

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. Part II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF HL SHARES ON THE OFFICIAL LIST AND OF TRADING OF HL SHARES ON THE LONDON STOCK EXCHANGE.

If you are in any doubt as to the contents of this Document or what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your HL Shares, please send this Document and the accompanying documents (other than documents or forms personalised to you) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents must not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of HL Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired HL Shares in certificated form, you should contact Equiniti using the Shareholder Helpline described below to obtain replacements for these documents, if needed.

The release, publication or distribution of this Document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, HL and Bidco disclaim any responsibility or liability for the violation of such restrictions by such persons.

Neither this Document nor any accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in relation to the Acquisition or the Scheme or otherwise in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. Securities may not be offered or sold in the United States unless registered under the US Securities Act, and applicable state securities laws or exempt from such registration.

Recommended Final* Cash Acquisition

of

Hargreaves Lansdown plc

by

Harp Bidco Limited

(a newly formed company indirectly owned by CVC Private Equity Funds, Nordic Capital XI Delta, SCSp (acting through its general partner, Nordic Capital XI Delta GP SARL) and Platinum Ivy B 2018 RSC Limited)

to be implemented by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

This Document (including any documents incorporated into it by reference) should be read as a whole and in conjunction with the accompanying Forms of Proxy and Form of Election (if applicable).

Your attention is drawn to the letter from the Chair of the board of directors of HL in Part I (*Letter from the Chair of HL*) of this Document, which contains the unanimous recommendation of the HL Independent Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Fenchurch, Barclays, Deutsche Numis and Morgan Stanley (each as defined below) explaining the Scheme appears in Part II (*Explanatory Statement*) of this Document.

Notices of the Court Meeting and the General Meeting, both of which will be held at The Bristol Hotel, Prince Street, Bristol, United Kingdom, BS1 4QF on 14 October 2024, are set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this Document respectively. The Court Meeting will start at 10.30 a.m. and the General Meeting at 10.45 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

The actions to be taken by HL Shareholders in relation to the Court Meeting and General Meeting are set out on pages 9 to 14 and in paragraph 18 of Part II (*Explanatory Statement*) of this Document. It is very important that HL Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of their views. HL Shareholders will receive a BLUE Form of Proxy for use in connection with the Court Meeting and a WHITE Form of Proxy for use in connection with the General Meeting.

Whether or not you intend to be present at the Court Meeting and the General Meeting in person, please complete and sign each of the Forms of Proxy (or appoint a proxy electronically online or through CREST, as referred to below) in accordance with the instructions printed on them and return them to HL's registrar, Equiniti, as soon as possible and, in any event, so as to be received by Equiniti by 10.30 a.m. (London time) on 10 October 2024 in respect of the Court Meeting and 10.45 a.m. (London time) on 10 October 2024 in respect of the General Meeting. If the BLUE Form of Proxy for the Court Meeting is not returned by the specified time, it may be handed to representatives of Equiniti or the Chair of the Court Meeting or scanned and emailed to Equiniti at proxylvotes@equiniti.com before the start of that meeting and will still be valid. In the case of the General Meeting, however, unless the WHITE Form of Proxy is returned by the time mentioned in the instructions printed on it, it will be invalid. The completion and return of a Form of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described in this Document) will not prevent an HL Shareholder from attending, voting and speaking in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you so wish and are so entitled. HL Shareholders who hold HL Shares in CREST may appoint a proxy using CREST following the instructions set out in the Forms of Proxy and this Document.

If you have any questions about this Document, the Court Meeting, the General Meeting or on the completion and return of the Forms of Proxy or the Form of Election, please call Equiniti on the Shareholder Helpline on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls are welcomed via Relay UK. Please see www.relayuk.bt.com for more information. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Acquisition or the Scheme (including the Alternative Offer) or the merits of any of the foregoing, nor any legal, taxation or financial advice, can be given.

Certain terms used in this Document are defined in Part XI (*Definitions*).

Fenchurch Advisory Partners LLP ("**Fenchurch**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for HL and no one else in connection with the Acquisition described in this Document and accordingly will not be responsible to anyone other than HL for providing the protections afforded to its clients nor for providing advice in relation to the matters described in this Document.

Barclays Bank PLC ("**Barclays**"), acting through its Investment Bank, is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for HL and no one else in connection with the subject matter of this Document and will not be responsible to anyone other than HL for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Acquisition, the content of this Document or any other matter referred to in this Document.

Numis Securities Limited ("**Deutsche Numis**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for HL and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to the matters in this Document and will not be responsible to anyone other than HL for providing the protections afforded to clients of Deutsche Numis, nor for providing advice in relation to any matter referred to herein. Neither Deutsche Numis nor any of its affiliates (nor any of their respective directors, officers, employees or agents), owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Numis in connection with this Document, any statement contained herein or otherwise.

Morgan Stanley & Co. International plc ("**Morgan Stanley**") which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom is acting as special financial adviser exclusively for the Independent HL Board and no one else in connection with the matters contained in this Document. Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any person other than the Independent HL Board for

providing the protections afforded to clients of Morgan Stanley or for providing advice with the matters contained in this Document or any other matter referred to herein.

Goldman Sachs International (“**Goldman Sachs**”), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom is acting exclusively for Bidco and the Consortium as financial advisers and no one else in connection with the Acquisition and other matters set out in this Document and will not be responsible to anyone other than Bidco and the Consortium for providing the protections afforded to clients of Goldman Sachs, nor for providing advice in connection with the Acquisition, the content of this Document or any matter referred to herein. Neither Goldman Sachs nor any of Goldman Sachs’ subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Goldman Sachs in connection with this Document, any statement contained herein or otherwise.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been authorised by HL, the HL Directors, Bidco, the Bidco Directors or by Fenchurch, Barclays, Deutsche Numis, Morgan Stanley, Goldman Sachs or any other person involved in the Acquisition. Neither the delivery of this Document nor the holding of the Court Meeting, the General Meeting, the Court Hearing, or the filing of the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the HL Group or the Topco Group since the date of this Document or that the information in, or incorporated into, this Document is correct as at any time subsequent to its date.

* The financial terms of the Cash Offer and the Alternative Offer are final and will not be increased or improved, except that Bidco reserves the right to increase the amount of the Cash Consideration and improve the financial terms of the Alternative Offer if there is an announcement on or after the date of the Rule 2.7 Announcement of an offer or a possible offer for HL by a third party offeror or potential offeror. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement (if applicable)).

IMPORTANT NOTICES

Overseas Shareholders

The release, publication or distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Neither this Document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This Document has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The availability of the Acquisition (including the Alternative Offer) to HL Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. In particular, the ability of persons who are not resident in the UK to vote their HL Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition (including the Alternative Offer) disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition (including the Alternative Offer) will not be made available, in whole or in part, directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this Document and any formal documentation relating to the Acquisition (including the Alternative Offer) are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer (including the Alternative Offer) may not be made directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer (including the Alternative Offer) may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

HL Shareholders should be aware that the transaction contemplated herein may have tax consequences and that such consequences, if any, may not be described herein. HL Shareholders are urged to consult with appropriate legal, tax and financial advisers in connection with the consequences of the Acquisition (including any election for the Alternative Offer) on them. A summary of the expected tax impact of the Acquisition for UK shareholders is set out in Part VIII (*UK Taxation*) of this Document.

Further details in relation to Overseas Shareholders are contained in paragraph 16 of Part II (*Explanatory Statement*) of this Document.

Notice to US HL Shareholders

The Acquisition relates to the shares of an English company with shares admitted to trading on the London Stock Exchange and is being made by means of a scheme of arrangement provided for under English law. A

transaction implemented by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the UK to takeover offers and schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included or referred to in the Rule 2.7 Announcement and this Document has been or will have been prepared in accordance with generally accepted accounting principles of the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer, which is to be made into the US, such Offer will be made in compliance with applicable US laws and regulations.

It may be difficult for US holders of HL Shares to enforce their rights and any claim arising out of US federal laws, since Bidco, each member of the Topco Group and HL are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of non-US jurisdictions. US holders of HL Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Bidco, its nominees or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, HL Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, Goldman Sachs will continue to act as an exempt principal trader in HL Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website, www.londonstockexchange.com.

US HL Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the US and that such consequences, if any, are not described herein. US HL Shareholders are urged to consult with appropriate legal, tax and financial advisers in connection with the tax impact of the Acquisition on them.

The Loan Notes and, subject to the implementation of the Rollover, the Rollover Securities to be issued under the Alternative Offer will not be registered under the US Securities Act or under relevant securities laws of any state or territory or other jurisdiction of the United States. The Topco Group expects to issue the Loan Notes and, subject to implementation of the Rollover, the Rollover Securities in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof ("**Section 3(a)(10)**"). Section 3(a)(10) exempts securities issued in specified exchange transactions from the registration requirement under the US Securities Act where, among other requirements, the fairness of the terms and conditions of the issuance and exchange of such securities have been approved by a court or governmental authority expressly authorised by law to grant such approval, after a hearing upon the fairness of the terms and conditions of the exchange at which all persons to whom the relevant securities are proposed to be issued have the right to appear (and will not encounter any improper impediments to appear) and receive adequate and timely notice thereof. If the exemption afforded by Section 3(a)(10) is not available, then the Topco Group expects to avail itself of another available exemption to the registration requirements under the US Securities Act. If Bidco exercises its right to implement the acquisition of the HL Shares by way of an Offer, the Rollover Securities will not be offered in the US except pursuant to an exemption from or in a transaction not subject to registration under the US Securities Act.

The Rollover Securities will not be listed on any stock exchange. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the Alternative Offer or has determined or will determine if this Document is accurate or complete. Any representation to the contrary is a criminal offence.

Forward looking statements

This Document (including information incorporated by reference in this Document), statements made regarding the Acquisition, and other information published by Bidco and HL contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and

HL about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this Document include statements relating to the expected effects of the Acquisition on Bidco and HL (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “prepares”, “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “synergy”, “strategy”, “scheduled”, “goal”, “estimates”, “forecasts”, “cost-saving”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s, HL’s, any member of the Topco Group’s or any member of the HL Group’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco’s, HL’s, any member of the Topco Group or any member of the HL Group’s business.

Although Bidco and HL believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and HL can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and HL operate, weak, volatile or illiquid capital and/or credit markets, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco and HL operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor HL, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Document will actually occur. You are cautioned not to place any reliance on these forward-looking statements. The forward-looking statements speak only at the date of this Document. All subsequent oral or written forward-looking statements attributable to Bidco or any member of the Topco Group or the HL Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Other than in accordance with their legal or regulatory obligations, neither Bidco nor HL is under any obligation, and Bidco and HL expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Dealing and opening position disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any

securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

A copy of this Document, together with all information incorporated into this Document by reference to another source, and the documents required to be published under Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons in, or resident in, Restricted Jurisdictions, on HL's website at www.hl.co.uk/investor-relations. For the avoidance of doubt, neither the content of this website nor of any website accessible from any hyperlinks set out in this Document is incorporated by reference or forms part of this Document.

No profit forecasts, estimates or quantified financial benefits statements

No statement in this Document, or incorporated by reference into this Document, is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this Document should be interpreted to mean that earnings or earnings per share for any member of the HL Group or the Topco Group for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for the HL Group or the Topco Group as appropriate.

Requesting Hard Copy Documents

In accordance with Rule 30.3 of the Takeover Code, HL Shareholders, persons with information rights and participants in the HL Share Plans may request a hard copy of this Document (and any document or information incorporated into it by reference to another source) by contacting HL's registrars, Equiniti, by writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA or by calling them on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For persons who receive a copy of this Document in electronic form or via a website notification, a hard copy of this Document (and any document or information incorporated by reference into this Document) will not be sent unless so requested. In accordance with Rule 30.3 of the Takeover Code, such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be sent in hard copy form.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by HL Shareholders, persons with information rights and other relevant persons for the receipt of

communications from HL may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

Rounding

Certain figures included in this Document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

Time

All times shown in this document are London times, unless otherwise stated.

General

Bidco reserves the right to elect, with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement, to implement the Acquisition by way of an Offer as an alternative to the Scheme. In such an event, such an Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments to reflect the change in method of implementation and the terms of the Cooperation Agreement).

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining HL Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase HL Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

The statements contained in this Document are made as at the date of this Document unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set forth in this Document since such date. Nothing in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of HL or Bidco except where otherwise expressly stated.

This document is not a prospectus or prospectus-equivalent document.

The Acquisition will be subject to English law, the jurisdiction of the courts of England and Wales, and the applicable requirements of the Companies Act, the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Date

The date of publication of this Document is 6 September 2024.

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ACTION TO BE TAKEN

For the reasons set out in this Document, the HL Independent Directors, who have been so advised by Fenchurch, Barclays, Deutsche Numis and Morgan Stanley as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing their financial advice to the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley have taken into account the commercial assessments of the HL Independent Directors. Fenchurch is providing independent financial advice to the HL Independent Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the HL Independent Directors unanimously recommend that HL Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting as the HL Independent Directors have irrevocably undertaken to do in respect of their own HL Shares (representing, in aggregate, approximately 0.01 per cent. of the issued ordinary share capital of HL as at 5 September 2024, being the latest practicable date prior to publication of this Document), and that you take the action described below.

Notices of the Court Meeting and the General Meeting are set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this Document, respectively.

As an alternative to the Cash Consideration, Eligible Scheme Shareholders may also elect for the Alternative Offer in respect of some or all of their Scheme Shares. Detailed instructions on the action to be taken by those Scheme Shareholders who wish to, and are eligible to, make an election under the Alternative Offer are set out in paragraph 18 of Part II (*Explanatory Statement*) and Part VI (*Notes on making an election for the Alternative Offer*) of this Document. The description in paragraph 3 below titled “Elections for the Alternative Offer” is a summary of such instructions. For the avoidance of doubt, if the Scheme becomes Effective, each Scheme Shareholder who does not validly elect for the Alternative Offer and provide the KYC Information (in respect of itself and, if applicable, in respect of any Underlying Holder(s)) to Bidco’s satisfaction in its sole discretion (or who are not eligible to do so) will automatically receive the full amount of the Cash Consideration for their entire holdings of relevant Scheme Shares (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder shall not impact the validity of an election made on behalf of another Underlying Holder).

