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If you have sold or otherwise transferred all of your shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



CLOSE BROTHERS GROUP plc

(incorporated and registered in England and Wales under number 520241)

Notice of Annual General Meeting to be held on

21 November 2019

Your attention is drawn to the letter from the Chairman of Close Brothers Group plc (the “**Company**”) which is set out on pages 3 and 4 of this document and which recommends you to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Notice of the Annual General Meeting of the Company to be held at 10 Crown Place, London, EC2A 4FT on Thursday 21 November 2019 at 11.00 a.m. is set out on pages 5 to 10 of this document. Shareholders will also find enclosed with this document a form of proxy for use in connection with the Annual General Meeting.

Completion and return of a form of proxy will not preclude shareholders from attending and voting at the Annual General Meeting should they choose to do so. The form of proxy must be received not less than 48 hours before the time appointed for the Annual General Meeting. Further instructions relating to the form of proxy are set out in the Notice of the Annual General Meeting.

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LETTER FROM THE CHAIRMAN

7 October 2019

Dear Shareholder,

Annual General Meeting (“AGM”)

I am pleased to give you notice of the Company’s AGM for 2019.

The AGM will be held at 10 Crown Place, London EC2A 4FT on Thursday 21 November 2019 at 11.00 a.m. The formal Notice of Annual General Meeting is set out on pages 5 to 10 of this document. The Notice sets out the resolutions to be proposed at the AGM, together with general notes and explanatory notes on the resolutions to be proposed. A proxy appointment form is also enclosed.

I and your other Directors regard the AGM as an important opportunity for the Company’s shareholders to discuss the group directly with the Board and I am looking forward to meeting as many shareholders as possible at the meeting.

Final dividend

Shareholders are being asked to approve a final dividend of 44.0p per ordinary share for the year ended 31 July 2019. If shareholders approve the recommended final dividend, it will be paid on 26 November 2019 to all ordinary shareholders named on the register of members as at 11 October 2019.

Reappointment of Directors

On 24 September 2019, the Company announced that Preben Prebensen had decided to step down after ten years as Chief Executive, and move on to the next stage of his career. Preben will remain with the Group for 12 months to ensure a smooth handover and will therefore be standing for reappointment as a Director at the AGM. The Board will commence a thorough search for a successor, considering both internal and external candidates, and will announce further details in due course. I am immensely grateful for Preben’s strong and successful leadership during a period of significant growth and development for Close Brothers. Preben has refocused, professionalised and strengthened the organisation, while preserving the core values and long-term discipline which are at the heart of our business model.

As announced by the Company on 19 October 2018, Elizabeth Lee retired as an Executive Director and Group Head of Legal and Regulatory Affairs at the end of the financial year on 31 July 2019. Her wise counsel has been invaluable to the Board and to the various businesses across the group over a period of almost ten years.

We welcomed Peter Duffy to the Board on 1 January 2019 as a Non-Executive Director and he will be standing for election at the AGM for the first time.

In accordance with the UK Corporate Governance Code, all serving Directors will retire at the AGM and stand for reappointment by shareholders. Accordingly, the Directors retiring and offering themselves for reappointment are Preben Prebensen, Mike Morgan, Oliver Corbett, Peter Duffy, Geoffrey Howe, Lesley Jones, Bridget Macaskill and me.

The Board has re-assessed and confirmed the continuing independence of each of the Company’s independent Non-Executive Directors, and in conjunction with the Nomination and Governance Committee has considered the performance and other commitments of all of the Directors standing for reappointment at the AGM. Details of the specific reasons why each Director’s contribution is, and continues to be, important to the Company’s long-term sustainable success can be found in the explanatory notes along with their biographical details.

As Chairman, I believe that the contribution and performance of each of my fellow Directors is valuable and effective. They all demonstrate commitment to their roles and I therefore believe that it is appropriate that they should continue to serve on the Board.

Business to be considered at the AGM

This year, shareholders are being asked to approve twenty resolutions in total at the AGM. All of the resolutions deal with items of business that have been considered and approved by shareholders at previous meetings. Further information on each of the resolutions to be proposed at the meeting can be found in the explanatory notes which appear on pages 11 to 17 of this document.

