

## Corporate Governance Report



**Michael N. Biggs** Chairman

On behalf of the board, I am pleased to introduce the Corporate Governance Report for the year ended 31 July 2020. The pages that follow provide detail on the group's governance structure and key activities undertaken by the board and its committees during the year to ensure effective decision-making and oversight of the group's strategy, business model and performance.

### Chairman's Introduction

The board strongly believes that high standards of corporate governance and effective board oversight are important to the group's performance, the delivery of its strategy and in supporting long-term sustainable success for the company's shareholders and other stakeholders. At Close Brothers, we are committed to maintaining a robust and effective governance and risk management framework. The board therefore welcomes the principles and provisions set out in the 2018 UK Corporate Governance Code, many of which were well-embedded in prior years. We are pleased to report that we have now completed our first year under the new Code and set out further detail on how we have complied with it in this report.

During the Covid-19 pandemic, the board has adapted to ensure that it continues to provide effective oversight of the group's operations, and challenge and support for senior management, whilst maintaining its clear focus on stakeholder interests. The board has met regularly via video conference during the pandemic, including weekly meetings at the peak of the UK lockdown. Further information on the operation of the board during the pandemic appears later in this report.

The board acknowledges the continuing focus on sustainability and the contribution that business makes to the wider community. Once again this year, the board has spent time on sustainability considerations, including as part of strategy discussions and regular environmental, social and governance ("ESG") updates, and I have been pleased to discuss the board's approach in this area with shareholders. The board has remained conscious of the group's purpose, and the importance of continuing to support our customers, clients and employees during the challenges presented by Covid-19.

On 22 June 2020, we were delighted to announce that Adrian Sainsbury had been selected to succeed Preben Prebensen as chief executive. Adrian's deep knowledge and experience, strong leadership and exceptional commercial expertise make him ideally placed to lead the group through the next stage of its development. His appointment also provides continuity in the group's leadership team and business model, ensuring that we continue delivering for our people, our customers, and our shareholders in the years to come. Preben formally stepped down as chief executive and a director at the end of the board's meeting on 21 September 2020, after 11 years in the role. On behalf of the board, I would like to thank Preben for his outstanding leadership and very significant contribution over many years.

The board was further refreshed during the year with the appointment of Sally Williams, who became an independent non-executive director on 1 January 2020. Further detail on the search process led by the Nomination and Governance Committee that culminated in Sally's appointment can be found on page 85.

After more than nine years' dedicated service on the board, Geoffrey Howe has decided not to seek reappointment at this year's AGM. I would like to thank Geoffrey for his enormous contribution to the board and his invaluable judgement and wise counsel. The board's search to identify a successor to Geoffrey is well-advanced and, subject to completion of the regulatory approval process, the board anticipates being in a position to announce its final decision on an appointment in due course following the AGM in November. I am pleased that Oliver Corbett has agreed to take on the additional role of senior independent director on an interim basis during the period between Geoffrey stepping down from the board at the AGM and the appointment of a permanent successor.

Stakeholder engagement continues to be a priority for the board. During the year the board has used formal meetings and other opportunities to discuss the group's performance and delivery of its strategy with group and divisional executives. This included consideration of stakeholders and their interests, as well as risks arising from the wider regulatory, economic and political environment. This year, we have introduced enhancements to our corporate governance reporting in line with the Code and applicable legislation. You can find our formal statement in relation to section 172 of the Companies Act 2006, together with further detail about how the directors have engaged with, and had regard to the interests of, stakeholders, in the Strategic Report on pages 18 to 23.

The board recognises the important role that it plays in establishing and monitoring the group's purpose, culture and values, and setting the right tone from the top. The ongoing assessment of the contribution of culture and values to the group's long-term success remains a focus for the board. Once again, in my own engagement with employees from across the group, I have been pleased to see the group's strong and distinctive culture in action, as evidenced by our employees' desire to support customers, clients and partners during the Covid-19 pandemic.

Diversity and inclusion continues to be an important area for the board and the Nomination and Governance Committee, including as part of ongoing board succession planning and the development of a diverse and inclusive talent pipeline below board level. This year, the directors approved amendments to the board diversity and inclusion policy, to include the aim of having at least one director of colour by 2024. Further detail on the board's approach to diversity and inclusion can be found on page 70.

During the year, the board carried out an internal evaluation of its effectiveness and performance. The results found that the board and its committees continue to function effectively. Further details of this evaluation can be found on page 76.

In this section of the Annual Report you will also find the Directors' Remuneration Report, setting out disclosures required by statute, regulation and best practice in relation to remuneration matters. I was pleased that last year's AGM resolution approving the 2019 Directors' Remuneration Report was passed with nearly 99% of votes cast in favour. Executive remuneration remains an important area of focus and reform, and the board continues to monitor developments on this topic closely. The Remuneration Committee has spent considerable time in the year on its triennial review of the Directors' Remuneration Policy which, following extensive consultation with shareholders, will be submitted for approval at this year's AGM. Further information on the new policy can be found on pages 91 to 101.

Engagement and dialogue with shareholders are very important to the board and I have been pleased to meet with a number of our shareholders during the year to discuss a range of topics and to ensure that the board is aware of our shareholders' views. The company's AGM is scheduled to take place on 19 November 2020. This would usually be a valuable opportunity for me and my fellow directors to meet with shareholders and discuss the performance of the group. The board's current expectation is that government guidance will not allow shareholders to attend the AGM in person. Further detail, including on a facility for shareholders to submit questions on the business of the AGM, will be set out in the Notice of AGM to be published in due course. If it is not possible for the board to meet with shareholders in November, we hope to be able to return to a more typical AGM next year.

**Michael N. Biggs**  
Chairman

22 September 2020

### UK Corporate Governance Code

The UK Corporate Governance Code 2018, published by the Financial Reporting Council ("FRC") (the "Code"), applied to the company throughout the financial year. A copy of the Code can be found on the FRC's website: [www.frc.org.uk](http://www.frc.org.uk).

The Code sets out guidance on best practice in the form of principles and provisions on how companies should be directed and controlled to follow good governance practice. The Financial Conduct Authority ("FCA") requires companies with a premium listing in the UK to disclose, in relation to the Code, how they have applied its principles and whether they have complied with its provisions throughout the financial year. Where the provisions have not been complied with, companies must provide an explanation.

It is the board's view that throughout the year the company has complied with the principles and provisions set out in the Code, with the exception of the item noted below.