For the reasons set out in this Document, the HL Independent Directors are unable to form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to HL Shareholders as to whether or not they should elect for the Alternative Offer.

In deciding whether or not to elect for the Alternative Offer, eligible HL Shareholders are strongly encouraged to take their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives and consider carefully the disadvantages and advantages of electing for the Alternative Offer (including, but not limited to, those set out in paragraph 14 of Part I (*Letter from the Chair of HL*) of this Document) in light of their own particular circumstances and investment objectives. HL Shareholders should also ascertain whether the acquiring or holding of Loan Notes and Rollover Securities is permitted under and/or otherwise affected by the laws of the relevant jurisdiction in which they reside and consider whether the Loan Notes and Rollover Securities are a suitable investment in light of their own particular circumstances and objectives. Any decision to elect for the Alternative Offer should be based on such independent financial, tax and legal advice, and full consideration of this Document, together with the Revised Topco Shareholders’ Agreement and the Revised Topco Articles.

1. THE DOCUMENTS

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting;
- a WHITE Form of Proxy for use in respect of the General Meeting;
- a reply-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy;
- a GREEN Form of Election for use (by Eligible Scheme Shareholders who hold their HL Shares in certificated form) in respect of elections under the Alternative Offer; and
- a reply-paid envelope for use in the UK only for the return of the GREEN Form of Election.

If you have not received all of these documents, please contact the Shareholder Helpline on the number indicated in paragraph 5 below.

2. VOTING AT THE COURT MEETING AND THE GENERAL MEETING

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at The Bristol Hotel, Prince Street, Bristol, United Kingdom, BS1 4QF at 10.30 a.m. (London time) on 14 October 2024. Implementation of the Scheme will also require approval by HL Shareholders of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting at 10.45 a.m. (London time) on 14 October 2024 (or as soon thereafter as the Court Meeting shall have been concluded or adjourned).

Scheme Shareholders and HL Shareholders (as applicable) entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Court Meeting and/or General Meeting. The proxy need not be a HL Shareholder.

It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair and reasonable representation of the opinion of HL Shareholders. Whether or not you intend to attend the Court Meeting and/or the General Meeting, please sign and return your Forms of Proxy, or deliver your voting instructions by one of the other methods mentioned below, as soon as possible.

HL Shareholders are entitled to appoint a proxy in respect of some or all of their HL Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. HL Shareholders who wish to appoint more than one proxy in respect of their holding of HL Shares should contact Equiniti for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you wish and are entitled to do so.

(a) *Sending Forms of Proxy by post*

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them by post to HL's registrar, Equiniti, at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA, so as to be received as soon as possible and in any event no later than the relevant time set out below:

BLUE Forms of Proxy for the Court Meeting	10.30 a.m. (London time) on 10 October 2024
WHITE Forms of Proxy for the General Meeting	10.45 a.m. (London time) on 10 October 2024

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received no later than 48 hours (excluding non-working days) before the time fixed for the adjourned Meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned by such time, it may be handed to a representative of Equiniti, on behalf of the Chair of the Court Meeting, or to the Chair of the Court Meeting, or scanned and emailed to Equiniti at proxyvotes@equiniti.com, before the start of that Meeting. However, in the case of the General Meeting, the WHITE Form of Proxy must be received by Equiniti by the time mentioned above, or it will be invalid.

(b) *Online appointment of proxies*

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website: www.sharevote.co.uk where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on the Form of Proxy will be required to complete the procedure. If you have already registered at Shareview, you may complete the EPA via your portfolio at www.shareview.co.uk. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti no later than 10.30 a.m. (London time) on 10 October 2024 for the Court Meeting and 10.45 a.m. (London time) on 10 October 2024 for the General Meeting or, if in either case the Meeting is adjourned, no later than 48 hours (excluding non-working days) before the time fixed for the adjourned Meeting.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the BLUE Form of Proxy and hand it to a representative of Equiniti or the Chair of the Court Meeting, or scan and email it to Equiniti at proxyvotes@equiniti.com, before the start of the Court Meeting.

(c) *Electronic appointment of proxies through CREST*

If you hold HL Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Meetings (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you 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 any voting 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.

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 the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy), must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) no later than 48 hours (excluding non-working days) before the time fixed for the Court Meeting or General Meeting (or adjourned meeting), as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Equiniti 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.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 any voting service provider(s), to procure that his/her 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 connection with this, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

HL may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

3. ELECTIONS FOR THE ALTERNATIVE OFFER

As an alternative to all or part of the Cash Consideration which would otherwise be received pursuant to the Acquisition, eligible HL Shareholders may elect to receive the Alternative Offer which, in turn, is an election to receive one Bidco Loan Note, and so in turn, subject to implementation of the Rollover, one Rollover Security for each HL Share, subject to the terms and conditions of the Alternative Offer. Further details of the Rollover Securities are set out in Part IV (*Summary of the Rollover Securities*) of this Document.

The Rollover Securities have been independently valued by Goldman Sachs in its capacity as financial adviser to Bidco, and an estimate of the value of the Rollover Securities (together with the assumptions, qualifications and caveats forming the basis of such estimate of the value) is set out in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document.

Details of certain disadvantages and advantages of the Alternative Offer identified by the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley are set out in paragraph 14 of Part I (*Letter from the Chair of HL*) of this Document. Scheme Shareholders are strongly encouraged to take into account such disadvantages and advantages, and the investment considerations and risk factors set out in paragraph 4 of Part II (*Explanatory Statement*) of this Document, as well as their particular circumstances, when deciding whether to elect for the Alternative Offer in respect of some or all of their Scheme Shares. Scheme Shareholders are also strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. Scheme Shareholders should also ascertain whether the acquiring or holding of Loan Notes and Rollover Securities is permitted under and/or otherwise affected by the laws of the relevant jurisdiction in which they reside and consider whether the Loan Notes and Rollover Securities are a suitable investment in light of their own particular circumstances and investment objectives. Any decision to elect for the Alternative Offer should be based on such independent financial, tax and legal advice, and full

consideration of this Document (including paragraph 4 of Part II (*Explanatory Statement*)), together with the Revised Topco Shareholders' Agreement and the Revised Topco Articles.

Certain amendments have been made to the Topco Shareholders' Agreement and Topco Articles (such revised Topco Shareholders' Agreement being the "**Revised Topco Shareholders' Agreement**" and such revised Topco Articles being the "**Revised Topco Articles**") in order to ensure that Beneficial Security Holders (as defined in the Revised Topco Shareholders' Agreement) are entitled to certain rights under the Revised Topco Shareholders' Agreement and Revised Topco Articles that they would have if they were holders of legal title to the relevant Rollover Securities, including in respect of permitted transfer rights, catch-up rights on issuances of future securities by Topco and 'tag along' rights.

If you wish to make an election for the Alternative Offer in respect of all or part of your holding of Scheme Shares, you should read Part VI (*Notes on making an election for the Alternative Offer*) of this Document carefully and follow the applicable instructions below so as to deliver an appropriately executed Form of Election or make a binding TTE Instruction in respect of the relevant number of Scheme Shares (and provide the KYC Information in a form satisfactory to Bidco) by the Election Return Time.

If you wish to receive cash for all the Scheme Shares that you hold at the Scheme Record Time and do not wish to make an election under the Alternative Offer, do not return the GREEN Form of Election or make a TTE Instruction.

If you are an eligible HL Shareholder who holds HL Shares in certificated form (that is, not in CREST) and are not a Restricted Shareholder and you wish to make an election under the Alternative Offer please complete and return the GREEN Form of Election by post to Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA so as to reach Equiniti by no later than the Election Return Time and take the further actions described in Part VI (*Notes on making an election for the Alternative Offer*) of this Document. A reply-paid envelope, for use in the UK only, has been provided for return of the GREEN Form of Election. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

If you are an eligible HL Shareholder who holds HL Shares in uncertificated form (that is, in CREST) and you are not a Restricted Shareholder and you wish to elect for the Alternative Offer you should NOT complete a GREEN Form of Election. Instead you should submit your election electronically by taking (or procuring to be taken) the actions set out in Part VI (*Notes on making an election for the Alternative Offer*) of this Document to transfer the HL Shares in respect of which you wish to elect for the Alternative Offer to the relevant escrow account using a TTE Instruction as soon as possible, and in any event so that the TTE Instruction settles no later than the Election Return Time. If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your HL Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your HL Shares.

The issue of Rollover Securities pursuant to the Alternative Offer (subject to implementation of the Rollover) is settled outside of CREST (certificated form only with no ISIN) and therefore cannot be supported by Euroclear for transformation purposes in respect of any CREST participant that submits a TTE Instruction for the Alternative Offer and any resolution of unsettled trades will need to be managed outside of CREST bilaterally between the CREST participants involved.

For technical reasons, it will not be possible to send TTE Instructions to Euroclear before the date on which the Court Hearing is set and announced. Once the date of the Court Hearing is set, HL will announce the Election Return Time via a Regulatory Information Service (with such announcement being made available on HL's website at www.hl.co.uk/investor-relations) and an appropriate event will be set up by Euroclear in CREST. It will be possible for TTE Instructions to be sent to Euroclear from such time onwards until the Election Return Time.

If you hold HL Shares in both certificated and uncertificated form and you wish to make an election under the Alternative Offer in respect of both such holdings, you must make separate elections in respect of each holding.

As part of completing a Form of Election, HL Shareholders who hold HL Shares in certificated form (that is, not in CREST) will be asked to provide an email address for service of notices pursuant to the Revised Topco Shareholders' Agreement. Bidco and Topco reserve the right to treat email addresses previously given to HL or Equiniti by HL Shareholders who hold HL Shares in certificated form who wish to elect for the Alternative Offer as the addresses for notices under the terms of the Revised Topco Shareholders' Agreement. Alternatively, such holders may notify Equiniti of their email addresses if they wish to receive such notices by

email. Bidco and Topco will regard addresses in the register of members of HL for such holders as being the relevant addresses for notices under the Revised Topco Shareholders' Agreement.

Scheme Shareholders who wish to elect for the Alternative Offer must satisfy the eligibility criteria set out in Part IV (*Summary of the Rollover Securities*) of this Document and are required to deliver the KYC Information to Equiniti (acting on behalf of Bidco) by the Election Return Time. Scheme Shareholders who are considering whether to elect for the Alternative Offer are strongly encouraged to visit www.hl.co.uk/investor-relations to access a copy of the KYC form setting out details of the required KYC Information and/or to contact Equiniti using the Shareholder Helpline as soon as possible to inform Equiniti that they intend to elect for the Alternative Offer and to obtain further details of the required information. Where relevant, Scheme Shareholders are strongly advised to contact their Underlying Holder(s) well in advance of the Election Return Time to obtain the relevant KYC Information in respect of such Underlying Holder(s). The KYC Information is subject to the approval of Bidco in its sole discretion. Failure to deliver such KYC Information in a form satisfactory to Bidco on or prior to the Election Return Time will result in your purported election for the Alternative Offer being treated as invalid by Bidco and you will only be entitled to receive the Cash Consideration for the relevant Scheme Shares you hold in accordance with the terms of the Cash Offer (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder).

No election under the Alternative Offer will be valid unless, by the Election Return Time: (a) in the case of certificated shares, a Form of Election is completed in all respects and submitted, or in the case of uncertificated shares, an appropriate TTE Instruction is settled, and (b) in each case, the KYC Information is provided by the relevant Scheme Shareholder (in respect of itself and, if applicable, in respect of any Underlying Holder(s)) to Bidco's satisfaction (in its sole discretion).

Restricted Shareholders will, under the Acquisition (to the extent it is being made into the jurisdiction in which they are resident or located), only be entitled to receive the Cash Consideration for the relevant Scheme Shares they hold in accordance with the terms of the Cash Offer and they will not have the option of electing for the Alternative Offer. Any purported election for the Alternative Offer by such Restricted Shareholders will be treated as invalid by Bidco. Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

Any Underlying Holder who is interested in Scheme Shares through a nominee or similar arrangement and who wishes to elect for the Alternative Offer should contact their nominee or similar registered holder of the Scheme Shares in respect of which they wish to elect for the Alternative Offer. Such persons may need first to arrange with such nominee or similar registered holder for the transfer of such Scheme Shares into, and then make an election for the Alternative Offer in, their own name as the registered holder of the relevant Scheme Shares. Furthermore, in order to enjoy the full rights available to them under the Revised Topco Shareholders' Agreement, Underlying Holders who intend to make an election for the Alternative Offer may in any event wish to take the necessary steps to move the relevant number of Scheme Shares into their own names prior to making an election for the Alternative Offer.

Nominee and similar registered holders of Scheme Shares are responsible for ensuring that elections made by them for the Alternative Offer are consistent with the instructions they have received from the relevant Underlying Holder(s) and are validly completed. None of HL, Bidco or Equiniti shall: (a) have any obligation to verify that an election made by a nominee or similar registered holder for the Alternative Offer is consistent with the instructions given by the relevant Underlying Holder(s) or is validly completed by the nominee or similar registered holder; or (b) have any liability to nominee or similar registered holders of Scheme Shares or any Underlying Holder(s) in the event that an election by any such nominee or similar registered holder for the Alternative Offer is rejected or treated as invalid, or is not made in accordance with the instructions received from the relevant Underlying Holder(s).

4. HL SHARE PLANS

Participants in the HL Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the HL Share Plans. A summary of the effect of the Scheme on the HL Share Plans is set out in paragraph 8 of Part II (*Explanatory Statement*) of this Document. Where applicable, appropriate proposals will be made to participants in the HL Share Plans pursuant to Rule 15 of the Takeover Code (the "**Rule 15**

Proposals”). The Rule 15 Proposals will be sent to participants later in the Acquisition timetable (and so will not be provided on or around the date of this Document) to allow HL and Bidco the opportunity to engage with the FCA on certain details of the proposals to ensure that they comply with the relevant FCA regulatory requirements. While the precise duration of that engagement is not known, HL and Bidco currently expect the Rule 15 Proposals to be provided to participants in the HL Share Plans at a date expected to be in the middle of the fourth quarter of 2024.