I would like to draw your attention to the following items of business set out in the Notice.

Authorities in relation to the issue of Additional Tier 1 instruments (Resolutions 15 and 18)

Resolutions 15 and 18 are again being proposed this year, having been approved for the first time at the 2018 AGM. These resolutions renew the authority to permit the Company to issue Additional Tier 1 instruments (“**AT1 Securities**”) as part of its capital. These instruments can count towards the minimum amount of Tier 1 capital which the Company is required to maintain under applicable regulations. A key feature of AT1 Securities is that they automatically convert into ordinary shares in certain circumstances, including if the Company’s Tier 1 capital ratios were to fall below a specified level.

The Board has not used the authorities granted by shareholders at the 2018 AGM and whilst the Board has no present intention to issue any AT1 Securities, it believes that having the flexibility to issue these instruments is in the best interests of the Company and an important part of the Company’s prudent approach to capital planning and management. Further details on AT1 Securities and the authorities sought can be found in the explanatory notes later in this document.

Your vote

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the form of proxy sent to you with this document and return it in the reply-paid envelope to the Company’s registrar, Link Asset Services, as soon as possible. The registrar must receive it not less than 48 hours before the time appointed for holding the AGM. Lodgement of the form of proxy will not prevent you from attending and voting at the meeting.

All resolutions will be put to a vote on a poll. The Directors believe that this results in a more accurate reflection of the views of shareholders and ensures that their votes are recognised whether or not they are able to attend the meeting. On a poll, each shareholder has one vote for every share held.

Form of proxy for next year’s AGM

Your Board is aware that shareholders are increasingly choosing to vote on AGM resolutions electronically; accordingly, only a relatively small number of paper forms of proxy are now completed and returned. In order to reduce waste and our environmental impact, it is proposed that from the 2020 AGM a paper form of proxy will not be sent to all shareholders as a matter of course. Arrangements will be made for all shareholders who contact the registrar to be provided with a paper proxy form should they wish to continue to vote in this way. This will be in addition to the option to vote electronically which has become a convenient and popular way for shareholders to participate in the business of the AGM.

Recommendation

Your Directors unanimously consider that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole, and recommend that you vote in favour of the resolutions, as the Directors intend to do in respect of their own shareholdings.

I look forward to meeting you at the AGM and thank you for your continued support.

Yours faithfully,



Michael N. Biggs
Chairman

Close Brothers Group plc

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Close Brothers Group plc will be held at 10 Crown Place, London EC2A 4FT on Thursday 21 November 2019 at 11.00 a.m. for the purpose of transacting the following business as ordinary resolutions (as regards resolutions 1 to 15) and as special resolutions (as regards resolutions 16 to 20).

Ordinary resolutions

1. To receive and adopt the Company's 2019 Annual Report and Accounts together with the reports of the Directors and of the Auditor.
2. To approve the Directors' Remuneration Report for the financial year ended 31 July 2019 set out on pages 76 to 96 of the Annual Report and Accounts.
3. To authorise the payment of a final dividend on the ordinary shares of 44.0p per share for the year ended 31 July 2019 on 26 November 2019 to shareholders on the register at the close of business on 11 October 2019.
4. To reappoint Mike Biggs as a director of the Company.
5. To reappoint Preben Prebensen as a director of the Company.
6. To reappoint Mike Morgan as a director of the Company.
7. To reappoint Oliver Corbett as a director of the Company.
8. To reappoint Peter Duffy as a director of the Company.
9. To reappoint Geoffrey Howe as a director of the Company.
10. To reappoint Lesley Jones as a director of the Company.
11. To reappoint Bridget Macaskill as a director of the Company.
12. To reappoint PricewaterhouseCoopers LLP as auditor of the Company.
13. To authorise the Directors to determine the remuneration of the auditor.
14. To authorise the Board generally and unconditionally to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
 - (a) up to a nominal amount of £12,617,073 (such amount to be reduced by any allotments or grants made under paragraph (b) below in excess of such sum); and
 - (b) comprising equity securities (as defined in the Companies Act 2006) up to a nominal amount of £25,234,146 (such amount to be reduced by any allotments or grants made under paragraph (a) above) in connection with an offer by way of a rights issue:
 - (1) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
 - (2) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 21 February 2021) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