The only exception relates to provision 38 of the Code, which requires the pension contribution rates of executive directors to be aligned with those available to the workforce. During the 2020 financial year, the pension contribution rate of the former chief executive, Preben Prebensen, exceeded that of the general employee population in line with his service contract and the Directors' Remuneration Policy approved by shareholders in 2017 prior to publication of the Code. The pension contribution rate of the group's new chief executive, Adrian Sainsbury, is (like that of the group finance director, Mike Morgan) aligned with the general employee population, and the group is now therefore compliant with provision 38 in the current financial year. Additional information on the executive directors' remuneration can be found in the Directors' Remuneration Report that follows later in this Annual Report. Further detail as to how the company has applied and complied with the Code is set out in the remainder of this Corporate Governance Report.

### The Board Leadership of the board

The board's primary role is to provide effective leadership, to ensure that the company is appropriately managed, and delivers long-term shareholder value, thereby making a contribution to wider society. A key responsibility of the board is to define, promote and monitor the company's culture and values, setting the "tone from the top". It also ensures effective engagement with, and participation from, shareholders and other stakeholders. When making decisions, the board has regard to the interests of a range of stakeholders, including employees, customers, clients and shareholders, as well as its broader duties under s.172 of the Companies Act 2006. The company's formal s.172 statement can be found on page 20 of this Annual Report.

Another key function of the board is to establish the group's strategy, strategic objectives and purpose and to monitor management's performance against those objectives, and provide direction for the group as a whole. The board also supervises the group's operations, with the aim of ensuring that it maintains a framework of prudent and effective controls which enables risks to be properly assessed and appropriately managed.

The board acknowledges its role in assessing the basis on which the group generates and preserves value over the long term. It spends time during the year, in scheduled board meetings, during its annual strategy discussions and in other sessions with senior management and stakeholders, considering how opportunities and risks to the future success of the group's business should be addressed, alongside discussions on the sustainability of the group's model. Further information on these considerations can be found in the Strategic Report on pages 1 to 59 of this Annual Report.

## Corporate Governance Report continued

### Board size and composition

The board has nine members: the chairman, two executive directors and six independent non-executive directors. The board's members come from a range of backgrounds and the board is structured to ensure that no individual or group of individuals is able to dominate the decision-making process and no undue reliance is placed on any individual. The board and the Nomination and Governance Committee monitor the overall size of the board and the balance between its executive and non-executive membership. During the 2020 financial year, the board considers that its size has remained appropriate given the company's operations, however it is possible that additional appointments will be made over the coming years, including as part of the board's proactive approach to succession planning.

Details of the individual directors and their biographies are set out on pages 60 and 61.

### Board and senior management diversity and inclusion

The board acknowledges the benefits that diversity and inclusion can bring to the board and to all levels of the group's operations. As such, the board is committed to the promotion of diversity and inclusion across the group and to ensuring that all employees are treated fairly.

The board maintains a board diversity and inclusion policy, which is reviewed annually by the Nomination and Governance Committee. The policy recognises the importance of having directors with a range of skills, knowledge and experience, and embraces the benefits to be derived from having directors who come from a diversity of backgrounds, bringing different perspectives and the challenge needed to ensure effective decision-making. This year, the policy was updated to codify the board's aims (i) in its search for board appointments, of engaging only with external search firms which are signatories to the Voluntary Code of Conduct for Executive Search Firms and (ii) of having at least one director of colour by 2024 in line with the recommendations of the Parker Review.

The key aims and principles set by the board in its diversity and inclusion policy for board-level appointments and progress made include:

#### 1. Maintaining female representation on the board of at least 30%

Whilst the board aims to maintain female representation of at least 30%, it recognises that due to its relatively small size, the appointment or departure of a single director can have a significant impact on the achievement of this aim. At the date of this report, three of the board's nine members are women, meaning that female representation is in line with the recommendation of the Hampton-Alexander Review. The board remains committed to seeking to improve further its position on gender diversity when appropriate opportunities arise whilst continuing to make appointments based on merit, objective and defined criteria, and the particular skills and experience required for individual appointments.

#### 2. Having at least one director of colour by 2024

The board acknowledges the importance of cultural and ethnic diversity and the benefits this can bring. In line with the recommendations of the Parker Review, the board will aim to have at least one director of colour by 2024. External search firms used by the Nomination and Governance Committee will continue to be instructed to consider candidates from a broad range of backgrounds and experiences when preparing long-lists for review by the Committee.

#### 3. Engaging only external search firms which are signatories to the Voluntary Code of Conduct for Executive Search Firms

For board-level appointments, the Nomination and Governance Committee aims to engage only executive search firms which are signatories to the Voluntary Code of Conduct for Executive Search Firms. During the year, the Committee was supported in searches by MWM Consulting and Heidrick & Struggles, both of which are signatories to the Voluntary Code.

The Nomination and Governance Committee regularly reviews and evaluates the structure, size and composition of the board and is responsible for identifying and recommending new directors for appointment. Board appointments are made on merit against objective and defined criteria, following consideration by the Nomination and Governance Committee of the balance of skills, experience, knowledge and diversity required for the board to operate effectively as a whole. When considering board composition and appointments, the board and the Nomination and Governance Committee continue to have regard to relevant best practice and the findings of the Hampton-Alexander Review and the Parker Review.

The board regularly considers diversity and inclusion, including activities across the group to encourage a diverse pipeline, as part of discussions around succession planning and talent management throughout the year. During the year, the Nomination and Governance Committee received regular updates in this area, including in relation to the activities of employee working groups established to consider a broad range of discrete areas relating to diversity and inclusion matters. Further information on these initiatives can be found on pages 25 to 27 of the Strategic Report.

In line with the Code, further commentary on the diversity of the board, the Nomination and Governance Committee's oversight of diversity and inclusion matters, and future plans in this regard, is set out in the Nomination and Governance Committee Report on page 85. The board's diversity and inclusion policy is available on the Corporate Governance section of the company's website. The policy is subject to annual review by the Nomination and Governance Committee.

### Matters reserved to the board

A number of key decisions are reserved for, and may only be made by, the board. These specific matters and decisions are set out in a formal schedule, which enables the board and executive management to operate within a clear governance framework. The schedule of matters reserved to the board is reviewed annually and is published on the company's website.