5. SHAREHOLDER HELPLINE

If you have any questions in relation to this Document, the Meetings, or the completion and return of the Forms of Proxy (or appointment of a proxy online or electronically) or the Form of Election, please telephone Equiniti on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls are welcomed via Relay UK. Please see www.relayuk.bt.com for more information. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Acquisition or the Scheme (including the Alternative Offer) or the merits of any of the foregoing, nor any legal, taxation or financial advice, can be given.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are London times unless otherwise stated. All dates and times are based on HL's and Bidco's current expectations and are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to HL Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on HL's website at www.hl.co.uk/investor-relations.

Event	Time and/or date ⁽¹⁾
Publication of this Document	6 September 2024
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE Form of Proxy)	10.30 a.m. on 10 October 2024 ⁽²⁾
General Meeting (WHITE Form of Proxy)	10.45 a.m. on 10 October 2024 ⁽³⁾
Voting Record Time	6.30 p.m. on 10 October 2024 ⁽⁴⁾
Court Meeting	10.30 a.m. on 14 October 2024
General Meeting	10.45 a.m. on 14 October 2024 ⁽⁵⁾
<i>The following dates are indicative only and are subject to change⁽⁶⁾</i>	
Election Return Time, being the latest time for lodging the GREEN Form of Election (for certificated holders) or settlement of TTE Instructions (for CREST holders) in respect of the Alternative Offer	1.00 p.m. on D – 1 Business Day
Court Hearing to sanction the Scheme	a date expected to be in the first quarter of 2025, subject to the satisfaction (or, if applicable, waiver) of the relevant Conditions ("D")
Latest day for dealings in, and for registration of transfers of, HL Shares	D + 1 Business Day ⁽⁷⁾
Scheme Record Time	6.00 p.m. on D + 1 Business Day
Disablement of CREST in respect of HL Shares	6.00 p.m. on D + 1 Business Day
Suspension of listing of, and dealings in, HL Shares	By 7.30 a.m. on D + 2 Business Days
Effective Date of Scheme	D + 2 Business Days ⁽⁸⁾
Cancellation of listing and admission to trading of HL Shares . .	By 8.00 a.m. on the next Business Day after the Effective Date
Latest date for despatch of cheques and crediting of CREST accounts for Cash Consideration due under the Scheme and issue of share certificates in respect of Rollover Securities due, subject to implementation of the Rollover, under the Alternative Offer	Within 14 days of Effective Date
Long Stop Date	11.59 pm on 9 May 2025 ⁽⁹⁾

(1) The dates and times given are indicative only, are based on current expectations, and are subject to change (including as a result of changes to the regulatory timetable). References to times are to London time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to HL Shareholders by announcement through a Regulatory Information Service and, if required by the Panel, notice of the change(s) will be sent to HL Shareholders and other persons with information rights. Participants in the HL Share Plans will be contacted separately to inform them of the effect of the Scheme on their rights under the HL Share Plans, including details of any appropriate proposals being made and dates and times relevant to them.

(2) The BLUE Form of Proxy for the Court Meeting should be received by Equiniti by no later than 10.30 a.m. on 10 October 2024 or, if the Court Meeting is adjourned, no later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned Court Meeting. If the BLUE Form of Proxy for the Court Meeting is not returned by such time, it may be handed to a representative of Equiniti, on behalf of the Chair of the Court Meeting, or to the Chair of the Court Meeting, or scanned and emailed to Equiniti at proxyvotes@equiniti.com, before the start of the Court Meeting.

(3) The WHITE Form of Proxy for the General Meeting should be received by Equiniti by no later than 10.45 a.m. on 10 October 2024 or, if the General Meeting is adjourned, no later than 48 hours (excluding non-working days) before the time fixed for the holding of

the adjourned General Meeting. The WHITE Form of Proxy cannot be handed to the Chair of the General Meeting or Equiniti or otherwise emailed in accordance with Note 2 above and will be invalid if submitted after the deadline.

- (4) If either or both of the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the day falling two days (excluding non-working days) before the date of the adjourned Meeting.
- (5) To commence at 10.45 a.m. or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (6) These dates and times are indicative only and will depend, among other things, on the date on which: (i) the relevant Conditions are either satisfied or (if capable of waiver) waived, (ii) the Court sanctions the Scheme, and (iii) the Court Order sanctioning the Scheme is delivered to the Registrar of Companies. See also Note (1) above.
- (7) The Election Return Time will be 1.00 p.m. on the Business Day prior to the date of the Court Hearing (which remains to be set but is currently expected to take place in the first quarter of 2025). Once the date of the Court Hearing is set, HL will announce the Election Return Time via a Regulatory Information Service (with such announcement being made available on HL's website at www.hl.co.uk/investor-relations) and an appropriate event will be set up by Euroclear in CREST. It will be possible for TTE Instructions to be sent to Euroclear from such time onwards until the Election Return Time.
- (8) HL expects that, subject to satisfaction (or, where applicable, waiver) of the Conditions in Part A of Part III (*Conditions to and Further Terms of the Acquisition and the Scheme*) of this Document, the Scheme will become Effective in the first quarter of 2025.
- (9) The latest time and date by which the Scheme must become Effective (or such later date (i) as may be agreed between Bidco and HL and, if required, the Panel; or (ii) set at the direction of the Panel under the Note on Section 3 of Appendix 7 to the Takeover Code, and in each case as the Court may approve (if such approval is required)).

Part I
LETTER FROM THE CHAIR OF HL

Hargreaves Lansdown plc

(Incorporated and registered in England and Wales with registered number 02122142)

HL Independent Directors:

Alison Platt (*Chair*)
Dan Olley (*Chief Executive*)
Amy Stirling (*Chief Financial Officer*)
John Troiano (*Non-Executive Director*)
Andrea Blance (*Non-Executive Director*)
Moni Mannings (*Non-Executive Director*)[†]
Penny James (*Non-Executive Director*)
Darren Pope (*Non-Executive Director*)
Michael Morley (*Non-Executive Director*)

Registered Office:

One College Square South
Anchor Road
Bristol
England
BS1 5HL

6 September 2024

To all HL Shareholders and, for information only, persons with information rights and participants in the HL Share Plans

Dear Shareholder,

**RECOMMENDED FINAL* CASH ACQUISITION
OF HARGREAVES LANSDOWN PLC BY HARP BIDCO LIMITED**

1. INTRODUCTION

On 9 August 2024, the HL Independent Directors and the Bidco Board announced that they had reached agreement on the terms and conditions of a recommended final* cash acquisition of the entire issued and to be issued ordinary share capital of HL by Bidco. Bidco is a newly-formed company indirectly owned by CVC Private Equity Funds, Nordic Capital XI Delta, SCSp (acting through its general partner, Nordic Capital XI Delta GP SARL) and Platinum Ivy B 2018 RSC Limited.

I am writing to you today, on behalf of the HL Independent Directors, to explain the background to, and principal terms of, the Acquisition, to encourage you to vote at the Meetings to be held on 14 October 2024 to consider the Scheme, and to explain why the HL Independent Directors consider the Cash Offer to be fair and reasonable and are therefore unanimously recommending that HL Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting, as the HL Independent Directors who hold HL Shares have irrevocably undertaken to do in respect of their own holdings of HL Shares.

I also draw your attention to the letter from Fenchurch, Barclays, Deutsche Numis and Morgan Stanley set out in Part II (*Explanatory Statement*) of this Document, which sets out details of the Acquisition, and to the full terms of the Scheme set out in Part V (*The Scheme of Arrangement*) and the additional information set out in Part IX (*Additional Information*) of this Document.

In order to approve the terms of the Acquisition, the required majority of Scheme Shareholders will need to vote in favour of the resolution to be proposed at the Court Meeting and the required majority of HL Shareholders will need to vote in favour of the Special Resolution to be proposed at the General Meeting. The Court Meeting and the General Meeting are to be held on 14 October 2024 at 10.30 a.m. and 10.45 a.m. (London time) (or, in the case of the General Meeting, as soon thereafter as the Court Meeting concludes or is adjourned), respectively, at The Bristol Hotel, Prince Street, Bristol, United Kingdom, BS1 4QF. Details of the

[†] As announced by HL on 4 September 2024, in light of other commitments and having successfully delivered and overseen implementation of the revised remuneration policy during FY 2024, Moni Mannings has notified the HL Board of her decision to step down from her position as an HL Director and chair of the Remuneration Committee with effect from the end of October 2024.

^{*} The financial terms of the Cash Offer and the Alternative Offer are final and will not be increased or improved, except that Bidco reserves the right to increase the amount of the Cash Consideration and improve the financial terms of the Alternative Offer if there is an announcement on or after the date of the Rule 2.7 Announcement of an offer or a possible offer for HL by a third party offeror or potential offeror. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement (if applicable)).

actions you should take are set out on pages 9 to 14 and in paragraph 18 of Part II (*Explanatory Statement*) of this Document.

2. SUMMARY OF THE TERMS OF THE ACQUISITION

It is proposed that the Acquisition be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act, which requires the approval of Scheme Shareholders at the Court Meeting and the HL Shareholders at the General Meeting, and the sanction of the Court.

Under the terms of the Acquisition, HL Shareholders will be entitled to receive:

for each HL Share: 1,140 pence in cash

comprised of:

- cash consideration of 1,110 pence per HL Share (the “**Cash Consideration**”); and
- a dividend of 30 pence per HL Share in respect of the Financial Year ended 30 June 2024 (the “**2024 Full-Year Dividend**”),

together, the “**Cash Offer**”.

The Cash Offer values HL’s entire issued and to be issued share capital at approximately £5,443 million on a fully diluted basis.

The Cash Offer represents a premium of approximately:

- 54.1 per cent. to the Closing Price of 740.0 pence per HL Share on 11 April 2024 (being the last Business Day before the Consortium’s initial approach to the HL Board);
- 48.5 per cent. to the volume-weighted average price of 767.7 pence per HL Share for the three-month period ended 21 May 2024 (being the last Business Day before the commencement of the Offer Period);
- 51.7 per cent. to the volume-weighted average price of 751.5 pence per HL Share for the six-month period ended 21 May 2024 (being the last Business Day before the commencement of the Offer Period); and
- 22.2 per cent. to the Closing Price of 932.8 pence per HL Share on 21 May 2024 (being the last Business Day before the commencement of the Offer Period).

As an alternative to the Cash Consideration, eligible HL Shareholders may elect to participate in the Alternative Offer (described in further detail in paragraph 4 below and in Part IV (*Summary of the Rollover Securities*) of this Document).

The financial terms of the Cash Offer and the Alternative Offer are final and will not be increased or improved, except that Bidco reserves the right to increase the amount of the Cash Consideration and improve the financial terms of the Alternative Offer if there is an announcement on or after the date of the Rule 2.7 Announcement of an offer or a possible offer for HL by a third party offeror or potential offeror. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement (if applicable)).

If, on or after the date of the Rule 2.7 Announcement and prior to the Acquisition becoming Effective, any dividend and/or other distribution and/or other return of capital or value, other than the 2024 Full-Year Dividend, is announced, declared, made or paid or becomes payable by the Company in respect of the HL Shares (in each case, with a record date prior to the Effective Date), Bidco will reduce the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by an amount equal to the amount of such dividend and/or distribution and/or other return of capital or value, in which case, any reference in this Document to the Cash Consideration payable under the terms of the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any such reduction of the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by Bidco shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In the event of any such reduction of the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer), HL Shareholders would be entitled to retain the relevant dividend, distribution and/or other return of capital or value.

The Acquisition is subject to the Conditions set out in Part A of Part III (*Conditions to and further terms of the Acquisition and the Scheme*) of this Document, including the sanction of the Scheme by the Court. The expected transaction timetable is set out on pages 15 and 16 of this Document.

Further information about the Acquisition is provided in Part II (*Explanatory Statement*) of this Document.

3. BACKGROUND TO AND REASONS FOR THE RECOMMENDATION OF THE CASH OFFER

HL Group context

Founded in 1981, HL is the largest and one of the longest-standing Direct to Consumer (D2C) investment platforms in the growing UK wealth management market, with a large and loyal client base, a strong and trusted brand, and a broad range of products and services that cater for every life stage.

HL has a clear ambition to provide its clients with the best savings and investment platform to help them to achieve their financial goals. The Independent HL Board believes that achieving this ambition will enable HL to remain the UK's largest savings and investment platform, grow its client base, and capture the significant long-term opportunity in the wealth and savings market.

Since the HL Shares were admitted to the London Stock Exchange in May 2007, HL's AuA has grown from £10.2 billion as at 30 June 2007 to £155.3 billion as at 30 June 2024 and active clients have increased from 218,000 to almost 1.9 million over the same period. HL's Net Promoter Score, which stood at an average of +44 for H2 2024, is strong positive evidence of its ability to attract and retain customers in the market.

The Independent HL Board believes that HL is well positioned to benefit from market growth in future years. HL's ambition to help clients invest and achieve their financial goals is fully aligned with a broader UK political and regulatory focus on addressing the UK 'savings gap' and delivering better client outcomes. An improved UK macroeconomic outlook, following a period of extreme shocks including Covid and the negative impact of global conflicts on broader market confidence, is expected to have a positive impact on HL's business, specifically on client inflows and retention over the medium term.

The improving macroeconomic backdrop and the execution of HL's stated strategy are, together, delivering early signs of improvement in the business against the challenges faced in recent periods as demonstrated in HL's most recent trading updates, including in its preliminary results for FY 2024 announced on 9 August 2024, which set out:

- net new business of £1.6 billion for Q4 2024, driving record closing AuA of £155.3 billion;
- total revenue of £764.9 million, up 4 per cent. compared to FY 2023;
- underlying costs of £338.5 million, up 8 per cent. compared to FY 2023, slightly below guidance; and
- underlying profit before tax of £456.0 million, up 4 per cent. compared to FY 2023.

At the same time, the Independent HL Board recognises that the market has evolved significantly in recent years and expects this rate of transformation to continue, with:

- an increasingly competitive market environment, with existing D2C market participants investing significantly in price and proposition, the entrance of large international groups into the UK investment platform market, digital-led Fintech providers launching low cost wealth propositions, and increasing strategic focus on wealth management by certain UK retail banks, life insurers and asset managers;
- a changing regulatory environment including greater regulatory focus on UK wealth participants (e.g., implementation of the Consumer Duty framework in July 2023), in turn driving increased associated resource requirements and costs; and
- an evolution in client behaviours and expectations relating to digital engagement and personalised services, requiring increasing and ongoing investment in HL's client proposition, digital capabilities and underlying technology.