15. To authorise the Board, in addition to any authority granted pursuant to resolution 14, generally and unconditionally pursuant to section 551 of the Companies Act 2006 to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £4,731,402 in relation to any issue by the Company of any Additional Tier 1 instruments (“**AT1 Securities**”) that automatically convert into or are exchanged for ordinary shares in the Company in prescribed circumstances, where the Directors consider that the issue of such AT1 Securities would be desirable, including for the purpose of complying with, or maintaining compliance with, the regulatory requirements or targets applicable to the Company and its subsidiaries and subsidiary undertakings from time to time and otherwise on terms as may be determined by the Directors, such authority to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 21 February 2021) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not expired.

Special resolutions

16. That, if resolution 14 granting authority to allot shares is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited to:

- (a) the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 14, by way of a rights issue only):

1. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
2. to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (b) the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £1,892,561,

such power to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 21 February 2021) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

17. That, if resolution 14 granting authority to allot shares is passed, the Board be given the power in addition to any power granted under resolution 16 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £1,892,561; and

- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such power to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 21 February 2021) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

18. That, if resolution 15 granting authority to allot AT1 Securities is passed, the Board be given the power, in addition to any powers granted pursuant to resolutions 16 and 17, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash under the authority given by resolution 15 up to an aggregate nominal amount of £4,731,402 in relation to the issue of AT1 Securities as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 21 February 2021) but, in each case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the power ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the power had not ended.
19. That the Company be authorised for the purposes of section 701 of the Companies Act 2006 to make one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of its ordinary shares of 25p each, such power to be limited:
- (a) to a maximum number of 15,140,488 ordinary shares;
 - (b) by the condition that the minimum price which may be paid for an ordinary share is the nominal amount of that share and the maximum price which may be paid for each ordinary share is the highest of:
 - (1) an amount equal to 5% above the average market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
 - (2) the higher of the price of the last independent trade and the highest current independent purchase bid on the London Stock Exchange Trading System,in each case, exclusive of expenses,

such authority to apply until the end of the next annual general meeting of the Company (or, if earlier, until the close of business on 21 February 2021) but during this period the Company may enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after the authority ends and the Company may purchase ordinary shares pursuant to any such contract as if the authority had not ended.

20. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board



Alex Dunn
Company Secretary
7 October 2019

Registered Office:
10 Crown Place
London EC2A 4FT

NOTICE OF ANNUAL GENERAL MEETING

Notes

Proxies and corporate representatives

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. You can only appoint a proxy by using the procedures set out in these notes and the notes to the proxy form. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraphs 9 to 12 below) will not prevent a member attending the AGM and voting in person if he/she wishes to do so.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post (addressed to PXS1, 34 Beckenham Road, Beckenham BR3 4ZF; Business Reply Licence Number RSBH-UXKS-LRBC) or during normal business hours only, by hand at the office of the Company's registrar (Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF). A reply-paid envelope is enclosed for your convenience.

Alternatively, shareholders may appoint a proxy electronically by visiting www.signalshares.com and following the instructions provided.

CREST members can appoint a proxy by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in paragraphs 9 to 12.

IMPORTANT: in any case, your proxy form must be received by the Company's registrar no later than 48 hours before the time appointed for holding the AGM.

3. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Nominated Persons

5. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

Entitlement to attend and vote

7. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at close of business on 19 November 2019 (or, in the event of any adjournment, close of business on the date which is 48 hours before the time of the adjourned meeting, excluding non-working days). Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the AGM.

Total voting rights

8. As at 3 October 2019 (being the latest practicable date prior to the publication of this Notice and excluding shares held in treasury) the Company's issued share capital consists of 151,404,885 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 3 October 2019 are 151,404,885.

CREST members

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by not less than 48 hours before the time appointed for holding the AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Audit statements

13. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Members' right to ask questions

14. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such

answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Electronic publication

15. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found on the Company's website (www.closebrothers.com/investor-relations/shareholder-information/annual-general-meeting).