The matters and decisions specifically reserved for the board include:

- responsibility for the overall direction of the group and oversight of the group's management;
- approval of the group's strategy and monitoring its delivery;
- oversight and monitoring of risk management, regulatory compliance and internal control systems and processes, and assessing the effectiveness of material controls;
- assessing the group's emerging and principal risks, the procedures in place to identify those risks and how they are managed and mitigated;
- ensuring adequate financial resources, including approving the group's Recovery and Resolution Plans, and the Internal Capital Adequacy Assessment Process ("ICAAP");
- changes to the group's dividend policy and significant changes in accounting policies;
- approving acquisitions, disposals, other transactions and expenditure over certain thresholds;
- changes to the capital structure of the group;
- approval of communications to shareholders;

- changes to the structure, size and composition of the board, following recommendations from the Nomination and Governance Committee;
- approval of corporate governance matters, including the evaluation of the performance of the board and its committees;
- undertaking appropriate engagement to understand the views of other stakeholders and reviewing stakeholder engagement mechanisms;
- leading the development, adoption, assessment and monitoring of the group's culture framework; and
- approval and oversight of the group's policy framework and ensuring that the group's policies, practices and behaviour are consistent with the company's values and support long-term, sustainable success.

When carrying out its duties, the board acts in accordance with relevant legislative and regulatory requirements and, in particular, takes into account the directors' duties contained in the Companies Act 2006 (the "Act"), including section 172 of the Act, the interests of the company's stakeholders, and any other relevant factors.

#### Board and committee meeting attendance in 2019/2020

During the year the board held seven regular scheduled meetings. In addition, all members of the board attended a strategy session with senior management in June 2020.

The attendance of directors at scheduled meetings of the board and the committees of which they were members during the 2020 financial year is shown in the table below. Some directors also attended committee meetings as invitees during the year, which is not reflected in the table. This included attendance by the executive directors at all meetings of the Audit and Risk Committees during the year.

The board held 11 additional ad hoc meetings in the year to consider a number of matters, including the group's response to Covid-19 and the chief executive succession. The Nomination and Governance Committee held four additional ad hoc meetings during the year to discuss the chief executive succession and non-executive director recruitment processes, and to consider and recommend to the board the appointments of Sally Williams

and Adrian Sainsbury. The Remuneration Committee held two additional ad hoc meetings during the year to discuss executive director pay and the compensation package for the new chief executive. The Risk Committee held one additional ad hoc meeting during the year to review the 2019 Internal Capital Adequacy Assessment Process. These additional meetings are not reflected in the table below. Further information on the operation of the board during the Covid-19 pandemic can be found below.

The annual schedule of board meetings is decided a substantial time in advance in order to ensure, so far as possible, the availability of each of the directors. In the event that directors are unable to attend meetings, they receive papers in the normal manner and have the opportunity to relay their comments and questions in advance of the meeting, as well as follow up with the chairman if necessary. The same process applies in respect of the various board committees.

At the end of each of the seven scheduled board meetings in the year, the chairman and the other non-executive directors met without any of the executive directors. In addition, the non-executive directors met during the year on an informal basis to discuss matters relevant to the group.

All non-executive directors receive the papers for meetings of those board committees of which they are not a member, and have a standing invitation to attend those meetings as an observer.

In addition to the calendar of formal board and committee meetings, there are other opportunities for all the directors to meet, both with and without senior management, to discuss the group, its operations, strategy and performance. These opportunities include informal dinners as well as working sessions at which the board considers a particular part of the company's business, performance or strategy in depth. These sessions are valued by the board and provide an additional chance to explore discrete issues in detail and to engage with employees from different levels across the group.

	Board		Audit Committee		Remuneration Committee		Risk Committee		Nomination and Governance Committee	
	Attended	Total	Attended	Total	Attended	Total	Attended	Total	Attended	Total
<b>Executive directors</b>										
Preben Prebensen <sup>1</sup>	7	7								
Mike Morgan	7	7								
<b>Non-executive directors</b>										
Mike Biggs	7	7							5	5
Oliver Corbett	7	7	5	5	5	5	6	6	5	5
Peter Duffy	7	7					6	6		
Geoffrey Howe	7	7	5	5	5	5	6	6	5	5
Lesley Jones	7	7	5	5	5	5	6	6	5	5
Bridget Macaskill	7	7	5	5	5	5	6	6	5	5
Sally Williams <sup>2</sup>	5	5	3	3			4	4		

1 Preben Prebensen ceased to be a director at the conclusion of the board's meeting on 21 September 2020 after deciding to step down as chief executive as previously announced on 24 September 2019. Adrian Sainsbury joined the board as chief executive at the conclusion of the board's meeting on 21 September 2020 and was not therefore eligible to attend board meetings during the 2020 financial year as a director; however, he attended all board meetings in the year in his previous role as Banking division managing director.

2 Sally Williams was appointed as an independent non-executive director and a member of the Audit and Risk Committees with effect from 1 January 2020.

## Corporate Governance Report continued

### Operation of the board during the Covid-19 pandemic

The board met regularly via video conference during the Covid-19 pandemic to monitor the evolution of the pandemic and its impact on the group, and to oversee the group's response. In addition to scheduled board meetings in the period (included in the table on page 71), the board held eight ad hoc meetings between the entry of the UK into lockdown in March and the end of the financial year on 31 July 2020, meeting weekly at the peak of the lockdown. The board's focus and agenda developed during these meetings as the pandemic and its impact on the group moved into different phases. A key priority for the board throughout was consideration of the impact of the pandemic on key stakeholder groups, including employees, customers, clients, partners, suppliers and shareholders, and the directors received regular updates on developments relating to individual stakeholder groups.

The main areas considered by the board during the pandemic included:

- reviewing the operational and financial performance of the group and each of its divisions, including consideration of the liquidity, funding and capital position of the group;
- oversight and discussion of the group's operational and technology planning for lockdown and, subsequently, the return of employees to the workplace in line with government guidance;
- monitoring the impact of the pandemic on employees, including discussion of the results of, and actions taken by management in response to, all-employee wellbeing surveys throughout the pandemic;
- consideration of customer, client and partner matters, including oversight of the Banking division's approach to customer forbearance through regular reviews of management information and dashboards;
- the Banking division's participation in HM Government's Coronavirus loan schemes;
- monitoring and oversight of the group's control and risk framework, including consideration of issues arising from home working by employees;
- updates on guidance published by, and on management's engagement with, regulators;
- the decision to cancel the 2020 interim dividend, further information on which can be found on page 22 of this Annual Report; and
- the review and approval of scheduled trading updates to the market, and discussion of associated disclosure considerations.

In addition, the non-executive directors have continued to meet via video conference with senior management outside formal board meetings to discuss the group's response to the pandemic and relevant developments. These meetings have included, among others, regular sessions between the chairman and the chief executive, the group finance director and the chair of the Audit Committee, and the group chief risk officer and the chair of the Risk Committee.