Following Dan Olley's appointment as HL's CEO in August 2023, HL commenced a comprehensive business-wide review of the progress and strategic direction of the HL Group, its overall performance and its client value proposition. Based on early observations, HL's CEO set initial priorities to focus the business and start to accelerate the transformation while this review was carried out. At HL's interim results in February 2024, HL's CEO laid out the evolved strategy, some initial findings from the review and how these had now been included into the organisation's transformation programme.

Conclusions from the review

HL also undertook to update the market further at its FY 2024 results in August 2024 irrespective of the Cash Offer from the Consortium. With the business-wide review now complete, HL has updated the market on its key findings, as set out below:

- **Fundamental Strengths** — With its more than 40-year heritage and a strong sense of purpose, HL already has many of the foundational elements in place to execute on its strategy. As set out by the CEO at HL's interim results in February 2024, HL is distinguished by the strength of its culture and the dedication of its colleagues, its strong sense of purpose and its clear focus on serving clients every day.

More specifically, HL benefits from a strong and trusted brand, having been rated the #1 classic investment platform by Boring Money in 2023 and is recognised by more than 30 per cent. of adults in the UK. HL has a client-first service-led approach embedded throughout its culture and embodied by over 2,400 colleagues serving a large, diverse and loyal base of almost 1.9 million clients — the largest client base of any wealth manager in the UK. Together with one of the broadest ranges of products and services in the UK savings and investment market including over 14,000 different investment options, HL is able to cater for clients across every life stage.

Building on these key strengths and with the benefit of a strong and robust balance sheet and predictable cash flow, the review has confirmed that HL is therefore especially well placed to take advantage of the clear opportunity ahead in the UK's large and growing savings and investment market.

- **Client Engagement & Retention** — Despite a long term track record of growth in an increasingly competitive environment, HL has been growing at a slower pace over several years as set out in HL's 2024 interim results. This is primarily driven by reducing asset and client retention rates. Analysis has demonstrated that once key service issues had been addressed as a reason for attrition, outflows are now largely being driven by specific factors including friction and gaps in the digital experience and certain aspects of the client value proposition, which have remained largely unchanged since 2017. This is in the context of an increasingly competitive environment where, in areas, competitors are now offering propositions approaching that currently offered by HL and at lower cost as a result of ongoing revenue investment.
 - Net new business has reduced from £8.7 billion in FY 2021 to £4.2 billion in FY 2024, reflecting declining client and asset retention rates, which have fallen from 92.1 per cent. to 91.4 per cent. and 91.4 per cent. to 88.5 per cent. respectively over the same time period.
 - Investment is required in both the digital experience and the overall client value proposition, including revenue investment, to address this declining retention.
- **Client Acquisition** — Whilst HL's strong and established brand generates consistently strong inflows, HL's marketing approach has not reflected industry trends towards digital and performance marketing. Use of social media channels has been limited, as is the ability to target new archetype clients, which requires more sophisticated data-driven marketing capabilities.
 - While HL continues to attract new and younger clients, the level of gross new inflows it is able to attract in the platform from new clients each year has dropped by 35 per cent. since FY 2021.
 - HL needs to significantly evolve its marketing capability and approach to achieve new target client acquisition at lower cost.
- **Client Service** — Best-in-class service from experienced and knowledgeable colleagues is an essential element of HL's proposition. Whilst service levels have stabilised since the decline seen in FY 2023, further work is required to bring service levels back to the consistently high standards expected by HL's clients.
 - HL's monthly Net Promoter Score declined to a low of +33 during the 2023 tax year end, reflecting challenges associated with Helpdesk capacity and call volumes. With a clear focus on resetting service levels in FY 2024, HL's Net Promoter Score ranged between a monthly level of +40 and +48 in the last quarter of FY 2024, which demonstrates good progress but HL's management are seeking to target a Net Promoter Score of 50+ on a consistent basis.
 - HL needs to improve and extend its service proposition to ensure a consistent best-in-class client experience.

- **Operational Transformation & Cost Efficiency** — HL’s highly manual processes and legacy technology systems need to be addressed as they are directly driving headcount growth and increased compliance controls, regulatory reporting and monitoring leading to increased cost to serve as client and asset numbers grow. These manual processes and systems have led to increased complexity, increased error rates and, at times, reduced client experience. Whilst the need for change in this regard has been clear for some time, progress in delivering this transformation has been limited as a result of the execution and delivery approach adopted by the business.
 - HL’s underlying cost growth to date has exceeded revenue and AuA growth, with cost to serve increasing from 22.3 bps to 23.7 bps from FY 2021 to FY 2024.
 - HL needs to accelerate delivery of its transformation programme to improve the client experience, build scale and enhance efficiency, driving a different cost trajectory.
- **Colleague Engagement** — HL’s latest colleague survey results reflected the limited progress that had been made historically in addressing manual processes and legacy technology, siloed working practices and inconsistent strategic priorities. It was also clear that the organisation had experience and capability gaps in key areas required to deliver the strategy.
 - HL’s colleague engagement score has been below management’s expectations at 62 per cent. versus a target of 70 per cent.+.
 - HL needs to evolve to a focused client and outcome-based performance culture and embed new ways of working (e.g., cross functional delivery teams) to help to accelerate the pace of delivery across the organisation.
- **Investment Spend** — HL identified the need to invest in a major multi-year transformation programme in 2022 to enhance its proposition, automate and scale its processes, and update its legacy technology. This programme was expected to conclude in FY 2026. HL is now two years into this investment programme and, whilst good progress has been made in certain areas (e.g., new HLFM fund launches have been successful, and the evolution of Active Savings has led to significant growth in both AuA and margin), progress has been less tangible to date in regard to operational automation and the evolution of its technology platform.
 - A change in technology leadership and operating model was required; this has taken place during FY 2024 with the technology function now directly aligned and integrated with the business structure and a new function established to manage the delivery of large cross-functional transformation programmes.
 - Certain business automation and transaction processing programmes have been reset to address an extended scope including revised regulatory requirements; the completion date for these programmes has been extended as a result.
 - The programme to support the Advice offering has been reset and a £14.4 million impairment recognised in HL’s FY 2024 interim results.
 - As a fintech, HL’s operating cost base is now planned to include costs associated with having the capability to deliver propositional development and improvement on a continuous basis without the need for additional or catch up significant one-off investment spend.

HL needs to complete its investment programme to achieve the benefits outlined above, which is still expected to be delivered within the total investment spend of £225 million announced in February 2022 (£175 million of strategic spend and £50 million of dual running costs) but with completion of specific programmes extending into FY 2027. Any further material capital investment would only be incurred to drive innovation and step change business efficiency opportunities, measured against specific investment return criteria.

Go-forward strategy

HL has a clear and refreshed strategy, which the Independent HL Board is confident will deliver over the longer term, with good progress already made against the initial priorities identified in FY 2024. The refreshed strategy comprises five strategic priorities intended to address the findings from the review, consistent with the priorities set out at HL’s interim results in February 2024:

- (1) **Transform the investing experience:** Removing jargon, terminology and complexity and making it easy for its clients to set their financial goals and work towards achieving them with minimum effort and fuss.

A key focus will be improving HL's digital experience and proposition as well as evolving its marketing capability.

- (2) **Combine the best of colleague and digital capability:** Bringing together the deep experience of HL's colleagues with advances in AI and other digital technologies to serve clients on their terms. HL will continue to invest in its employees and technology to deliver a service continuum from DIY investing to full financial advice.
- (3) **Leverage economies of scale to drive client value:** Decoupling cost from growth through the successful implementation of HL's transformation programme enabling greater process simplification, automation and standardisation, alongside agile ways of working to enhance efficiency and increase delivery pace. Through HL's 'Save to Invest' philosophy, cost benefits realised are intended to moderate future cost growth and fund the capability for continuous and ongoing investment in the client proposition.
- (4) **Responsible and resilient business:** Continuing to invest to provide the robust, resilient and available services expected from the UK's largest retail investment platform enabled by the migration of HL's data centre to the cloud and the transition off core legacy systems to modern architecture. HL intends to ensure its operating model is resilient and compliant by design, with risk and compliance requirements assessed during development and embedded into systems and processes.
- (5) **Great people, great culture:** Attracting top talent to drive focus, pace and performance, building on a strong set of values centred around putting clients first. HL is focused on enhancing its performance culture to align the organisation to the refreshed strategy and its successful implementation.

Conclusions on the Cash Offer

Although it is still early in the execution of this refreshed strategy, the Independent HL Board has been pleased with the progress made by the new management team to date, with some tangible results visible in HL's preliminary FY 2024 results. The Independent HL Board has confidence in HL's ability over time to deliver on its strategic ambition to transform the business and maintain its market position in the face of the evolving market dynamics and create shareholder value over the medium to longer term.

At the same time, the Independent HL Board is cognisant that delivery of HL's core priorities involves significant change across significant parts of its business, coupled with on-going investment over the medium term as set out above. As with any transformation of this complexity, there is significant execution risk over the short-to-medium term given the duration and scale of the actions required to deliver the strategy. Combined with a dynamic competitive and regulatory environment, the realisation of the associated benefits and the timeframe for doing so involves an inherent level of uncertainty and delivery is unlikely to be linear over the medium term.

In assessing and recommending the Cash Offer, the Independent HL Board has carefully considered the following matters:

- 1) the opportunities and continued execution risks associated with the transformation and the delivery of HL's strategy;
- 2) the duration, scale and comprehensive level of change required for the business to address fully the findings of the review as outlined above;
- 3) the considerable investment into the HL proposition identified as part of the business-wide review — combining revenue investment alongside previously announced strategic investment — to support long-term client and asset retention, as well as the impact of this revenue investment, which, were it to be implemented, would be expected to be largely mitigated through a combination of asset growth, and both lower cost growth and a return to pre-Covid platform asset retention levels over the medium term; and
- 4) the external risks facing HL, including an increasingly competitive market backdrop and the evolving regulatory environment.

The Independent HL Board considers it is important for HL Shareholders to take these matters into account when evaluating the Acquisition. In that context, the Independent HL Board believes the Cash Offer represents an attractive opportunity for HL Shareholders to realise an immediate and certain cash value today for their investment at a level which may not be achievable until the execution of the strategy is delivered over the medium to longer term, with that execution subject to a wide range of potential outcomes.

At 1,140 pence per HL Share, the Cash Offer represents a premium of approximately:

- 54.1 per cent. to the Closing Price of 740.0 pence per HL Share on 11 April 2024 (being the last Business Day before the Consortium's initial approach to the HL Board);
- 48.5 per cent. to the volume-weighted average price of 767.7 pence per HL Share for the three-month period ended 21 May 2024 (being the last Business Day before the commencement of the Offer Period);
- 51.7 per cent. to the volume-weighted average price of 751.5 pence per HL Share for the six-month period ended 21 May 2024 (being the last Business Day before the commencement of the Offer Period); and
- 22.2 per cent. to the Closing Price of 932.8 pence per HL Share on 21 May 2024 (being the last Business Day before the commencement of the Offer Period).

In addition, the Independent HL Board notes the Consortium's history of investing in UK and European financial services businesses, including wealth management, and the expertise they bring to help develop HL's client proposition. The Independent HL Board believes that this expertise has the potential to enable an accelerated transformation aligned with HL's strategy to transform the investing experience and create the best savings and investment platform for its clients. Should the Acquisition become Effective, HL's management would work alongside the Consortium on the strategic direction of the HL Group and execution of the associated strategy.

In reaching its decision, the Independent HL Board has also taken into account the Consortium's other stated intentions for the business, management, employees and other stakeholders of HL.

Accordingly, following careful consideration with its financial advisers, the Independent HL Board is unanimously recommending the Cash Offer to HL Shareholders.

4. ALTERNATIVE OFFER

As an alternative to all or part of the Cash Consideration to which Scheme Shareholders would otherwise be entitled pursuant to the Cash Offer, eligible HL Shareholders may elect to exchange some or all of their HL Shares for Bidco Loan Notes which will, subject to implementation of the Rollover, ultimately be exchanged for Rollover Securities at a ratio of one Rollover Security for each HL Share. Further details of the Alternative Offer are contained in paragraph 3 of Part II (*Explanatory Statement*) and Part IV (*Summary of the Rollover Securities*) of this Document. An estimate of the value of the Rollover Securities, provided by Goldman Sachs in its capacity as financial adviser to Bidco (together with the assumptions, qualifications and caveats forming the basis of such estimate of the value) is set out in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document.

The HL Independent Directors have reviewed the terms of the Alternative Offer, but for the reasons described in paragraph 14 of this Part I (*Letter from the Chair of HL*) of this Document, the HL Independent Directors are unable to form a view as to whether or not the terms of the Alternative Offer are fair and reasonable and accordingly are not making any recommendation to holders of HL Shares in relation to the Alternative Offer. In reviewing the terms of the Alternative Offer proposed by Bidco and the Consortium, the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley have identified certain key disadvantages and advantages of electing for the Alternative Offer which are set out in further detail in paragraph 14 of this letter. HL Shareholders are strongly encouraged to take into account such disadvantages and advantages, and the investment considerations and risk factors set out in paragraph 4 of Part II (*Explanatory Statement*) of this Document, as well as their particular circumstances, when deciding whether to elect for the Alternative Offer in respect of some or all of their HL Shares. HL Shareholders are also strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. HL Shareholders should also ascertain whether the acquiring or holding of Loan Notes and Rollover Securities is permitted under and/or otherwise affected by the laws of the relevant jurisdiction in which they reside and consider whether the Loan Notes and Rollover Securities are a suitable investment in light of their own particular circumstances and investment objectives. Any decision to elect for the Alternative Offer should be based on such independent financial, tax and legal advice, and full consideration of this Document, together with the Revised Topco Shareholders' Agreement and the Revised Topco Articles.

5. BACKGROUND TO AND REASONS FOR THE ACQUISITION

Bidco views HL as one of the leading UK investment platforms with an impressive position and a strong purpose in the attractive UK wealth market. HL is expected to benefit from numerous tailwinds over the coming decade, driven by increased individual responsibility for savings, pension freedom, an aging population, further digitalisation of the wealth process, the increasing importance of data, and AI-led activities. At the same time, the direct-to-consumer market will become significantly more competitive, driven by a combination of increasing sophistication of established competitors, technology advancements and new entrants continuing to disrupt the market.