Inspection of documents

16. The following documents will be available for inspection at the registered office of the Company (10 Crown Place, London EC2A 4FT) during normal business hours on each business day from the date of this Notice until the end of the AGM and at the place of the meeting from at least 15 minutes prior to the AGM until the end of the meeting:
 - copies of the executive Directors' service contracts; and
 - copies of the letters of appointment of the Chairman and each of the Non-Executive Directors.

Communication

17. You may not use any electronic address provided either in this Notice or any related documents (including the Chairman's letter and proxy form) to communicate with the Company for any purpose other than those expressly stated.

Close Brothers Group plc

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

Resolutions 1 to 15 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 16 to 20 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

The notes on the following pages give an explanation of the resolutions to be proposed at the 2019 AGM.

Resolution 1: Receipt and adoption of the Annual Report and Accounts

The Directors are required to lay the Company's Annual Report and Accounts, together with the reports of the Directors and of the Auditor, for the financial year ended 31 July 2019 before the shareholders. This resolution records the receipt and adoption of the Annual Report and Accounts together with the reports of the Directors and of the Auditor.

Resolution 2: Annual report on remuneration

Resolution 2 seeks approval for the Directors' Remuneration Report which can be found on pages 76 to 96 of the 2019 Annual Report and Accounts; and gives details of the payments and share awards made to the Directors during the year. This vote is advisory only and will not affect the way the Directors have been remunerated.

Resolution 3: Declaration of final dividend

This resolution seeks shareholder approval for the final ordinary dividend recommended by the Board. The Board are recommending a final dividend of 44.0 pence per ordinary share. An interim dividend of 22.0 pence per ordinary share was paid on 24 April 2019, making a total dividend for the year of 66.0 pence per ordinary share. If approved, the final dividend will be paid on 26 November 2019 to shareholders on the register on 11 October 2019.

Resolutions 4 – 11: Directors standing for reappointment

All serving Directors will retire and stand for reappointment at the meeting in accordance with the UK Corporate Governance Code and the Company's Articles of Association.

These resolutions are seeking approval for the reappointment of each of the serving Directors, whose biographical details are set out below. The Board believes that each Non-Executive Director is independent and provides an effective contribution to the Board. The Board has reviewed the independence of the Non-Executive Directors taking into account, among other things, the circumstances set out in paragraph 10 of the UK Corporate Governance Code. Further information can be found on page 64 of the 2019 Annual Report and Accounts. The Chairman was considered independent on appointment.

The Nomination and Governance Committee has recommended to the Board that each of the Directors should be reappointed, having regard to their performance, other interests and time commitments, suitability and ability to continue to contribute to the Board in light of the knowledge, skills and experience required. In their letters of appointment, each Non-Executive Director has committed to ensure that they make sufficient time available to discharge their responsibilities as a director.

Geoffrey Howe has served as a Non-Executive Director since January 2011. As it is now more than eight years since his appointment as a Director, the Board, through its Nomination and Governance Committee, has undertaken a particularly rigorous review of Geoffrey's performance and independence. It has concluded that he remains independent and continues to make a significant contribution to the Board and its Committees. Further details of that contribution are set out below. The Board values the continuity that Geoffrey's continued appointment as a Director would bring.

Oliver Corbett, Lesley Jones and Bridget Macaskill have each now served as a Non-Executive Director for a period in excess of five years. The Nomination and Governance Committee has also rigorously reviewed their performance and independence, and has satisfied itself that they each remain independent and individually continue to make a significant contribution to the Board and its Committees.

The Board recommends the reappointment of each of the serving Directors. Biographical details for each Director, together with an explanation of the specific reasons why each Director's contribution is, and continues to be, important to the Company's long-term sustainable success can be found below.

Mike Biggs, Chairman

Mike Biggs was appointed as an independent Non-Executive Director in March 2017 and became Chairman of the Board and the Nomination and Governance Committee from 1 May 2017.

Mike is Chairman of Direct Line Insurance Group plc and was previously Chairman of Resolution Limited, then a FTSE 100 UK life assurance business, and Group Finance Director and then Chief Executive Officer of Resolution plc. Prior to that, Mike was Group Finance Director of Aviva plc. Mike is an Associate of the Institute of Chartered Accountants in England and Wales.