During the pandemic the regular flow of high-quality information to the board has been maintained. As the group's response to the pandemic has evolved, additional metrics and reporting have been provided to the board to ensure that it has access to all relevant information to enable it to effectively oversee the group's response and to assess the impact of the pandemic on the group's performance. Examples of additional information provided to the board have included regular reporting and data on customer forbearance and updates on the group's approach to home working and, subsequently, the gradual return to the workplace.

The effectiveness of the board during the pandemic was specifically considered as part of this year's board and committee evaluation. The evaluation concluded that the board continued to perform effectively throughout the pandemic. Further detail on the evaluation can be found on page 76.

Further information on the group's response to Covid-19 can be found on page 11 of this Annual Report.

### Governance Framework Board governance structure

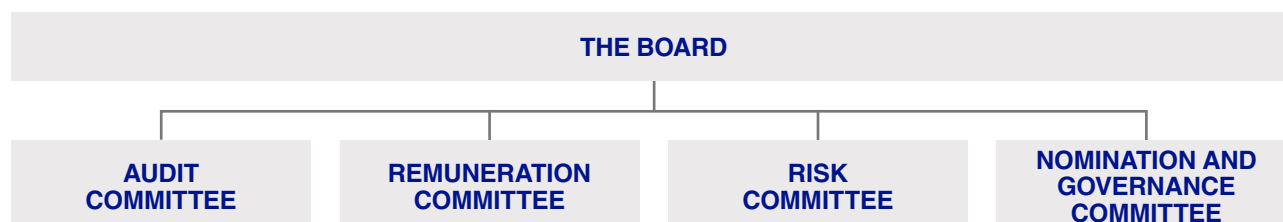
The board has delegated responsibility for certain matters to its committees. The committee structure is shown in the diagram below. Each committee has written terms of reference which are reviewed annually. These terms of reference outline each committee's role and responsibilities and the extent of the authority delegated by the board. They are available on the company's website at <https://www.closebrothers.com/investor-relations/investor-information/corporate-governance>. This year, each committee's terms of reference were updated to reflect, among other things, recent industry guidance, best practice and changes arising from the application of the Code. The chair of each committee reports regularly to the board on matters discussed at committee meetings.

Reports for the board's committees are set out later in this report and they include further detail on each committee's role and responsibilities, and the activities undertaken during the year.

### Meetings of the board

At each scheduled meeting the board receives reports from the chief executive and group finance director on the performance and results of the group. The board discusses performance, strategic initiatives and developments in each of the group's divisions, including updates from divisional chief executives on their respective areas. The group chief risk officer and the group general counsel have a standing invitation and provide updates on their respective functions. The board also receives regular reports from the group human resources, operations, corporate development, compliance and internal audit functions.

### Board Committee Structure



There is an annual schedule of rolling agenda items to ensure that all matters are given due consideration and are reviewed at the appropriate point in the financial and regulatory cycle. Meetings are structured to ensure that there is sufficient time for consideration and debate of all matters. In addition to scheduled or routine items, the board also considers key issues that impact the group, as they arise.

The directors receive detailed papers in advance of each board meeting. The board agenda is carefully structured by the chairman in consultation with the chief executive and the company secretary. Each director may review the agenda and propose items for discussion, with the chairman's agreement. Additional information is also circulated to directors between meetings, including relevant updates on business performance and regulatory interactions.

Each scheduled board meeting includes time for discussion between the chairman and the non-executive directors without the executive directors.

#### Key board activities during the year

During the year, the board has spent time particularly on:

- considering the group's response to, and the impact of, the Covid-19 pandemic;
- strategic aims and performance of businesses across the Banking division and the Asset Management division and Winterflood, as well as for the group as a whole;
- customer matters, including the group's customer experience programme;
- the development of the group's operational risk framework and requirements in relation to operational resilience;
- strategic projects affecting the group and individual businesses, including the Motor Finance transformation programme, the group's LIBOR transition programme and the project to develop the models, systems and processes required to use the Internal Ratings Based approach for the calculation of regulatory capital requirements for credit risk;
- updates on the progress of discrete workstreams arising out of the board's annual strategy days;
- discussions in relation to dividend payments in 2020;
- IT and cyber matters, and associated projects;
- the group's culture framework and a quarterly review of the group's culture dashboard which sets out information and key metrics in relation to culture across the group and each of its divisions;
- discussing the results of the group's biennial employee opinion survey and follow-up actions proposed by management;
- reviewing the competitive landscape;
- review of the group's financial lines insurances as part of the annual renewal process;
- engagement with regulators and regulatory developments during the year, including matters arising out of the Covid-19 pandemic;
- the review and approval of the group's Recovery and Resolution Plans;
- capital planning and considering and approving the ICAAP and the Internal Liquidity Adequacy Assessment Process;
- the annual review of group risk appetite statements; and
- the internal board and committee effectiveness evaluation.

#### Chairman and chief executive

In line with the Corporate Governance Code, the role of the chairman is distinct and separate from that of the chief executive and there is a clear division of responsibilities between the two roles. A description of the responsibilities of the chairman and chief executive, as approved by the board, can be found on the company's website at [www.closebrothers.com/investor-relations/investor-information/corporate-governance](http://www.closebrothers.com/investor-relations/investor-information/corporate-governance).

The chairman is Mike Biggs. His biography can be found on page 60. As chairman, Mike is primarily responsible for leading the board and ensuring that it is able to operate effectively and efficiently. The chairman's role is to promote effective decision-making, challenge of executive management and constructive debate, including by facilitating contributions and engagement from all members of the board. His other responsibilities include setting the agenda for board meetings, making sure that the directors receive information in an accurate, clear and timely manner, and ensuring that adequate time is available for discussion of relevant items by the board. The chairman is charged with ensuring that the directors continually update their skills and knowledge and that the performance of the board, its committees and the individual directors is evaluated on an annual basis. Mike also has responsibility for leading the development of the group's culture by the board and for ensuring that the board sets the "tone from the top". As chairman, he is required to ensure that the board as a whole has a clear understanding of the views of shareholders and, to that end, he regularly engages with the company's major institutional shareholders on a range of topics including strategy, governance and succession planning.

The chief executive is Adrian Sainsbury, who succeeded Preben Prebensen at the end of the board's meeting held on 21 September 2020. His biography can be found on page 60. Adrian is primarily responsible for all aspects of the performance and the day-to-day management of the group's business in accordance with the objectives and limits defined by the board. His other responsibilities include coordinating all activities to implement the group's strategic objectives, managing the group's risk exposures in line with board policies and risk appetite, implementing the decisions of the board and facilitating effective communication with stakeholders and regulatory bodies. He also has responsibility for overseeing the adoption of the group's culture and values as part of the day-to-day management of the group.