Since it was founded in 1981, HL has built an impressive market position, widespread brand awareness, trusted position, and high customer Net Promoter Scores. HL has a strong brand heritage and is operating in a market where holding one of the leading market positions provides opportunities for relative outperformance, as well as capitalising on scale benefits to improve the client proposition, cost-to-serve and value. Bidco believes that HL is fundamentally well-positioned to maintain, and build on, its market position to deliver growth despite increasing competition and other near-term headwinds.

HL has an important purpose; making it easy for the UK consumer to save and invest for a better future. Bidco understands HL has a responsibility to support clients, throughout their savings lifetime, be better in managing their financial wealth and enabling clients to get the right outcomes; regardless of their accessibility needs.

Bidco supports the important role HL plays in promoting savings and investing in society and believes that a substantial transformation is required to accelerate the delivery of these objectives for HL's clients. The ambition of this transformation is to give more retail investors in the UK access to the tools, information and services required to make sound investment decisions, combined with a transparent approach and good value in line with the FCA's Consumer Duty.

A transformation of the scale Bidco envisages as appropriate requires investment, in particular in the technology platform to position HL to offer its clients user-friendly digital channels, inspiring client journeys (both online and through the Helpdesk) and differentiated financial products. Further investment by Bidco in the technology platform is expected to improve operational resilience, enhance capacity in systems, and deliver significant scalability and operating leverage in its cost base going forward.

HL will be repositioned and further strengthened by the transformation. However, to deliver such a transformation, it will require change, investment, time to implement fully and time for the benefits to be reflected in the future financial performance of HL. As a result, Bidco believes HL will be able to execute more effectively, accelerate implementation and deliver the growth potential of its transformation plan better as a private company without all the requirements of being a public company.

CVC Private Equity Funds, Nordic Capital and Platinum Ivy (a wholly-owned subsidiary of ADIA, managed by ADIA PED) and their affiliates each have a strong track record of deploying capital, expertise in successfully accelerating and delivering complex transformations and extensive experience in investing across regulated financial services companies globally and in the UK. With their investment and detailed engagement through Bidco, CVC Private Equity Funds, Nordic Capital and Platinum Ivy and their affiliates will leverage their highly relevant experience and capabilities developed through prior investments, including Nordic Capital's investment in Nordnet, the digital savings and investment platform in the Nordics. CVC Private Equity Group, Nordic Capital and Platinum Ivy believe that, following the completion of the Acquisition, they will be able to accelerate and enhance the transformation of HL as a private company for the benefit of clients, employees and other stakeholders.

6. IRREVOCABLE UNDERTAKINGS AND CONFIRMATION OF INTENT

Bidco has received irrevocable undertakings from the HL Independent Directors who hold HL Shares and from Adrian Collins, the director of HL appointed following nomination by Peter Hargreaves pursuant to the terms of the shareholder agreement between Peter Hargreaves and HL dated 20 October 2020, to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer) in respect of, in aggregate, 82,129 HL Shares (representing approximately 0.02 per cent. of the issued ordinary share capital of HL as at 5 September 2024, being the latest practicable date prior to publication of this Document). These undertakings will remain binding in the event that a higher competing offer for HL is made.

In addition to the irrevocable undertakings given by the HL Independent Directors and Adrian Collins as set out above, Bidco has also received an irrevocable undertaking from Peter Hargreaves to vote (or, where

applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer) in respect of a total of 93,838,474 HL Shares (representing approximately 19.8 per cent. of the issued ordinary share capital of HL as at 5 September 2024, being the latest practicable date prior to publication of this Document), and to elect to receive (i) the Cash Consideration in respect of 50 per cent. of his HL Shares, and (ii) the Alternative Offer in respect of the remaining 50 per cent. of his HL Shares. The undertaking will remain binding in the event that a higher competing offer for HL is made.

Bidco has therefore received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting in respect of 93,920,603 HL Shares, representing approximately 20.0 per cent. of HL's issued share capital as at 5 September 2024, being the latest practicable date prior to publication of this Document.

Stephen Lansdown has also provided a non-binding written confirmation of intent to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept such Offer) and to elect to receive the Cash Consideration in respect of all of his HL Shares being a total of 27,087,419 HL Shares, representing approximately 5.7 per cent. of HL's issued share capital as at 5 September 2024, being the latest practicable date prior to publication of this Document.

Shareholders of HL have therefore provided irrevocable undertakings and non-binding written confirmations of intent in respect of a total of 121,008,022 HL Shares (representing approximately 25.5 per cent. of the issued ordinary share capital of HL as at 5 September 2024, being the latest practicable date prior to publication of this Document).

Further details of these undertakings and confirmation of intent are set out in paragraph 6 of Part IX (*Additional Information*) of this Document.

7. INTENTIONS OF BIDCO

Strategic plans for HL

Bidco recognises that HL is one of the market leading UK investment platforms with an impressive position in the attractive UK wealth market. Bidco believes that HL has significant potential but will need to continue to invest across its proposition, client service, retention, innovation and technology to build an enhanced modern platform and user experience to deliver a leading client proposition under the HL brand. This will need to be provided securely, reliably and in a differentiated way to competitors in order to capture this potential. Bidco believes it is well positioned to support and accelerate HL's next phase of development, but this will require investment in a technology transformation.

Prior to the Rule 2.7 Announcement, consistent with market practice, Bidco was granted access to HL's senior management for the purposes of confirmatory due diligence. However, Bidco has not yet had access to sufficiently detailed information to formulate specific final plans or intentions regarding the impact of the Acquisition and accelerated transformation process on HL. Significant further work is required and will be undertaken to define the nature, scope and activities within this transformation.

Following the Acquisition becoming Effective, Bidco intends to partner with HL's management to undertake a review of HL's operations and proposition to refine and accelerate the transformation. While HL management continues to implement its existing initiatives, Bidco expects to undertake and complete this review within approximately six months from the Effective Date. The strategic review will focus on:

- initiatives to enable clients to meet their savings and wealth goals and encourage more UK consumers to save and invest for a better future, in line with the Consumer Duty;
- fostering a technology-enabled, client-centric and product-oriented culture with client value, speed of innovation, and speed of delivery at its core — this will also include investing in training and capability to support and empower HL's client Helpdesk with high calibre, engaged and motivated colleagues;
- HL's digital channels and underlying technology infrastructure, striving to create a modern and best-in-class user interface and client experience — ensuring that customers receive a premium service both online and through the Helpdesk;
- supporting HL management's ambitions to use HL's scale and experience to deliver an innovative and inspiring range of products and services with features and benefits that deliver value for its clients and address their needs at all critical points of their financial lifecycle;

- investment in marketing to enhance client engagement and advocacy and leverage the strength of its client base;
- applying the Consortium's extensive experience to expand and drive automation initiatives to reduce manual processes, enhance operational resilience, improve operational efficiency and create a more nimble and responsive business;
- reviewing HL's allocation and level of employee resources across and within business areas to enable the accelerated delivery of technology and related efficiency initiatives and best-in-class client proposition and experience;
- continued prioritisation of HL's ESG priorities including being a responsible savings and investment provider, a responsible fund manager, and a responsible employer with an inclusive and diverse culture for all;
- fostering an outcome-based performance culture that will drive greater employee engagement and providing a range of new opportunities for employees focused on putting them closer to the client; and
- maintaining HL's high regulatory and governance standard for the business that focuses on enabling the best experience and outcomes for the client.

Employees and management

Bidco attaches great importance to the skill and experience of HL's management and employees and recognises that the employees and management of HL are key to its success. Bidco looks forward to partnering with the employees and the management team to accelerate and enhance the continued success of HL following completion of the Acquisition.

Once HL ceases to be a listed company, a limited number of listed company-related functions will be reduced in scope or be reorientated to align with HL's new status as a private company. This may impact a limited number of roles in these specific areas.

Following completion of the strategic review, Bidco intends for HL to continue a transformation of the business which will take several years and be implemented over a number of phases. Bidco intends for the initial phase of the transformation to be implemented over a period of two to three years. It is expected to focus on technology and related efficiency initiatives where Bidco anticipates the scale, impact and implications for employees will be broadly consistent with areas already set out in the findings of the strategic review by HL's management in paragraph 3 of this letter but is expected to be delivered on an expedited basis. This phase would focus on improving the client experience and technology architecture and strengthening HL's operational resilience through the use of better technology and automation of manual processes. Consequently, while these initiatives could impact certain roles in the relevant areas within HL, the impact on the overall employee headcount is anticipated to be in line with the current expectations of HL's management over this period and will result in head count levels through the initial phase at least in line with the average over the last three financial years of HL's average head count for the relevant financial year. Bidco intends that service improvements and initiatives in this phase will result in operational and process efficiencies across Client Management, Service, Digital and IT, as well as across Marketing, Finance and HR areas of the HL business.

Following completion of the Acquisition, Bidco does not intend to make a material reduction in the level of the overall headcount of HL in the first 12 months. Beyond this period and through the initial phase of the transformation, it is anticipated that employee head count may reduce by up to 3 per cent. of the current level of employees per annum. Based on historical experience of employee turnover, it is anticipated any impact on employees will be largely addressed through redeployment opportunities, natural attrition and voluntary redundancies. Bidco confirms that its intention is for any individuals impacted to be treated in a manner consistent with HL's high standards, culture and practices.

Beyond this initial phase, further transformation initiatives will be undertaken on an accelerated basis to enhance the technology architecture and underlying scalability of the HL business. The scope and details of these initiatives and their implications for employees will be subject to the progress and implementation achieved within the first phase. As a result, any impact on areas of the HL business and the employees within these businesses during the later phases of the transformation process is not yet certain and subject to change. Based on its current expectations, Bidco estimates that the impact on head count over the later stages of the transformation process will be in line with the initial phase at up to 3 per cent. of the current level of employees per annum.

As is customary, it is intended that, with effect from the Effective Date, each of the HL Non-Executive Directors shall resign from their office.

Existing employment rights and pensions

Bidco confirms that, following the Scheme becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions, of all HL management and employees will be fully safeguarded in accordance with applicable law and as specified further in the Cooperation Agreement. Bidco does not intend to make any material change to the conditions of employment of the employees of HL.

Bidco does not intend to make any changes to the benefits provided by HL's defined contribution pension arrangements and intends for the employer to continue to make contributions in line with current arrangements. No member of the HL Group participates in any defined benefit pension scheme.

Management incentive arrangements

Following completion of the Acquisition, Bidco intends to review the management incentive structures and governance of HL. Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of HL's management, but may have discussions and enter into such discussions for certain members of the HL management team following the Effective Date.

Headquarters, HQ functions, locations, fixed assets and research and development

Bidco does not intend to make any material changes to HL's fixed assets or asset base. Bidco does not intend to carry out any changes in the location or HQ functions of HL's Bristol headquarters or with regard to HL's operations and places of business, other than in respect of the listed company-related functions as described above. HL does not have a material research and development function and accordingly Bidco has no plans in this regard.

Trading Facilities

HL Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. If the Acquisition becomes Effective, applications will be made for the cancellation of the listing of HL Shares on the Official List and the cancellation of trading of HL Shares on the London Stock Exchange, and steps will be taken to re-register HL as a private company.

None of the statements in this paragraph 7 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

8. HL SHARE PLANS

Further details of the arrangements proposed to be implemented in relation to the HL Share Plans in connection with the Acquisition, together with certain other employee-related matters, are set out in paragraph 8 of Part II (*Explanatory Statement*) of this Document.

9. HL CURRENT TRADING AND PROSPECTS

On 9 August 2024, HL released its unaudited preliminary full year results for the Financial Year ended 30 June 2024. HL reported:

- AuA of £155.3 billion, up 16 per cent. on the prior Financial Year, with 78,000 net new active clients joining its platform;
- net new business of £4.2 billion, which was down 13 per cent. on FY 2023, reflecting ongoing decline in asset retention rates;
- revenues of £764.9 million, up 4 per cent. on FY 2023; and
- underlying profit of £456.0 million, up 4 per cent. year-on-year, following an increased focus on cost discipline.

Since the period end, trading has continued in line with management expectations, with a continuation of the trends seen in asset and client retention, and seasonally lower flows in the quarter to date.

10. DIVIDENDS

On 9 August 2024 the HL Directors proposed the 2024 Full-Year Dividend for the Financial Year ended 30 June 2024. The 2024 Full-Year Dividend is expected to be paid no later than the end of November 2024 to HL Shareholders on the register of members of HL at the relevant record time. If the 2024 Full-Year Dividend is for any reason not approved by HL Shareholders for payment by reference to a record date that falls before the Effective Date (or otherwise at the HL Directors' discretion), the HL Directors expect (or otherwise reserve the right) to declare the 2024 Full-Year Dividend instead as an interim dividend payable to HL Shareholders on the register of members of HL at a record time prior to the Acquisition becoming Effective. For the avoidance of doubt, the decision of HL Shareholders to elect (or not) for the Alternative Offer will not impact their eligibility in relation to the 2024 Full-Year Dividend.

HL Shareholders who are not entitled to receive the 2024 Full-Year Dividend, including HL Shareholders who are not on the register of members of HL at the relevant record time in respect of the 2024 Full-Year Dividend, shall receive the Cash Consideration and/or (subject to implementation of the Rollover) Rollover Securities (if applicable) only.

If, on or after the date of the Rule 2.7 Announcement and prior to the Acquisition becoming Effective, any dividend and/or other distribution and/or other return of capital or value, other than the 2024 Full-Year Dividend, is announced, declared, made or paid or becomes payable by the Company in respect of the HL Shares (in each case, with a record date prior to the Effective Date), Bidco will reduce the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by an amount equal to the amount of such dividend and/or distribution and/or other return of capital or value, in which case, any reference in this Document to the Cash Consideration payable under the terms of the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any such reduction of the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by Bidco shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In the event of any such reduction of the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer), HL Shareholders would be entitled to retain the relevant dividend, distribution and/or other return of capital or value.

11. TAXATION

Your attention is drawn to Part VIII (*UK Taxation*) of this Document which contains a summary of limited aspects of the UK tax treatment of the Scheme. **This summary is intended as a general guide only and does not constitute tax advice or purport to be a complete analysis of all potential UK tax consequences of the Scheme.**

If you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate independent professional tax adviser immediately.

12. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to paragraph 16 of Part II (*Explanatory Statement*) of this Document.

13. ACTION TO BE TAKEN

Your attention is drawn to pages 9 to 14, and paragraph 18 of Part II (*Explanatory Statement*) of this Document, which explain the actions you should take in relation to the Acquisition and the Scheme.

Details relating to the de-listing of HL Shares and settlement of the consideration to which any holder of Scheme Shares is entitled are included in paragraphs 13 and 14 of Part II (*Explanatory Statement*) of this Document.

14. RECOMMENDATION

Cash Offer

The HL Independent Directors, who have been so advised by Fenchurch, Barclays, Deutsche Numis and Morgan Stanley as to the financial terms of the Cash Offer, consider the terms of the Cash Offer to be fair and reasonable. In providing their financial advice to the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley have taken into account the commercial assessments of the HL Independent Directors. Fenchurch is providing independent financial advice to the HL Independent Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the HL Independent Directors unanimously recommend HL Shareholders to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own HL Shares (representing, in aggregate, approximately 0.01 per cent. of the issued ordinary share capital of HL as at 5 September 2024, being the latest practicable date prior to publication of this Document).

Adrian Collins, a non-executive director of HL, is not considered by HL to be independent for the purposes of the Acquisition by virtue of his appointment to the HL Board as a representative of Peter Hargreaves (a founder and existing major shareholder of HL who the HL Independent Directors believed the Consortium may seek to engage with early on in the pre-announcement period). Adrian Collins has not been treated as a HL Independent Director and has not participated in the consideration of the Acquisition by the HL Independent Directors or the decision of the HL Independent Directors to recommend the Cash Offer as set out above.

Alternative Offer

Bidco and the Consortium are also separately making the Alternative Offer which eligible HL Shareholders may elect for in respect of some or all of their HL Shares as an alternative to the Cash Consideration.

Fenchurch, Barclays, Deutsche Numis and Morgan Stanley are unable to advise the HL Independent Directors as to whether or not the terms of the Alternative Offer are fair and reasonable. This is because Fenchurch, Barclays, Deutsche Numis and Morgan Stanley have not had any involvement in the development and validation of any financial projections for Topco or the Topco Group. As a result, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley are unable to assess any plans Topco may have for the development of HL or the Topco Group to the degree necessary to form an assessment of the value of the Alternative Offer. Fenchurch, Barclays, Deutsche Numis and Morgan Stanley also note the significant and variable impact that the disadvantages and advantages of the Alternative Offer may have for individual eligible HL Shareholders. In terms of the advantages, these include, in particular, the ability to participate in the potential future value creation of the HL Group. In terms of the disadvantages, these include, in particular, the level of uncertainty in their future value which will depend on the performance of HL in future which itself will be impacted by the business plan and strategy of the business under Consortium JVCo's control, as well as the terms of the Rollover Securities including the fact that the Rollover Securities are illiquid and non-transferable (save in very limited circumstances such as with Consortium JVCo consent or pursuant to drag along and tag along provisions), the potential dilution that would result if a Topco B Shareholder did not fund their pre-emptive entitlement pursuant to any catch-up issue of securities by Topco in the period following the Effective Date or in the event a permitted non-pre-emptive issue of securities is made without reference to such catch-up rights and the fact that the Rollover Securities do not carry voting rights.

Accordingly, the HL Independent Directors are unable to form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to eligible HL Shareholders as to whether or not they should elect for the Alternative Offer.

In reviewing the terms of the Alternative Offer proposed by Bidco and the Consortium, the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley have identified certain key disadvantages and advantages of electing for the Alternative Offer as set out below. Further investment considerations are outlined in paragraph 4 of Part II (*Explanatory Statement*) of this Document.

Each of the HL Independent Directors has confirmed that they do not intend to elect for the Alternative Offer in respect of any HL Shares of which they are the registered or beneficial holder, and that they instead wish to receive the Cash Consideration pursuant to the terms of the Cash Offer.

HL Shareholders are encouraged to take into account the key disadvantages and advantages outlined below and the investment considerations and risk factors set out in paragraph 4 of Part II (*Explanatory Statement*) of this Document in relation to the Alternative Offer, as well as their particular circumstances, when deciding whether

to elect for the Alternative Offer in respect of some or all of their HL Shares. HL Shareholders should also ascertain whether the acquiring or holding of Loan Notes and Rollover Securities is permitted under and/or otherwise affected by the laws of the relevant jurisdiction in which they reside and consider whether the Loan Notes and Rollover Securities are a suitable investment in light of their own personal or individual circumstances. Accordingly, HL Shareholders are strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. Any decision to elect for the Alternative Offer should be based on any such independent financial, tax and legal advice and full consideration of the information in this Document, together with the Revised Topco Shareholders' Agreement and the Revised Topco Articles.

Disadvantages of electing for the Alternative Offer

- The Rollover Securities will be:
 - unlisted and will not be admitted to trading on any stock exchange or market for the trading of securities and will therefore be illiquid. Any assessment of the value of the Rollover Securities should therefore take into account an individual shareholder's assessment of an appropriate liquidity discount;
 - non-transferrable (save in very limited circumstances such as (i) with the prior consent of Consortium JVCo, (ii) to limited permitted transferees, or (iii) pursuant to the drag along and tag along provisions or otherwise in connection with an Exit initiated by Consortium JVCo or the Consortium); and
 - of uncertain value and there can be no assurance that they will be capable of being sold in the future or that they will be capable of being sold at the value to be estimated by Goldman Sachs in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document.
- Upon the Effective Date, the Topco Group will be controlled by Consortium JVCo. The Rollover Securities will not carry any general voting rights (whether at a general meeting or pursuant to a written resolution of Topco) nor any governance rights (except those associated with any Substantial B Shareholder) other than very limited minority protections prescribed by Jersey law (including in relation to a variation of their class rights) and rights in respect of a very limited number of reserved matters (being those matters set out in paragraph 5 of Part IV (*Summary of Rollover Securities*) of this Document) which require the consent of the Substantial B Shareholder(s). Further, no holders of Rollover Securities other than the Substantial B Shareholder(s) will have the right to appoint a director to the board of Bidco. Holders of Rollover Securities will therefore have no influence over decisions made by the Topco Group in relation to its investment in HL or in any other business or in relation to any member of the Topco Group's (or HL Group's) strategy.
- Any Exit, Indirect Liquidity Event or Refinancing will occur at the sole discretion of Consortium JVCo and holders of Rollover Securities will therefore not have control over the date(s), terms or value(s) on or at which they may be able to realise their investment in the Topco Group (if at all). In particular:
 - holders of Rollover Securities may be required in the future to sell their Rollover Securities on a pro rata basis on the same terms at those agreed to by Consortium JVCo under the terms of a 'drag along' provision set out in the Revised Topco Shareholders' Agreement. There is no requirement for Consortium JVCo or any of its affiliates to proceed with an Exit or to do so at any particular minimum price or, if they do proceed with an Exit, to exercise the 'drag along' right, and certain exceptions to the 'drag along' right apply. This 'drag along' right could be exercised at any time following completion of the Acquisition, including at a value that is less than the value of the Cash Consideration. In the event of only a partial exit by Consortium JVCo or its affiliates, the 'drag along' right would not provide a full exit for holders of Rollover Securities. The 'drag along' right described above could be exercised at any time following completion of the Acquisition. Any transfer triggering the 'drag along' right may be at a value that is less than the value of the Cash Consideration and the consideration payable to holders of Rollover Securities in such circumstances may or may not be cash;
 - in relation to the 'tag along' right in the Revised Topco Shareholders' Agreement:
 - it is only exercisable by holders of Rollover Securities on a direct or indirect transfer of Topco A Ordinary Shares at any time when Consortium JVCo, the Consortium Members and/or their affiliates together hold, or would as a result of the relevant transfer hold, directly or indirectly, less than 90 per cent. of the Topco A Ordinary Shares in issue on the Costs Issuance Date and on any direct or indirect transfer of Topco A Ordinary Shares by Consortium JVCo, the

Consortium Members or their affiliates thereafter. Certain exceptions apply which would therefore not give rise to a 'tag along' right (and in respect of which there is no subsequent 'tag along' right), including (amongst others) (i) any initial transfers of up to 10 per cent. of the Topco A Ordinary Shares in issue on the Costs Issuance Date, (ii) in relation to transfers in connection with a Refinancing, or (iii) in connection with a syndication of equity interests by Consortium JVCo or its affiliates. Therefore, this 'tag along' right may not provide for a full (or any) exit for holders of Rollover Securities;

- it enables holders of Rollover Securities to sell Rollover Securities only pro rata to the proportion of Topco A Ordinary Shares transferred by Consortium JVCo or its affiliates in the transaction(s) giving rise to the 'tag along' right. Therefore, if Topco A Ordinary Shares have been transferred pursuant to one of the exceptions to the 'tag along' right, then the 'tag along' right would not apply to the subsequent transfer of those shares by such transferee;
 - there is no requirement for Consortium JVCo to transfer Topco A Ordinary Shares on any known timeline;
 - holders of Rollover Securities who exercise the 'tag along' right described above will be required to agree to the same terms and conditions as Consortium JVCo (or, if applicable the Consortium Members or their affiliates) in relation to the relevant transfer, including as to price and any covenants as a selling shareholder. The consideration payable to holders of Rollover Securities in such circumstances may or may not be cash and is not subject to any minimum threshold; and
- in the event of any Exit, Indirect Liquidity Event or Refinancing, holders of Rollover Securities will be required to cooperate with the Topco Group and Consortium JVCo, including to provide certain covenants, indemnities and commitments in connection with such process and to agree to pay their pro rata share of related costs incurred by or attributable to the Topco Group and bear related liabilities. Holders of Rollover Securities will undertake upon entering into the Revised Topco Shareholders' Agreement not to take actions which are inconsistent with any proposed Exit, Indirect Liquidity Event or Refinancing.
- The rights of holders of Rollover Securities to participate in future issues of securities by Topco will apply on a catch-up basis only (i.e. to allow holders of Rollover Securities the opportunity to take up their pro rata entitlements to securities following completion of a related issue of securities to the Topco A Shareholders or other persons) and will be subject to a number of important exceptions (described in the paragraph titled "*Additional Topco Securities Issues*" in Part IV (*Summary of the Rollover Securities*) of this Document, including the ability of the holder(s) of a majority of the Rollover Securities to waive catch-up rights in connection with issues of securities by any member of the Topco Group). Such events may result in the economic entitlements of holders of Rollover Securities suffering significant dilution. Any securities issued by members of the Topco Group in future may have different (including, potentially, preferential) rights or characteristics to the Rollover Securities.
 - The percentage ownership of Topco attributable to holders of Rollover Securities who do not provide the cash funds or related documentation required to accept their entitlements pursuant to any catch-up issue of securities by any member of Topco Group in the period following the Effective Date would be significantly reduced. The price of and valuation methodology in relation to such further issuances is not known and may be different to the value per Rollover Security to be estimated by Goldman Sachs in this Document.
 - The HL Shares are currently admitted to trading on the main market of the London Stock Exchange and HL Shareholders are afforded certain standards and protections, including in respect of disclosure, as a result. HL Shareholders who, subject to implementation of the Rollover and the other terms in this Document, receive Rollover Securities (being unlisted securities in a private company) will not be afforded protections commensurate with those that they currently benefit from as shareholders in HL. Except for information to be provided to persons who qualify as Substantial B Shareholders (but not to other holders of Rollover Securities), neither the Revised Topco Articles nor the Revised Topco Shareholders' Agreement will provide holders of Rollover Securities with information rights, and the default information rights available to minority shareholders in the position of the holders of Rollover Securities under Jersey law are very limited.

- Payments in respect of Rollover Securities will not be guaranteed or secured and any return of proceeds, whether in connection with an Exit or otherwise, will be paid net of costs incurred by the Topco Group with respect to such return of proceeds.
- Consortium JVCo intends that the costs and expenses incurred and to be incurred by or on behalf of the Topco Group and the Consortium Members in connection with the Acquisition will be borne by the Topco Group. Following the implementation of the Rollover, Consortium JVCo will subscribe for Topco A Ordinary Shares (at the same subscription price per share as Consortium JVCo paid in respect of its subscription for Topco A Ordinary Shares to fund the payment of the Cash Consideration to HL Shareholders) for an aggregate subscription amount equal to the total costs and expenses incurred and to be incurred by or on behalf of the Topco Group and the Consortium Members in connection with the Acquisition. This issuance will be implemented on a non-pre-emptive basis in order to enable the relevant members of the Topco Group to settle such costs and expenses, meaning that holders of Rollover Securities will not be entitled to participate and their economic rights in Topco will therefore be diluted by such issuance with effect from the Costs Issuance Date. Such costs and expenses incurred and to be incurred in connection with the Acquisition are currently expected to be approximately £123.4 million, which would result in a dilution of participating HL Shareholders of approximately 3 per cent. of the holding of HL Shareholders who elect to receive the Rollover Securities. Further details of these estimated costs and expenses are set out in paragraph 15 of Part IX (*Additional Information*) of this Document.
- Consortium JVCo intends that reasonable, properly incurred costs in connection with any Exit, reorganisation transaction or Refinancing or return of proceeds in future will be borne by the Topco Group and/or the holders of Topco Shares. Such costs would therefore result, directly or indirectly, in a pro rata reduction in the value of the investment made by holders of Rollover Securities in the Topco Group. The quantum of such costs is not known.
- Certain consent rights under the Revised Topco Shareholders' Agreement are exercisable by the holder(s) of a majority of the Rollover Securities. These include waiving catch-up rights of holders of Rollover Securities in connection with issues of securities by any member of the Topco Group. Depending on the number of persons who elect for the Alternative Offer and in what proportions, it is possible that such consent may in practice be capable of being given by one or a small number of holder(s) of Rollover Securities who hold a majority of the Rollover Securities (without any requirement to consult with or refer to the other holder(s) of Rollover Securities).
- Consortium JVCo may, acting reasonably, make any amendment to, or variation of, the Revised Topco Shareholders' Agreement and/or the Revised Topco Articles and/or related documents (notwithstanding any class rights) without the consent of, or notification to, holders of Rollover Securities provided that such amendments or variations are not disproportionately adverse to the economic, tax or legal position of the holders of Rollover Securities (as a whole) or the governance rights of the holders of Rollover Securities, in each case as compared to Consortium JVCo. Any such amendment or variation must be for bona fide purposes and shall not be used to frustrate, terminate or reduce the rights of the holders of Rollover Securities. Consortium JVCo may make any other amendment to, or variation of, the Revised Topco Shareholders' Agreement and/or the Revised Topco Articles and/or related documents on reasonable notice to the holders of Rollover Securities and with the prior consent of (i) the holders of a majority of the Rollover Securities (excluding, for the purposes of this limb (i), any such Rollover Securities held by a Substantial B Shareholder) and (ii) the approval of each Substantial B Shareholder.
- The Revised Topco Shareholders' Agreement includes a number of continuing obligations on holders of Rollover Securities, including (i) broad restrictions on saying or doing anything which may be harmful or prejudicial to the goodwill or reputation of the Topco Group, the HL Group or any Consortium Member or their affiliates (amongst others) and (ii) a compliance covenant, which requires the parties to observe and fully comply therewith, and includes an undertaking by the holders of Rollover Securities to exercise their rights to give full effect thereto, including passing certain resolutions and/or class consents, including in connection with an Exit or issue of securities (which means that circumstances may arise whereby the holders of Rollover Securities are obliged to vote in a particular way to comply with this covenant, or their right to object to a variation of class rights may be otherwise restricted). The Revised Topco Shareholders' Agreement also contains a power of attorney whereby the holders of Rollover Securities appoint Topco or Consortium JVCo as their attorney to provide the consents and approvals referred to above. A combination of such compliance covenants, the power of attorney and the variation provisions described above and certain other requirements in the Revised Topco Shareholders' Agreement and Revised Topco Articles therefore narrow the scope of class rights protections which would otherwise be available to holders of Rollover Securities under Jersey law.