Mike brings more than 40 years' experience of the financial services sector, including executive and non-executive roles. He has extensive experience as a listed company chairman, and uses his broad skills and knowledge to lead the Board and ensure that it operates effectively. The Board values Mike's considerable experience of engaging with key stakeholders, including major shareholders and regulators. The Board recommends Mike's reappointment.

Preben Prebensen, Chief Executive

Preben Prebensen was appointed to the Board as an executive director when he joined Close Brothers as Chief Executive in April 2009.

Before joining Close Brothers, Preben spent his career in a number of senior positions at JP Morgan over 23 years, as well as being chief executive of Wellington Underwriting plc from 2004 to 2006, and then chief investment officer and a member of the group executive committee at Catlin Group Limited. Preben is also a Non-Executive Director of The British Land Company PLC and a member of its Nomination Committee.

Preben has extensive experience in banking and financial services, and has been Chief Executive during a period of significant growth and development for the Group. He brings a wealth of knowledge to the Board, in particular with respect to the Group's businesses and the markets in which they operate, and provides strong and effective executive leadership of the Company. The Board recommends Preben's reappointment.

Mike Morgan, Group Finance Director

Mike Morgan was appointed to the Board as an executive director when he became Group Finance Director at the conclusion of the Company's AGM in November 2018.

Mike brings considerable knowledge and experience of the Group to the Board and his role as Group Finance Director, having been with Close Brothers' Banking Division from 2010 to 2018, including as Chief Financial Officer. Mike has been a director of Close Brothers Limited, the Group's banking subsidiary since 2010. Mike is a chartered accountant and Chair of the ICAEW Financial Services Faculty Board and ICAEW Council member. Prior to joining Close Brothers, Mike held a number of senior roles at Scottish Provident and RBS, most recently as Finance Director of the Wealth Management Division of RBS.

Mike combines extensive experience of financial services and financial leadership, with a strong understanding of the Group and its businesses developed over the period of nine years with which he has been with Close Brothers. The Board recommends Mike's reappointment.

Oliver Corbett, Independent Non-Executive Director

Oliver Corbett joined the Board as an independent Non-Executive Director in June 2014. Oliver serves as Chairman of the Audit Committee and is a member of the Nomination and Governance, Remuneration and Risk Committees.

Oliver is Chief Financial Officer of McGill & Partners Limited. He was formerly Chief Financial Officer of Hyperion Insurance Group Limited and Finance Director of LCH. Clearnet Group Limited and Novae Group plc. Previously, Oliver worked for KPMG, SG Warburg, Phoenix Securities (later Donaldson Lufkin

Jenrette) and Dresdner Kleinwort Wasserstein, where he was Managing Director of investment banking. Oliver also served as a Non-Executive Director of Rathbone Brothers plc. He is a chartered accountant.

Oliver brings broad experience of the UK's financial services sector, including significant experience within banking, insurance and wealth management. Oliver's career, including recent and relevant experience of financial, accounting and internal control matters, makes him entirely qualified to chair the Audit Committee. The Board benefits from Oliver's effective chairmanship of the Audit Committee, and his close working with the chairmen of other Board committees on relevant matters. Oliver also acts as the Board's whistleblowing champion. The Board recommends Oliver's reappointment.

Peter Duffy, Independent Non-Executive Director

Peter Duffy joined the Board as an independent Non-Executive Director on 1 January 2019. Peter serves as a member of the Risk Committee.

Peter is Chief Customer Officer of Just Eat plc and, in January 2019, was appointed as Interim Chief Executive Officer and a director of Just Eat plc. Between 2011 and 2018, Peter held a number of senior roles at easyJet PLC, including as Chief Commercial Officer and Group Commercial Director. Prior to that, Peter held roles at Audi UK Ltd and Barclays Bank PLC over a period of more than 15 years.

Peter has considerable knowledge of customer behaviour, marketing and technological change, and brings insight and perspectives to the Board from his current and former roles across a range of sectors, including financial services. The Board recommends Peter's reappointment.

