

SECTION 172(1) STATEMENT AND STATEMENT OF ENGAGEMENT WITH OTHER STAKEHOLDERS, INCLUDING EMPLOYEES

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) (a) to (f) of the Act, when performing their duty to promote the success of the company under section 172.

Furthermore, in compliance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the statement which follows also describes how the Directors have engaged with, and had regard to, the interests of employees, suppliers, customers and other relevant parties in a business relationship with the company.

Section 172 of the Act 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 as between the members of the company.

The board of the company is collectively responsible for managing the affairs of the company to deliver long-term value. It does this, among other things, by making important decisions, monitoring performance and having regards to legal and ethical standards. Board meetings are held as required where the directors will consider the company’s principal activities and make decisions. As part of those meetings, the directors receive information in a range of different formats on section 172 matters when making relevant decisions.

As a holding company to the wider group, the company performs a limited range of activities. The company’s registered office address is shared with that of its parent company, and it has no other physical presence. Accordingly, the company has minimal impact on the community and the environment. The company also has a sole member, Close Brothers Group plc. Furthermore, the company has no employees and, combined with the size of the Group, this 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.

The company is a direct subsidiary of Close Brothers Group plc and is part of the wider Close Brothers Group (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 stakeholders, 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 directors seek to maintain a reputation for high standards of business conduct. Further information on these group-wide policies, including the parent company’s statement about how its directors have had regard to the interests of employees, and of suppliers, customers and others in a business relationship with the parent or the Group, can be found in the annual report and accounts of the parent company, Close Brothers Group plc.

Notwithstanding the company’s relatively limited stakeholders for the reasons given above, when making decisions the directors also seek, where appropriate, to consider the stakeholders of the broader Group, and any impact that their decisions may have on those stakeholders, including Group employees, customers and regulators, and the members of its parent company. The directors also have regard to the likely consequences of a decision in the long term, while acknowledging that individual decisions may affect stakeholder groups differently.

Below is an example of the ways in which the directors have had regards to the matters set out in section 172(1) (a)-(f) of the Companies Act 2006, and have engaged with, and had regard to, the interest

of employees, and the need to foster the company's business relationships with suppliers, customers and others in their decision making.

Approval of Sales of Businesses

During FY25, the Board completed strategic considerations which led to the decision to sell two subsidiaries: Close Brothers Asset Management (CBAM) and Winterflood. The review included extensive engagement with key internal and external stakeholders, including shareholders, employees, and regulatory advisors.

In line with the directors' duties under section 172(1) of the Companies Act 2006, the Board carefully considered the long-term implications of the sale of each business, including the impact on employee roles, client continuity, and the Group's strategic focus. The Board agreed that the sales would allow the Group to concentrate on core banking operations and help to further shareholder value. The Directors also ensured that the transactions were structured to preserve client relationships and minimise disruption to employees.

The Board received regular updates and feedback from management and advisors throughout the process, and stakeholder considerations were embedded in all deliberations. The decision reflects the Board's commitment to acting fairly and promoting the success of the company for the benefit of its members as a whole.