- Certain rights and protections attaching to the Rollover Securities will depend on the number of Rollover Securities held by each relevant HL Shareholder. HL Shareholders will have no certainty as to the amount of Rollover Securities they would receive because:
 - the maximum number of Rollover Securities available to eligible HL Shareholders under the Alternative Offer will be limited to the equivalent of 35 per cent. of the issued ordinary share capital of Topco at or around completion of the Acquisition (following and subject to implementation of the Rollover). To the extent that elections for the Alternative Offer cannot be satisfied in full, the number of Rollover Securities to be issued (subject to implementation of the Rollover) to each eligible HL Shareholder who has elected for the Alternative Offer will be reduced on a pro rata basis, and the consideration due to HL Shareholders in respect of the balance of their HL Shares will be paid in cash in accordance with the terms of the Cash Offer; and
 - if: (i) 2,000 or more HL Shareholders; or (ii) 500 or more HL Shareholders who are not “accredited investors” as defined under Rule 501(a) of the US Securities Act (“**Accredited Investors**”), in either case, where 300 or more of such HL Shareholders are US holders, elect for the Alternative Offer, Bidco may, at its discretion, determine that the Alternative Offer will not be made available, and the consideration payable to all HL Shareholders will be settled entirely in cash in accordance with the terms of the Cash Offer.

Advantages of electing for the Alternative Offer

- The Alternative Offer allows eligible HL Shareholders to invest directly in Topco, providing continued economic exposure (indirectly) to HL under private ownership.
- The Alternative Offer allows eligible HL Shareholders to participate in potential future value creation and may ultimately deliver greater value than the Cash Consideration (although this cannot be guaranteed).
- From completion of the Acquisition, the Rollover Securities will rank economically pari passu with the Topco A Ordinary Shares held by and issued to Consortium JVCo in connection with the Acquisition, including the right to receive and retain any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by Topco.

Further details of the Alternative Offer are set out in Part IV (*Summary of the Rollover Securities*) of this Document.

15. FURTHER INFORMATION

Your attention is drawn to the Explanatory Statement set out in Part II (*Explanatory Statement*), the full terms of the Scheme set out in Part V (*The Scheme of Arrangement*), the additional information set out in Part IX (*Additional Information*) and the Notices of the Meetings set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this Document. **You should read the whole of this Document and the accompanying Forms of Proxy and Form of Election and not rely solely on the information contained in this letter or the Explanatory Statement.**

A copy of this Document (and all information incorporated into this Document by reference to another source), the Forms of Proxy and the Form of Election are and will be available, subject to certain restrictions relating to persons in, or resident in, Restricted Jurisdictions, for inspection on HL’s website at www.hl.co.uk/investor-relations.

Yours faithfully,

Alison Platt
Chair

Part II
EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act 2006)

Fenchurch
Advisory

 **BARCLAYS**

Deutsche Numis 

Morgan Stanley

6 September 2024

To all HL Shareholders and, for information only, persons with information rights and participants in the HL Share Plans

Dear Shareholder,

**RECOMMENDED FINAL* CASH ACQUISITION
OF HARGREAVES LANSDOWN PLC BY HARP BIDCO LIMITED**

1. INTRODUCTION

On 9 August 2024, the HL Independent Directors and the Bidco Board announced that they had reached agreement on the terms of a recommended final* cash acquisition of the entire issued and to be issued ordinary share capital of HL by Bidco. The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

To become Effective, the Scheme requires, among other things, the approval of the required majority of Scheme Shareholders at the Court Meeting and the approval of the required majority of HL Shareholders at the General Meeting, as well as the sanction of the Court.

Your attention is drawn to the letter from the Chair of HL set out in Part I (*Letter from the Chair of HL*) of this Document, which forms part of this Explanatory Statement. That letter contains, among other things, the unanimous recommendation by the HL Independent Directors to the Scheme Shareholders to vote in favour of the Scheme at the Court Meeting and to the HL Shareholders to vote in favour of the Special Resolution at the General Meeting, and an explanation of the background to and reasons for recommending the Cash Offer.

The HL Independent Directors have been advised by Fenchurch, Barclays, Deutsche Numis and Morgan Stanley in connection with the Acquisition. Fenchurch, Barclays, Deutsche Numis and Morgan Stanley have been authorised by the HL Independent Directors to write to you to set out the terms of the Acquisition and to provide you with other relevant information.

This Part II (*Explanatory Statement*) contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part V (*The Scheme of Arrangement*) of this Document. Your attention is also drawn to the other parts of this Document, which are all deemed to form part of this Explanatory Statement, including Part III (*Conditions to and further terms of the Acquisition and the Scheme*) and the additional information set out in Part IX (*Additional Information*) of this Document.

Statements made or referred to in this letter regarding Bidco's reasons for the Acquisition, information concerning the business or structure of the Bidco Group and/or the Topco Group, the financial effects of the Acquisition on Bidco and/or intentions or expectations of or concerning the Bidco Group and/or the Topco Group and/or the Consortium or any Consortium Member or OAPC reflect the views of the Bidco Representatives, the CVC Responsible Persons, the Platinum Ivy Responsible Persons, the Nordic Capital Responsible Persons, and the OAPC Responsible Persons (as applicable). Further information in relation to such persons and their responsibility for information in this Document is set out in paragraphs 1.3 to 1.6 and 2.2 to 2.6 of Part IX (*Additional Information*) of this Document.

Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the HL Independent Directors, and/or intentions or expectations of or concerning the HL Group, reflect the views of the HL Independent Directors. Certain information contained or referred to in (or deemed to be incorporated into) this letter reflect the views of the HL Board (including Adrian Collins). Further information in relation to such matters is set out in paragraph 1.2 of Part IX (*Additional Information*).

Your attention is also drawn to paragraph 18 of Part II (*Explanatory Statement*) of this Document, which explains the actions you should take in relation to the Acquisition and the Scheme.

2. SUMMARY OF THE TERMS OF THE ACQUISITION

Under the terms of the Acquisition, which is subject to the satisfaction (or, where applicable, waiver) of the Conditions and to the further terms set out in Part III (*Conditions to and further terms of the Acquisition and the Scheme*) of this Document, HL Shareholders will be entitled to receive:

for each HL Share: 1,140 pence in cash

comprised of:

- cash consideration of 1,110 pence per HL Share (the “**Cash Consideration**”); and
- a dividend of 30 pence per HL Share in respect of the Financial Year ended 30 June 2024 (the “**2024 Full-Year Dividend**”),

together, the “**Cash Offer**”.

The Cash Offer values HL’s entire issued and to be issued share capital at approximately £5,443 million on a fully diluted basis.

The Cash Offer represents a premium of approximately:

- 54.1 per cent. to the Closing Price of 740.0 pence per HL Share on 11 April 2024 (being the last Business Day before the Consortium’s initial approach to the HL Board);
- 48.5 per cent. to the volume-weighted average price of 767.7 pence per HL Share for the three-month period ended 21 May 2024 (being the last Business Day before the commencement of the Offer Period);
- 51.7 per cent. to the volume-weighted average price of 751.5 pence per HL Share for the six-month period ended 21 May 2024 (being the last Business Day before the commencement of the Offer Period); and
- 22.2 per cent. to the Closing Price of 932.8 pence per HL Share on 21 May 2024 (being the last Business Day before the commencement of the Offer Period).

As an alternative to the Cash Consideration, eligible HL Shareholders may elect to participate in the Alternative Offer (described in further detail in paragraph 3 below and in Part IV (*Summary of Rollover Securities*) of this Document). For the avoidance of doubt, if the Scheme becomes Effective, Scheme Shareholders who do not validly elect for the Alternative Offer (including as a result of failing to provide the KYC Information (in respect of itself and, if applicable, in respect of any Underlying Holder(s)) to Bidco’s satisfaction in its sole discretion) or who are not eligible to so elect will automatically receive the full amount of the Cash Consideration for their entire holdings of Scheme Shares (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder).

As set out in paragraph 14 of Part I (*Letter from the Chair of HL*) of this Document, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley are unable to advise the HL Independent Directors as to whether or not the terms of the Alternative Offer are fair and reasonable. Accordingly, the HL Independent Directors are unable to form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to eligible HL Shareholders as to whether or not they should elect for the Alternative Offer. In reviewing the terms of the Alternative Offer proposed by Bidco and the Consortium, the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley have identified certain key disadvantages and advantages of electing for the Alternative Offer which are set out in further detail in paragraph 14 of Part I (*Letter from the Chair of HL*) of this Document. HL Shareholders are strongly encouraged to take into account such disadvantages and advantages, and the investment considerations and risk factors set out in paragraph 4 of this Part II (*Explanatory Statement*), as well as their particular circumstances, when deciding whether to elect for the Alternative Offer in respect of some or all of their HL Shares. HL Shareholders are also strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. Any decision to elect for the Alternative Offer should be based on such independent financial, tax and legal advice, and full consideration of this Document, together with the Revised Topco Shareholders’ Agreement and the Revised Topco Articles.

* The financial terms of the Cash Offer and the Alternative Offer are final and will not be increased or improved, except that Bidco reserves the right to increase the amount of the Cash Consideration and improve the financial terms of the Alternative Offer if there is an announcement on or after the date of the Rule 2.7 Announcement of an offer or a possible offer for HL by a third party offeror or potential offeror. Bidco

reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement (if applicable)).

If, on or after the date of the Rule 2.7 Announcement and prior to the Acquisition becoming Effective, any dividend and/or other distribution and/or other return of capital or value, other than the 2024 Full-Year Dividend, is announced, declared, made or paid or becomes payable by the Company in respect of the HL Shares (in each case, with a record date prior to the Effective Date), Bidco will reduce the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by an amount equal to the amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this Document to the Cash Consideration payable under the terms of the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any such reduction of the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by Bidco shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In the event of any such reduction of the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer), HL Shareholders would be entitled to retain the relevant dividend, distribution and/or other return of capital or value.

The Acquisition is subject to the Conditions set out in Part A of Part III (*Conditions to and further terms of the Acquisition and the Scheme*) of this Document, including the sanction of the Scheme by the Court. The expected transaction timetable is set out on pages 15 and 16 of this Document.

3. ALTERNATIVE OFFER

As an alternative to the Cash Consideration, Eligible Scheme Shareholders may elect, in lieu of the Cash Consideration to which they would otherwise be entitled, to exchange some or all of their HL Shares for Bidco Loan Notes which will, subject to implementation of the Rollover, ultimately be exchanged for Rollover Securities on the following basis:

for each HL Share: 1 Rollover Security

If the Scheme becomes Effective, assuming all Eligible Scheme Shareholders validly elect to receive consideration by means of the Alternative Offer in respect of 35 per cent. of their holdings of HL Shares and no such elections are scaled back as a result of the US Holders Cap or the Shareholding Cap, following satisfaction of the Cash Consideration and subject to implementation of the Rollover, HL Shareholders will hold up to 35 per cent. of the economic rights in Topco. Following the implementation of the Rollover, Consortium JVCo will subscribe for Topco A Ordinary Shares (at the same subscription price per share as Consortium JVCo paid in respect of its subscription for Topco A Ordinary Shares to fund the payment of the Cash Consideration to HL Shareholders) for an aggregate subscription amount equal to the total costs and expenses incurred and to be incurred by or on behalf of the Topco Group and the Consortium Members in connection with the Acquisition. This issuance will be implemented on a non-pre-emptive basis in order to enable the relevant members of the Topco Group to settle such costs and expenses, meaning that holders of Rollover Securities will not be entitled to participate and their economic rights in Topco will therefore be diluted by such issuance with effect from the Costs Issuance Date. The costs and expenses incurred and to be incurred in connection with the Acquisition are currently expected to be approximately £123.4 million, which would result in a limited dilution of participating HL Shareholders of approximately 3 per cent. of the holding of HL Shareholders who elect to receive the Alternative Offer. Further details of these estimated costs and expenses are set out in paragraph 15 of Part IX (*Additional Information*) of this Document.

The maximum number of Rollover Securities available to HL Shareholders under the Alternative Offer will be limited to 35 per cent. of the issued ordinary share capital of Topco at completion of the Acquisition (the “**Alternative Offer Maximum**”). References to the issued ordinary share capital of Topco at completion of the Acquisition in this context shall be calculated by reference to the estimated issued share capital of Topco based on the number of HL Shares in issue at the Effective Date and the maximum number of HL Shares in respect of which options and awards are anticipated to be exercisable if the Court sanctions the Scheme.