Geoffrey Howe, Senior Independent Director

Geoffrey Howe was appointed as an independent Non-Executive Director in January 2011. He is a member of the Audit, Nomination and Governance, Remuneration and Risk Committees, and also serves as the Company's Senior Independent Director.

Geoffrey was previously Chairman of Jardine Lloyd Thompson Group plc, Railtrack plc and Nationwide Building Society, and a Non-Executive Director of Investec plc and JP Morgan Overseas Investment Trust plc. He was also a director of Robert Fleming Holdings Limited and Managing Partner of international law firm, Clifford Chance.

Geoffrey brings extensive knowledge and experience of the UK financial services sector to the Board, having served as a non-executive director of companies in the banking and insurance sectors in addition to his time at Clifford Chance. Geoffrey makes a valuable contribution as a member of the Board and each of its Committees, and as the Company's Senior Independent Director. Geoffrey is well-suited to act in this role with his wide experience as a non-executive director and chairman of both listed and regulated companies. The Board recommends Geoffrey's reappointment.

Lesley Jones, Independent Non-Executive Director

Lesley Jones joined the Board as an independent Non-Executive Director in December 2013. She is Chairman of the Risk Committee and also serves as a member of the Audit, Nomination and Governance and Remuneration Committees.

Lesley has extensive corporate and retail banking experience and a thorough understanding of the prudential and consumer regulatory environments, having previously held several line management positions within Citigroup and was Group Chief Credit Officer of Royal Bank of Scotland plc from 2008 to 2014. Lesley is also a Non-Executive Director of Moody's Investors Service Limited, N Brown Group plc and ReAssure Group plc (where she also chairs the Risk Committee). Lesley was previously a Non-Executive Director of Northern Bank Limited.

The Board benefits from Lesley's wide knowledge of banking and all-round contribution to the work of the Board and its committees. She is well-suited to chair the Risk Committee through her broad experience, at both executive and non-executive level, of risk management. Lesley has served as a board committee chairman elsewhere and has a strong understanding of the skills and attributes required in that role, including effective liaison with the chairmen of the Board's other committees. The Board recommends Lesley's reappointment.

Bridget Macaskill, Independent Non-Executive Director

Bridget Macaskill joined the Board as an independent Non-Executive Director in November 2013. Bridget is Chairman of the Remuneration Committee and is also a member of the Audit, Nomination and Governance and Risk Committees.

Bridget has considerable experience of financial services in both the UK and internationally. Bridget was formerly Chairman of First Eagle Holdings, Inc. and a senior adviser to First Eagle Investment Management LLC, of which she was President and Chief Executive Officer. Prior to joining First Eagle, Bridget held a number of successive roles at Oppenheimer Funds, Inc., serving as Chief Operating Officer, President, Chief Executive Officer and Chairman. Bridget is a Non-Executive Director of Jupiter Fund Management plc and Jones Lang LaSalle Incorporated, and Chairman of Cambridge Associates LLC. Bridget has previous experience in financial services and other sectors as a member of a number of listed company and not-for-profit boards, having served as a trustee of the TIAA-CREF funds and as a Non-Executive Director of Prudential plc, J Sainsbury plc, Hilldown Holdings plc and of the Federal National Mortgage Association in the US.

As well as her general contribution to the Board and its Committees, including great insight into the asset and wealth management sectors, the Board benefits from Bridget's broad knowledge and understanding of remuneration issues which she brings to her role as Chairman of the Remuneration Committee, and her broad experience of engagement with major shareholders and regulators on topics relevant to the work of the Remuneration Committee. The Board recommends Bridget's reappointment.

Resolution 12: Reappointment of the auditor

This resolution proposes the reappointment of the Company's auditor, PricewaterhouseCoopers LLP, until the next annual general meeting at which the accounts are laid before the Company.

Resolution 13: Determination of auditor's remuneration

This resolution authorises the Directors, in accordance with standard practice, to determine the remuneration of the auditor. The Audit Committee will approve the audit fees on behalf of the Board.

