size of the Group which it supports, this means that stakeholder engagement 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 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 obligations of the Company to fulfil its payment obligations to bondholders amongst other factors as part of their decision making process.
- The Company has no physical presence or operations and accordingly has a very minimal impact on the community and the environment.
- The Company is a subsidiary of the Group, which gives significant consideration to the impact it has on the environment and communities.
- The Company is wholly owned by other companies in the Group. All of its shares are held by Close Brothers Limited, with the exception of one share which is held by Close Brothers Group plc.

During the financial year, the board met several times to consider the consequences of the Court of Appeal’s decision in Hopcraft in October 2024 and the actions that the Company should take in response. The board considered the potential impacts on the Company’s stakeholders, most notably its sole shareholder and its creditors. The board satisfied itself that the group-wide response would adequately address the needs of the Company and its various stakeholders.