Adrian chairs the Executive Committee, the forum that exercises management oversight of the group, including through the monitoring and implementation of strategy and budgetary objectives, as determined by the board. The members of the Executive Committee are shown on page 62.

The chairman and chief executive have various prescribed responsibilities under the Senior Managers regime overseen by the PRA.

#### Independent non-executive directors

The company's independent non-executive directors are Geoffrey Howe, Oliver Corbett, Peter Duffy, Lesley Jones, Bridget Macaskill and Sally Williams. Sally joined the board on 1 January 2020.

Within the board's overall risk and governance structure, the independent non-executive directors are responsible for contributing sound judgement and objectivity to the board's deliberations and the decision-making process. They also provide constructive challenge and scrutiny of the performance of management and delivery of the company's strategy.

#### Senior independent director

The senior independent director is Geoffrey Howe. The senior independent director acts as a sounding board for the chairman and serves as an intermediary for the other directors and shareholders. In addition to the existing channels for shareholder communications, shareholders may discuss any issues or concerns they have with the senior independent director. At least annually, the senior independent director leads meetings of the non-executive directors, without the chairman present, to appraise the chairman's performance and then communicates the results of that appraisal to the chairman.

## Corporate Governance Report continued

A description of the responsibilities of the senior independent director, as approved by the board, can be found on the company's website at <https://www.closebrothers.com/investorrelations/investor-information/corporate-governance>. After many years' dedicated service on the board, Geoffrey will not be seeking reappointment at the company's AGM in 2020. Further information on the board's search to identify a successor to Geoffrey can be found in the Nomination and Governance Committee's report. The board has appointed Oliver Corbett to take on the additional role of senior independent director on an interim basis during the period between Geoffrey stepping down from the board at the AGM and the appointment of a permanent successor.

### Non-executive directors' independence and time commitment

The board has assessed the independence of each of the non-executive directors and is of the opinion that each acts in an independent and objective manner and therefore, under the Code, is independent and free from any relationship that could affect their judgement. The board's opinion was determined by considering for each non-executive director, among other things:

- whether they are independent in character and judgement;
- how they conduct themselves in board and committee meetings;
- whether they have any interests which may give rise to an actual or perceived conflict of interest; and
- whether they act in the best interests of the company, its shareholders and other stakeholders at all times.

The board has given particularly rigorous consideration to the independence of Geoffrey Howe who has been a non-executive director for more than nine years. The board has determined that, notwithstanding his term of office, Geoffrey is independent in character, judgement and in his valuable contributions to the board and its committees, including in his challenge of management. Geoffrey also demonstrates independence in the effective discharge of his duties as the company's senior independent director.

The chairman, Mike Biggs, was considered to be independent on appointment in line with the provisions of the Code.

The company has complied with the Code provision that at least half the board, excluding the chairman, should comprise independent non-executive directors. Each non-executive director is required to confirm at least annually whether any circumstances exist which could impair their independence.

In addition, the board is satisfied that each non-executive director is able to dedicate the necessary amount of time to the company's affairs, following consideration of each non-executive director's other time commitments. The letters of appointment for each of the company's non-executive directors set out a minimum time commitment in discharging their duties as a director, and require them to seek prior approval before they take on additional commitments.

Peter Duffy joined the board of Moneysupermarket.com Group PLC as chief executive officer in September 2020. As required by the Code, following a review of his time commitments prior to his appointment by Moneysupermarket.com Group PLC, the board was satisfied that Peter's new role would not restrict him from carrying out his duties and responsibilities as a director of the company, and accordingly approved the appointment.

### Powers of directors

The directors are responsible for the management of the company. They may exercise all powers of the company, subject to any directions given by special resolution and the articles of association. The directors have been authorised to allot and issue ordinary shares and to make market purchases of the company's ordinary shares by virtue of resolutions passed at the company's 2019 AGM. Further detail regarding these authorisations is set out on pages 63 and 64.

### Appointment and removal of directors

The appointment of directors is governed by the company's articles of association, the Companies Act 2006 and other applicable regulations and policies. Directors may be elected by shareholders in general meeting or appointed by the board of directors in accordance with the provisions of the articles of association.

In accordance with the Code, all directors retire and submit themselves for reappointment at each AGM. The board will only recommend to shareholders that executive and non-executive directors be proposed for reappointment at an AGM after evaluating the performance of the individual directors.

Letters of appointment or service contracts (as applicable) for individual directors are available for inspection by shareholders at each AGM and during normal business hours at the company's registered office. The non-executive directors' letters of appointment were reviewed by the Nomination and Governance Committee during the year to ensure compliance with the Code and best practice.

The articles of association provide that in addition to any power to remove directors conferred by the Companies Act 2006, the company's shareholders can pass a special resolution to remove a director from office.

### Reappointment of directors at the 2020 AGM

Following performance evaluations undertaken during the year, the board has confirmed that each director continues to be effective and demonstrate commitment to their role. On the recommendation of the Nomination and Governance Committee, the board will therefore be recommending that all serving directors standing for re-election at the 2020 AGM be reappointed by shareholders. As described above, Geoffrey Howe will not be seeking reappointment this year and will be standing down from the board at the conclusion of the AGM.

### Induction and professional development

On appointment, all new directors receive a comprehensive and personalised induction programme to familiarise them with the group and the regulatory framework within which it operates, and to meet any specific development requirements identified during the recruitment process. The company also provides bespoke inductions for directors when they are appointed as a committee chair or member. Induction programmes are tailored to a director's particular requirements, but would typically include site visits, one-to-one meetings with executive directors, the company secretary, senior management for the business areas and support functions and a confidential meeting with the external auditor. Directors also receive guidance on directors' liabilities and responsibilities, together with a range of relevant current and historical information about the group and its business.

Sally Williams's induction programme included detailed meetings and briefings with members of the board and the Executive Committee, the head of compliance, the head of group internal audit, the chief credit risk officer, the director of investor relations and the group's external auditor. Sally also met other senior managers from across the central and control functions (including risk, finance and IT). Specific topics covered in these sessions included the regulatory framework applicable to the group, capital and other prudential requirements, the group's risk management framework, strategy and purpose, culture and values, and financial performance. In addition, Sally received briefings on the duties and responsibilities of a listed company director, the group's governance framework and the wider UK corporate governance, listing and disclosure regime from the company secretary and the group's external legal advisers.