Resolution 14: General authority to allot shares

Paragraph (a) of resolution 14 would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £12,617,073 (representing 50,468,292 ordinary shares of 25p each). This amount represents approximately one-third of the issued ordinary share capital (excluding treasury shares) of the Company as at 3 October 2019, the latest practicable date prior to publication of this Notice. As at 3 October 2019 655,405 ordinary shares were held by the Company in treasury, representing 0.43% of the ordinary shares of the Company.

In line with guidance issued by The Investment Association ("**IA**"), paragraph (b) of this resolution would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a fully pre-emptive rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £25,234,146 (representing 100,936,584 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (a) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital (excluding treasury shares) of the Company as at 3 October 2019, the latest practicable date prior to publication of this Notice.

The authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of next year's annual general meeting or 21 February 2021, if earlier.

The Directors have no present intention to exercise either of the authorities sought under this resolution, other than pursuant to employee share plans. However, if they were to exercise the authorities, the Directors intend to follow IA recommendations concerning their use.

Resolution 15: Authority to allot new ordinary shares in relation to an issue of Additional Tier 1 instruments

Under the EU Capital Requirements Regulation ("**CCR**"), the Company must maintain a minimum amount of Tier 1 capital, which is defined as a percentage of its risk weighted assets. Part of that Tier 1 capital

may be held in the form of Additional Tier 1 instruments (“**AT1 Securities**”). To qualify as Tier 1 capital, the terms of any AT1 Securities issued must satisfy certain conditions under the CCR which are designed to increase the stability of the issuer in adverse financial circumstances. This includes a requirement that the AT1 Securities automatically convert into or be exchanged for ordinary shares in the Company in certain prescribed circumstances, such as the Company’s Tier 1 ratios falling below a specified level.

The power under resolution 15 would give the Board the authority to allot shares in the Company or grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £4,731,402, in connection with the issue of AT1 Securities, representing approximately 12.5% of the Company’s issued ordinary share capital as at 3 October 2019 (being the latest practicable date prior to publication of this Notice).

The authority sought under resolution 15 may be utilised as considered desirable to comply with or maintain compliance with regulatory capital requirements or targets applicable to the Company. Given such requirements, the Directors believe that it is prudent capital management and in the best interests of the Company to have the flexibility to issue AT1 Securities from time to time. However, the Directors have no present intention to exercise the authority sought under this resolution and the request for authority in this resolution should not be taken as an indication that the Company will or will not issue any AT1 Securities. Before using the authority, the Directors would take into account a range of factors including the regulatory environment, the Company’s overall capital structure and the market conditions and demand for AT1 Securities at the time.

The authority under this resolution is in addition to the authority proposed under resolution 14 (general authority to allot shares), which is the usual authority sought on an annual basis in line with the guidance issued by the IA.

The authority will expire at the conclusion of the next annual general meeting of the Company or, if earlier, at the close of business on 21 February 2021. However, the Board currently intends to seek a similar authority on an annual basis.

Resolutions 16 and 17: Authority to disapply pre-emption rights

In accordance with the Pre-Emption Group’s revised Statement of Principles, the Directors are seeking authority to disapply pre-emption rights in two separate resolutions:

- the first (resolution 16), to disapply pre-emption rights on up to five per cent of the issued share capital; and
- the second (resolution 17), to disapply pre-emption rights for an additional five per cent for transactions which the Board determines to be an acquisition or other capital investment as defined by the Statement of Principles.

Resolution 16 would give the Directors the power to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings up to an aggregate nominal amount of £1,892,561 (representing 7,570,244 ordinary shares). This aggregate nominal amount represents five per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at 3 October 2019, the latest practicable date prior to publication of this Notice.

Resolution 17 would give the Directors the power to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings up to an additional five per cent of the issued share capital in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group’s revised Statement of Principles), this being up to an aggregate nominal amount of £1,892,561 (representing 7,570,244 ordinary shares). The aggregate nominal amount to be allotted under resolutions 16 and 17 combined represents 10 per cent of the issued ordinary share capital of the Company (excluding treasury shares) as at 3 October 2019, the latest practicable date prior to publication of this Notice.