Adrian Sainsbury has also undertaken a tailored induction following the announcement of his appointment to the board. The induction provided to Adrian reflected his existing extensive knowledge and understanding of the group developed since joining the group in 2013, including as a director of its principal Banking subsidiary, Close Brothers Limited, and through his previous role as managing director of the Banking division.

Adrian's induction activities included meetings with other board members and senior management across the group, and sessions with the group's external auditors, corporate brokers and external legal advisers. Adrian also received a briefing on the duties and responsibilities of a listed company director, the group's governance framework and the wider UK corporate governance, listing and disclosure regime from the company secretary.

There is a central training programme in place for the directors, which is reviewed at least annually by the Nomination and Governance Committee. In addition, the chairman discusses and agrees any specific requirements as part of each non-executive director's regular reviews. During the year, training and development activities took a number of forms, including meetings with senior management within the businesses and control functions, in-depth business reviews, attendance at external seminars and dedicated briefings from management and external advisers covering topics such as regulatory developments and horizon-scanning, anti-bribery, corporate governance changes, accounting updates, the group's personal dealing rules applicable to directors, changes in remuneration regulation and practice, and the Internal Ratings Based approach for the calculation of regulatory capital requirements for credit risk. In addition to training organised by the group specifically for the board, directors attend a range of other training and development sessions as part of other roles they hold.

Training and development records are maintained by the company secretary and reviewed annually by the chairman and each individual director.

### Company secretary

The company secretary is responsible for ensuring that board procedures and applicable rules and regulations are observed. All directors have direct access to the services and advice of the company secretary, who also acts as secretary to each of the board committees. The company secretary provides advice and support to the board, through the chairman, on all governance matters and on the discharge of their duties. Directors are able to take independent external professional advice to assist with the performance of their duties at the company's expense.

### Conflicts of Interest

The articles of association include provisions giving the directors authority to approve conflicts of interest and potential conflicts of interest as permitted under the Companies Act 2006.

Directors are responsible for notifying the chairman and the company secretary of any actual or potential conflicts as soon as they become aware of them. A procedure has been established, whereby actual and potential conflicts of interest are regularly reviewed and appropriate authorisation sought. This procedure includes mechanisms for the identification of conflicts prior to the appointment of any new director or if a new conflict arises during the year. The decision to authorise a conflict of interest can only be made by non-conflicted directors and in making such a decision the directors must act in a way they consider, in good faith, will be most likely to promote the success of the company. The company secretary maintains a register of conflicts authorised by the board. The board believes this procedure operated effectively throughout the year.

### Culture

The board recognises the importance that culture and values play in the long-term success and sustainability of the group, and the role of the board in monitoring and assessing culture. The board also acknowledges the importance of individual directors, and the board as a whole, acting with integrity, leading by example and promoting the desired culture.

The ongoing assessment of the contribution of culture and values to the group's long-term success remains a key focus for the board. The board also spends time monitoring, and satisfying itself as to, the alignment of the group's purpose, values and strategy with its culture. During the year, the board monitored, assessed and promoted the group's culture, including in the following ways:

- review and discussion by the board of a quarterly culture dashboard, setting out an assessment of culture, and culture and conduct metrics, across the group and each of its divisions from the perspective of customers, people and control issues;
- regular updates to the board on external guidance and insight on culture, including from regulators and industry bodies, which are used by the board to benchmark the group's approach and plans;
- discussing feedback received from employees across the group in regular employee opinion surveys. This year, surveys included specific questions in the areas of culture and inclusivity, together with discrete surveys during the Covid-19 pandemic on employee wellbeing;
- updates on activities across the group in relation to culture and values, including employee training programmes, activities in relation to the group code of conduct, the Close Brothers Way, and other initiatives;
- following the activities of employee working groups considering discrete areas in relation to diversity and inclusion, including gender, ethnic diversity, LGBTQ+, disability, working parents and carers, mental wellbeing and social mobility;
- inclusion of culture-related objectives as part of the executive directors' balanced scorecard assessed by the Remuneration Committee, further detail on which can be found in the Directors' Remuneration Report later in this Annual Report;
- continuing to focus on rewarding and investing in the group's employees, including discussions by the Remuneration Committee in relation to gender pay reporting and a strong focus on employee considerations as part of board decision-making and oversight;
- consideration of culture, behaviour and conduct issues by the Remuneration Committee;
- discussion of cultural and behavioural attributes by the Nomination and Governance Committee as part of regular talent reviews and succession planning;
- reviewing the group's whistleblowing arrangements by which employees can raise concerns in confidence and, if they wish, anonymously;
- the Risk Committee's regular review of a conduct risk dashboard covering an assessment of relevant issues and developments for each of the group's divisions;
- considering the impact of Covid-19, including for employees working from home during the UK lockdown, on the group's culture and on the wellbeing of employees, together with oversight of actions taken by management to support employees;
- discussing culture and conduct issues arising out of specific activities and programmes being undertaken by the group, including the conduct implications of the group's activities in relation to the transition away from LIBOR and the cultural implications of significant transformation programmes and other strategic initiatives;
- regular direct engagement with employees as part of the board's employee engagement programme, including site visits and participation in employee meetings;



## Corporate Governance Report continued

- supporting and participating in training and development programmes for employees; and
- encouraging and enabling eligible employees to participate in schemes to promote share ownership. Eligible employees are able to participate in the group's Save As You Earn ("SAYE") and Buy As You Earn ("BAYE") schemes, which provide cost-effective opportunities for employees to acquire shares in the company.

The activities described above have allowed the board to effectively monitor the group's culture during the year and to ensure that culture continues to be aligned with the group's purpose, values and strategy.

### Whistleblowing

The board has responsibility for oversight of the group's whistleblowing arrangements. It monitors the operation and effectiveness of these arrangements and ensures that processes are in place for the proportionate and independent investigation of matters raised through the mechanisms available to the workforce and for follow-up action. In the 2020 financial year, in line with the Code, oversight of whistleblowing was transferred from the Audit Committee to the full board.

Among other things, the board discharges this responsibility through the provision of at least half-yearly updates by the group head of compliance. These updates include:

- an overview of the group's whistleblowing arrangements and an assessment of their effectiveness;
- information on steps taken by the group to ensure the protection of those using the group's whistleblowing arrangements; and
- a summary of whistleblowing events, including outcomes and any follow-up actions.

In addition, the board appoints one of the directors to act as the group's whistleblowing champion. This is currently Oliver Corbett. As part of his role, Oliver engages with the group head of compliance regularly in relation to whistleblowing matters during the course of the year.

### Board and Committee Effectiveness

#### Annual board and committee evaluation

The board undertakes a formal and rigorous evaluation of its effectiveness and the performance of the whole board, its individual directors and its committees annually. In accordance with the Code, at least every third year, an external evaluation is carried out. The last externally facilitated review was conducted in 2018.

During the 2020 financial year, the Nomination and Governance Committee recommended that the evaluation for the year be undertaken internally by the company secretary, as permitted by the Code. The evaluation took the form of questionnaires completed by each director assessing the performance and effectiveness of the board and each of its committees in a broad range of areas, together with an assessment of progress against the recommendations made in the 2019 internal evaluation.

The questions in the assessment were set to develop the themes explored in prior years' evaluations in order to assess the progress of the board and its committees compared with previous years, and also to evaluate recent developments and areas of focus in the 2020 financial year. In each part of the assessment, directors were invited to provide general comments and observations in addition to responding to specific questions.

The evaluation of the board focused on a range of different areas relevant to board effectiveness and corporate governance, including:

- the role and composition of the board;
- strategy, purpose and values;
- culture;

- the business of the board;
- stakeholder engagement;
- board behaviours; and
- the operation of the board during the Covid-19 pandemic.

A separate questionnaire was completed by each member of the board's four committees, covering a variety of subjects relating to composition, performance, effectiveness and the particular responsibilities of the committee concerned.

The responses to the questionnaires were collated and reviewed by the company secretary, and discussed with the chairman. The company secretary subsequently prepared a report setting out the results of the evaluation, including key themes and recommendations arising from the questionnaires, which was presented to the board for discussion in July 2020.

The overall conclusion of the evaluation was that the board and its committees continue to operate effectively, that they are well led with strong participation from all members and that good progress has been made against each of the recommendations made in the internal evaluation undertaken in the previous year. The evaluation also confirmed that the positive features and attributes of the board identified in the 2019 evaluation had remained present in the workings of the board in the 2020 financial year.

Among other things, the evaluation demonstrated the effectiveness of the board during the challenges presented by the Covid-19 pandemic, and the ongoing value and effectiveness of the dedicated annual sessions focusing on the company's strategy (alongside opportunities to discuss strategic issues as part of the regular cycle of board meetings throughout the year). Other areas of strength identified by the evaluation include the effective recruitment process for the new chief executive and the board's oversight of culture. The board welcomes the positive conclusions of the evaluation and will focus during the next financial year on a small number of areas to further improve the effectiveness of the board and its committees, including capturing and carrying forward positive learnings from the operation of the board during the pandemic, finding additional opportunities for informal board and non-executive director-only sessions and continuing to embed best practice guidance for the preparation of papers and presentations. In addition, when safe to do so in line with government guidance, the board will explore further opportunities for non-executive directors, whether individually or in small groups, to visit the group's office locations to facilitate engagement and interaction between the board and employees.

The board anticipates that, in line with the Code, an external evaluation of the effectiveness of the board and its committees will be undertaken during the 2021 financial year. Further details will be set out in next year's Annual Report.

#### Directors' performance

During the financial year, the chairman holds regular meetings with individual directors at which, among other things, their individual performance is discussed. Informed by the chairman's continuing observation of individual directors during the year, these discussions form part of the basis for recommending the reappointment of directors at the company's AGM, and include consideration of the director's performance and contribution to the board and its committees, their time commitment and the board's overall composition.

#### Chairman's performance

As in previous years, Geoffrey Howe, the senior independent director, has led an annual performance assessment process in respect of the chairman. This involves review meetings during the year with the other non-executive directors, without the chairman being present, and consultation with the chief executive. The senior independent director subsequently provides feedback to the chairman.

**Directors' fitness and propriety**

In line with its regulatory obligations, the group undertakes annual reviews of the fitness and propriety of all those in Senior Manager Functions, including all of the company's directors and a number of other senior executives. This process comprises assessments of individuals' honesty, integrity and reputation; financial soundness; competence and capability; and continuing professional development. This year's reviews have confirmed the fitness and propriety of all of the company's directors and other senior executives who perform Senior Manager Functions.

**Risk, Audit and Internal Control**

An explanation of how the board and the group comply with the requirements of the Code in relation to risk and control matters is set out in the Risk Report on pages 48 to 59 of this Annual Report.

The report of the Risk Committee setting out further information on its role, responsibilities and key activities during the year starts on page 79.

Acting under delegated authority from the board, the Audit Committee oversees matters relating to audit and financial control, including accounting policies, the board's relationship with the external auditor and oversight of the group's internal audit function. Further details on the Audit Committee's role, activities and its relationship with the external and internal auditors can be found in the Committee's report on pages 81 to 83 of this Annual Report. Further information on financial control matters can also be found in the Risk Report on page 51.

**Substantial Shareholdings**

The table below sets out details of the interests in voting rights notified to the company under the provisions of the FCA's Disclosure Guidance and Transparency Rules. Information provided by the company pursuant to the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information services and on the company's website.

	18 September 2020 Voting rights	31 July 2020 Voting rights
Standard Life Aberdeen plc	14.05%	14.05%
Royal London Asset Management	5.75%	5.75%
M&G Investment Management	5.73%	5.73%
Aviva plc and its subsidiaries	4.99%	4.99%

Substantial shareholders do not have different voting rights from those of other shareholders.

**Engagement with Stakeholders**

The board recognises that, for the company to be successful over the long term, it is important to build and maintain successful relationships with a wide range of stakeholders and for the board to understand the views of key stakeholders. When taking decisions, the board considers the interests of, and impact on, key stakeholders, including its relationships with shareholders, customers, regulators, employees and suppliers.

Further detail on the company's stakeholders and examples of how the board has considered stakeholder interests, as well as the company's s.172 statement, can be found in the Strategic Report on pages 18 to 23.

The sections below describe the board's approach to engagement with employees and shareholders. Further information about how the directors have engaged with employees, and had regard to employee interests, and how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of this on the principal decisions taken by the company during the financial year, can be found in the Strategic Report on pages 18 to 31.

**Engagement with Employees**

As permitted by the Code, the board has put in place its own arrangements to engage with employees across the group rather than using one of the specific methods set out in the Code. The board believes that there is value to be derived from all directors participating in meaningful employee engagement activities and, following discussion by the Nomination and Governance Committee, a framework for board engagement with employees is managed by the group head of HR and the company secretary. This framework builds on existing employee engagement activities that have been in place for some time, and presents a range of different opportunities for board members to engage directly with employees and also to receive feedback on relevant issues from management. The framework takes account of guidance and suggestions published by the FRC in this area.