The Directors confirm that they will only allot shares representing an additional five per cent of the issued ordinary share capital of the Company (excluding treasury shares), for cash pursuant to the authority referred to in resolution 17, where that allotment is in connection with an acquisition or specified capital

investment (within the meaning given in the Pre-Emption Group's revised Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

In respect of the power referred to in resolution 16, the Directors also confirm their intention to follow the provisions of the Pre-Emption Group's revised Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5 per cent of issued ordinary share capital of the Company (excluding treasury shares) should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

The authority will expire at the conclusion of next year's annual general meeting or 21 February 2021, if earlier.

Resolution 18: Disapplication of pre-emption rights in relation to an issue of Additional Tier 1 instruments

The power under resolution 18 would give the Board power to allot equity securities pursuant to any proposal to issue AT1 Securities, without first offering them to existing shareholders. Together with resolution 15, resolution 18 is intended to provide the Board with the flexibility to issue AT1 Securities which may convert into ordinary shares in the Company without the need to comply with the pre-emption requirements of the UK statutory regime. This will allow the company to manage its capital in the most efficient and economic way for the benefit of shareholders.

If passed, resolution 18 will give the Board the power to allot shares and grant rights to subscribe for or to convert any security into shares in the Company (or to sell treasury shares held by the Company following any purchase of its own shares) on a non-preemptive basis up to an aggregate nominal amount of £4,731,402, representing approximately 12.5 per cent of the ordinary shares in issue on 3 October 2019 (the latest practicable date prior to publication of this Notice), such power to be exercised in connection with the issue of AT1 Securities.

As with resolution 15, the Directors have no present intention to exercise the power sought under this resolution and the request in this resolution should not be taken as an indication that the Company will or will not issue any AT1 Securities, but it may do so, to the extent permissible, if deemed appropriate in light of the Company's capital requirements, general market conditions and the demand for AT1 Securities from time to time.

Any exercise of the authorities in resolutions 15 and 18 (if passed) would be separate from, and in addition to, the exercise of any powers under resolutions 14, 16 and 17 and may also have a dilutive effect on existing shareholdings.

The power will expire at the conclusion of the next annual general meeting of the Company or, if earlier, at the close of business on 21 February 2021. However, as with resolution 15, the Board currently intends to seek a similar power on an annual basis.

Resolution 19: Purchase of own shares

Resolution 19 would give the Company the right to make market purchases of its own shares.

Authority is sought for the Company to purchase up to 10 per cent of its issued ordinary shares (excluding any treasury shares).

The Directors intend to keep under review the potential to purchase ordinary shares. The Directors will exercise this authority only when to do so would be in the best interests of the Company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company.

Ordinary shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled. The Directors will consider holding any ordinary shares the Company may purchase as treasury shares. The minimum price, exclusive of expenses, which may be paid for an ordinary share is the nominal amount of that share. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of (i) an amount equal to five per cent above the average market value for an

ordinary share for the five business days immediately preceding the date of the purchase and (ii) the higher of the price of the last independent trade and the highest current independent purchase bid on the trading venues where the purchase is carried out.

The Company has options outstanding over 3,947,939 ordinary shares, representing 2.61% of the Company's ordinary issued share capital (excluding treasury shares) as at 3 October 2019. If the existing buyback authority given at the 2018 Annual General Meeting and the authority now being sought by this resolution were to be fully used, the Company would have outstanding options over 3.25% of the Company's ordinary issued share capital (excluding treasury shares) at that date. The authority will expire at the conclusion of next year's annual general meeting or 21 February 2021, if earlier.

Resolution 20: Notice of general meetings

Resolution 20 would maintain the current position, agreed by shareholders at the 2018 Annual General Meeting, allowing the Company to hold general meetings on 14 clear days' notice. Under the Companies Act 2006, the Company may call a general meeting, other than an annual general meeting, by giving 14 clear days' notice to shareholders. Under the Companies (Shareholder Rights) Regulations 2009 this period is extended to 21 clear days unless the Company has obtained shareholder approval for a shorter period. The shorter notice period would not be used as a matter of routine, but only where the flexibility was merited by the business of the meeting and was thought to be in the interests of shareholders as a whole. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.



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