The board acknowledges the benefits of meaningful "two-way" engagement between the directors and senior management (on the one hand) and employees (on the other hand). To this end, the board and senior management provide employees with regular information on matters of interest or concern to them and consult with them or relevant representatives in order to take their views into account when making relevant decisions which are likely to affect their interests. Examples of engagement and consultation in the year have included considerations in relation to the group's preparations for the entry of the UK into lockdown during the Covid-19 pandemic and planning for the subsequent return of employees to the workplace in line with government guidance.

The directors undertake a range of direct and indirect employee engagement activities during the year to ensure that they are aware of relevant issues and considerations as part of their decision-making and oversight activities. The directors have opportunities throughout the year to discuss their own observations following engagement activities and also to feed back comments raised with them by employees. The board considers that its employee engagement activities during the year have been effective.

Employee engagement activities undertaken by the board in the 2020 financial year included:

- detailed discussion of the results, themes and next steps arising out of the group's employee opinion survey, including pulse surveys conducted during the Covid-19 pandemic with a particular focus on employee wellbeing and health considerations;
- attendance at committees and other forums below board level to understand employee-related issues and priorities;
- reviewing the quarterly culture dashboard;
- site visits by non-executive directors to meet employees at different levels of the group's operations. Whilst fewer site visits have taken place this year due to the Covid-19 pandemic, the board looks forward to resuming its programme of visits when it is safe to do so in line with government guidance;
- participation by directors in programmes and initiatives operated for different groups of employees, including training and development programmes;
- participation by executive and non-executive directors in Q&A sessions with employees;
- attendance or participation in business and other functional Town Hall sessions; and
- regular communications from executive directors to employees on the performance and operations of the group, including in relation to the half-year and full-year results and updates on the impact of Covid-19 planning and the group's chief executive succession.

## Corporate Governance Report continued

The board recognises that the activities above are important in helping to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company, and in contributing to a better understanding of the group's activities, purpose and strategic aims, and ultimately, the long-term success of the company.

The board supports and encourages the involvement of employees in the company's performance through two types of share benefit operated by the group: a sharesave scheme (SAYE) and a share incentive plan (BAYE). Both schemes are open to eligible employees who have completed six months' continuous employment with the group.

### Engagement with Shareholders

#### Investor relations

The group has a comprehensive investor relations ("IR") programme to ensure that current and potential shareholders, as well as financial analysts, are kept informed of the group's performance and have appropriate access to management to understand the company's business and strategy.

The board believes it is important to maintain open and constructive relationships with shareholders and for them to have opportunities to share their views with the board. The chief executive and group finance director engage with the group's major institutional shareholders on a regular basis. In addition, the chairman arranges to meet with major institutional shareholders to discuss matters such as strategy, corporate governance and succession planning. In the 2020 financial year, the chairman's meetings included engagement with shareholders following the announcement of the appointment of Adrian Sainsbury as the group's new chief executive. Feedback on these meetings is provided to the board during the course of the year. Separately, the senior independent director is available to meet with shareholders.

The group's IR team, reporting to the group finance director, has primary responsibility for managing the group's relationship with shareholders. The IR team runs a structured programme of meetings, calls and presentations around the financial reporting calendar, as well as throughout the year. The team also regularly seeks investor feedback, both directly and via the group's corporate brokers, which is communicated to the board and management. The board is regularly updated on the IR programme through an IR report, which is produced for each board meeting and summarises share price performance, share register composition and feedback from any investor meetings. In addition, periodic specific "deep dives" on IR matters are provided to the board. The chair of the Remuneration Committee takes part in consultations with major institutional shareholders on remuneration issues from time to time, including an extensive consultation in recent months with the company's major shareholders as part of the Committee's review of the Directors' Remuneration Policy to be submitted to shareholders for approval at this year's AGM. The chairs of the board's other committees will periodically seek engagement with shareholders on significant matters that arise relating to their areas of responsibility and are available for engagement with shareholders at other times.

Periodically, the group runs seminars covering different parts of its business to provide additional detail to investors and analysts. Relevant presentations, together with all results announcements, Annual Reports, regulatory news announcements and other relevant documents, are available on the IR section of the company's website ([www.closebrothers.com/investor-relations](http://www.closebrothers.com/investor-relations)).

The group engages with leading institutional shareholder bodies and proxy advisers during the year. Once again throughout the year, the IR team has responded to a range of enquiries and points of feedback raised by shareholders, including in relation to ESG issues.

#### Annual General Meeting

The directors regard the company's AGM as an important opportunity for all shareholders to engage directly with the board. In previous years, shareholders have had the opportunity to raise questions with the board at the AGM, either in person or by submitting written questions in advance. The chairmen of each of the board committees attend the AGM and all other directors are expected to attend the meeting. All directors were in attendance at the 2019 AGM. In prior years, the chairman and the chief executive have presented a review of the group's business. All voting at general meetings of the company is conducted by way of a poll. All shareholders have the opportunity to cast their votes in respect of proposed resolutions by proxy, either electronically or by post. Following the AGM, the voting results for each resolution are published and made available on the company's website.

The company's 2020 AGM is scheduled to take place on 19 November 2020. The board recognises the importance to shareholders of the business to be dealt with at the AGM and intends to proceed with the meeting on this date. However, at the date of this Annual Report, the potential impact of Covid-19 on attendance at this year's AGM remains uncertain. The board continues to monitor developments closely, including relevant government guidance applicable to the AGM. The board's priority is to protect the wellbeing of employees, shareholders and the wider community and, as such, it will take all necessary and appropriate steps to ensure their safety.

The board's current expectation is that government guidance will not allow shareholders to attend the AGM in person. If that is the case, the proceedings will be restricted to formal business only and any shareholder seeking to attend (other than those forming the quorum, which will be facilitated by the company) will not be admitted. The board encourages shareholders to vote on the resolutions to be proposed at the AGM by submitting their proxy forms in advance of the deadline to be set out in the Notice of AGM.

The board acknowledges the importance of shareholders being able to ask questions on the business of the AGM. If shareholders cannot be admitted to the meeting, the company will provide a means for shareholders to submit questions on the business of the AGM and for a written response to be provided.

Further detail on the arrangements for the AGM will be set out in the Notice of AGM to be distributed to shareholders in due course. Shareholders are encouraged to watch for updates about the AGM on the company's website ([www.closebrothers.com/investor-relations/shareholder-information/annual-general-meeting](http://www.closebrothers.com/investor-relations/shareholder-information/annual-general-meeting)) and regulatory news services.

By order of the board

**Alex Dunn**  
Company Secretary

22 September 2020