If elections are validly received from eligible HL Shareholders in respect of a number of HL Shares that would, subject to implementation of the Rollover, ultimately require the issue of Rollover Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the

number of Bidco Loan Notes and, in turn and subject to implementation of the Rollover, the number of Rollover Securities ultimately to be issued to each eligible HL Shareholder who has validly elected for the Alternative Offer will be scaled back on a pro rata basis (being pro rata to the number of HL Shares in respect of which elections have been validly received), and the balance of the consideration due to each such HL Shareholder will be paid in cash in accordance with the terms of the Cash Offer. For the avoidance of doubt, the ratio at which the HL Shares are exchanged for Bidco Loan Notes and, subject to implementation of the Rollover, Rollover Securities will remain unchanged.

Any fractional entitlements to Bidco Loan Notes (and therefore, in turn and subject to implementation of the Rollover, Rollover Securities) under the Alternative Offer will be rounded down to the nearest whole number of Bidco Loan Notes per eligible HL Shareholder. Fractional entitlements to Bidco Loan Notes will not be allotted or issued to such HL Shareholders but will be disregarded and the consideration for any applicable Scheme Share(s) which cannot be exchanged for Bidco Loan Notes (and therefore indirectly, subject to implementation of the Rollover, Rollover Securities) as a result of such treatment will be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Alternative Offer is conditional upon valid elections being made that would, subject to implementation of the Rollover, ultimately require the issue of such number of Rollover Securities as represent at least 5 per cent. of the issued ordinary share capital of Topco at completion of the Acquisition (the “**Alternative Offer Minimum**”), failing which it will lapse. In these circumstances, no Rollover Securities will be issued and the consideration payable in respect of each HL Share will be settled entirely in cash in accordance with the terms of the Cash Offer. However, given the undertaking to elect to receive the Alternative Offer provided for in the irrevocable undertaking from Peter Hargreaves, as described in paragraph 6 of Part I (*Letter from the Chair of HL*) of this Document, it is not expected that the Alternative Offer will lapse as a result of this minimum requirement.

The validity of an election for the Alternative Offer by any Scheme Shareholder is also conditional upon that Scheme Shareholder providing KYC Information (in respect of itself and, if applicable, in respect of any Underlying Holders(s)) to Bidco’s satisfaction in its sole discretion.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual acceptances of the Alternative Offer will only be valid if all regulatory approvals (if any) required by an HL Shareholder to acquire the Rollover Securities have been obtained and other eligibility criteria set out in this Document are satisfied.

The Rollover Securities have not been, and will not be, registered under the US Securities Act nor under the securities laws of any state or territory or other jurisdiction of the United States, will not be listed on any stock exchange in the United States and may not be offered or sold in the United States absent registration or an available exemption from, or a transaction not subject to, the registration requirements of the US Securities Act. Accordingly, they will not be issued to HL Shareholders unless Bidco considers that they may be so issued pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act provided by Section 3(a)(10) of the US Securities Act or another available exemption under the US Securities Act.

In addition, if: (i) 2,000 or more HL Shareholders; or (ii) 500 or more HL Shareholders who are not Accredited Investors, in either case, where 300 or more of such HL Shareholders are US holders, elect for the Alternative Offer (the “**US Holders Cap**”), Bidco may, at its discretion, determine that the Alternative Offer will not be made available and all HL Shareholders will instead receive Cash Consideration in respect of the HL Shares which were subject to such an election in accordance with the terms of the Cash Offer.

Certain amendments have been made to the Topco Shareholders’ Agreement and Topco Articles, as set out in the Revised Topco Shareholders’ Agreement and Revised Topco Articles, in order to ensure that Beneficial Security Holders (as defined in the Revised Topco Shareholders’ Agreement) are entitled to certain rights under the Revised Topco Shareholders’ Agreement and Revised Topco Articles that they would have if they were holders of legal title to the relevant Rollover Securities, including in respect of permitted transfer rights, catch-up rights on issuances of future securities by Topco and ‘tag along’ rights.

The Rollover Securities have been independently valued by Goldman Sachs in its capacity as financial adviser to Bidco, and an estimate of the value of the Rollover Securities (together with the assumptions, qualifications and caveats forming the basis of such estimate of the value) is set out in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document.

Further details of the terms of the Rollover Securities and the steps required to implement the Rollover are set out in Part IV (*Summary of the Rollover Securities*) of this Document. Overseas Shareholders should also read paragraph 16 of this Part II (*Explanatory Statement*) of this Document in relation to their ability to elect for the Alternative Offer.

In addition, details of certain disadvantages and advantages of the Alternative Offer identified by the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley are set out in paragraph 14 of Part I (*Letter from the Chair of HL*) of this Document. HL Shareholders are strongly encouraged to take into account such disadvantages and advantages and the investment considerations and risk factors set out in paragraph 4 of this Part II (*Explanatory Statement*), as well as their particular circumstances, when deciding whether to elect for the Alternative Offer in respect of some or all of their HL Shares. HL Shareholders are also strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. HL Shareholders should also ascertain whether the acquiring or holding of the Loan Notes and Rollover Securities is permitted under and/or otherwise affected by the laws of the relevant jurisdiction in which they reside and consider whether the Loan Notes and Rollover Securities are a suitable investment in light of their own particular circumstances and investment objectives. Any decision to elect for the Alternative Offer should be based on such independent financial, tax and legal advice and full consideration of this Document, together with the Revised Topco Shareholders' Agreement and the Revised Topco Articles.

The HL Independent Directors are unable to form an opinion as to whether or not the terms of the Alternative Offer are fair and reasonable and are not making any recommendation to eligible HL Shareholders as to whether or not they should elect for the Alternative Offer.

4. RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS

The attention of eligible HL Shareholders who may consider electing to receive some or all their consideration by means of the Alternative Offer is drawn to certain risk factors and other investment considerations relevant to such an election (as well as the disadvantages and advantages of the Alternative Offer set out in paragraph 14 of Part I (*Letter from the Chair of HL*)). These include, *inter alia*, the following:

- upon the Scheme becoming Effective, the Topco Group will be controlled by Consortium JVCo. The Rollover Securities will not carry any general voting rights (whether at a general meeting or pursuant to a written resolution of Topco) nor any governance rights (except those associated with any Substantial B Shareholder) other than very limited minority protections prescribed by Jersey law (including in relation to a variation of their class rights) and rights in respect of a very limited number of reserved matters (being those matters set out in the paragraph titled "Governance and Voting Rights" in Part IV (*Summary of the Rollover Securities*) of this Document) which require the consent of the Substantial B Shareholder(s). Further, no holders of Rollover Securities other than the Substantial B Shareholder(s) will have the right to appoint a director to the board of Bidco. Holders of Rollover Securities will therefore have no influence over decisions made by the Topco Group in relation to its investment in HL or in any other business or in relation to any member of the Topco Group's (or HL Group's) strategy;
- the board of Bidco shall be the principal decision-making board of the Topco Group and a majority of the members of such board shall be comprised of representatives appointed by the Consortium and/or Consortium JVCo;
- the Rollover Securities will comprise securities in a private and unquoted company, and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities, and they will therefore be illiquid;
- the value and performance of the Rollover Securities will at all times be uncertain and there can be no assurance or guarantee that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value estimated by Goldman Sachs in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document;
- payments in respect of Rollover Securities will not be guaranteed or secured and any return of proceeds, whether in connection with an Exit or otherwise, will be paid net of costs incurred by the Topco Group with respect to such return of proceeds;
- the Rollover Securities will not be transferable (save in very limited circumstances such as: (i) where required or permitted pursuant to an Exit or reorganisation transaction or in accordance with 'drag along' and 'tag along' provisions in the Revised Topco Shareholders' Agreement; or (ii) to close family members, vehicles under their (or their close family's) sole control and/or family trust(s) established for

tax planning purposes or, in the case of corporate shareholders, to affiliates, subject to transfer back requirements; or (iii) otherwise with the prior consent of Consortium JVCo). A nominee shareholder holding legal title to Rollover Securities on behalf of an Underlying Holder may also transfer legal title to the Rollover Securities to such Underlying Holder or to its close family members, controlled vehicles or family trusts;

- any Exit, Indirect Liquidity Event or Refinancing will occur at the sole discretion of Consortium JVCo and holders of Rollover Securities will therefore not have control over the date(s), terms or value(s) on or at which they may be able to realise their investment in the Topco Group (if at all). In particular:
 - holders of Rollover Securities may be required in the future to sell their Rollover Securities on a pro rata basis on the same terms at those agreed to by Consortium JVCo under the terms of a 'drag along' provision set out in the Revised Topco Shareholders' Agreement. There is no requirement for Consortium JVCo or any of its affiliates to proceed with an Exit or to do so at any particular minimum price or, if they do proceed with an Exit, to exercise the 'drag along' right, and certain exceptions to the 'drag along' right apply. In the event of only a partial exit by Consortium JVCo or its affiliates, the drag would not provide a full exit for holders of Rollover Securities. The 'drag along' right described above could be exercised at any time following completion of the Acquisition. Any transfer triggering the 'drag along' right may be at a value that is less than the value of the Cash Consideration and the consideration payable to holders of Rollover Securities in such circumstances may or may not be cash;
- in relation to the 'tag along' right in the Revised Topco Shareholders' Agreement:
 - it is only exercisable by holders of Rollover Securities on a direct or indirect transfer of Topco A Ordinary Shares at any time when Consortium JVCo, the Consortium Members and/or their affiliates together hold, or would as a result of the relevant transfer hold, directly or indirectly, less than 90 per cent. of the Topco A Ordinary Shares in issue on the Costs Issuance Date and on any direct or indirect transfer of Topco A Ordinary Shares by Consortium JVCo, the Consortium Members or their affiliates thereafter. Certain exceptions apply which would therefore not give rise to a 'tag along' right (and in respect of which there is no subsequent 'tag along' right), including (amongst others) (i) any initial transfers of up to 10 per cent. of the Topco A Ordinary Shares in issue on the Costs Issuance Date, (ii) in relation to transfers in connection with a Refinancing, or (iii) in connection with a syndication of equity interests by Consortium JVCo or its affiliates. Therefore, this 'tag along' right may not provide for a full (or any) exit for holders of Rollover Securities;
 - it enables holders of Rollover Securities to sell Rollover Securities only pro rata to the proportion of Topco A Ordinary Shares transferred by Consortium JVCo or its affiliates in the transaction(s) giving rise to the 'tag along' right. Therefore, if Topco A Ordinary Shares have been transferred pursuant to one of the exceptions to the 'tag along' right, then the 'tag along' right would not apply to the subsequent transfer of those shares by such transferee;
 - there is no requirement for Consortium JVCo to transfer Topco A Ordinary Shares on any known timeline;
 - holders of Rollover Securities who exercise the 'tag along' right described above will be required to agree to the same terms and conditions as Consortium JVCo (or, if applicable the Consortium Members or their affiliates) in relation to the relevant transfer, including as to price and any covenants as a selling shareholder. The consideration payable to holders of Rollover Securities in such circumstances may or may not be cash and is not subject to any minimum threshold; and
 - in the event of any Exit, Indirect Liquidity Event or Refinancing, holders of Rollover Securities will be required to cooperate with the Topco Group and Consortium JVCo, including to provide certain covenants, indemnities and commitments in connection with such process and to agree to pay related costs incurred by or attributable to the Topco Group and bear related liabilities. Holders of Rollover Securities will undertake upon entering into the Revised Topco Shareholders' Agreement not to take actions which are inconsistent with any proposed Exit, Indirect Liquidity Event or Refinancing;
- in relation to any further issues of securities, if holders of Rollover Securities wish to avoid their percentage interest in Topco being reduced by any such issue, they will need to invest further cash sums in the Topco Group and provide related documentation. In particular, holders of Rollover Securities who do not elect to exercise their catch-up rights by investing the necessary cash sums and providing related documentation in respect of any further issues of securities by the Topco Group will suffer significant dilution in their percentage ownership. The price of and valuation methodology in relation to such further

issuances is not known and may be different to the value per Rollover Security estimated by Goldman Sachs in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document;

- the rights of holders of Rollover Securities to participate in future issues of securities by Topco will apply on a catch-up basis only (i.e. to allow holders of Rollover Securities the opportunity to take up their pro rata entitlements to securities following completion of a related issue of securities to the Topco A Shareholders or other persons) and will be subject to a number of important exceptions (described in the paragraph titled “*Additional Topco Securities Issues*” in Part IV (*Summary of the Rollover Securities*) of this Document, including the ability of the holder(s) of a majority of the Rollover Securities to waive catch-up rights in connection with issues of securities by any member of the Topco Group). Such events may result in the economic entitlements of holders of Rollover Securities suffering significant dilution. Any securities issued by members of the Topco Group in future may have different (including, potentially, preferential) rights or characteristics to the Rollover Securities. For example, holders of Rollover Securities will not be entitled to participate in any issues of securities:
 - to actual or potential employees, directors, officers or consultants of the Topco Group (whether of the same or different classes to the Rollover Securities). If any member of the Topco Group introduces one or more management incentive plans for actual or potential employees, directors, officers and consultants of the Topco Group after the Effective Date that provide participants with an interest in securities in the Topco Group, such issue(s) could potentially significantly dilute the Rollover Securities. In addition, the Topco Group may not receive material cash sums on the issue of any such securities and the returns on any such securities may potentially be structured to increase their proportionate interest in the value of the Topco Group as it increases in value (whether pursuant to a ratchet mechanism or otherwise);
 - to third-party lenders in connection with debt financing, in connection with an IPO or pre-IPO reorganisation or to third parties as non-cash consideration on the acquisition of, or merger with, all or part of another business, undertaking, company or assets. Any securities issued by members of the Topco Group in future may have different (including, potentially, preferential) rights or characteristics to the Rollover Securities; and
 - if a Topco B Shareholder Majority agrees with Consortium JVCo to waive the right to participate in any such issue on behalf of all Topco B Shareholders;
- the HL Shares are currently admitted to trading on the main market of the London Stock Exchange and HL Shareholders are afforded certain standards and protections, including in respect of disclosure, as a result. HL Shareholders who, subject to implementation of the Rollover and the other terms in this Document, receive Rollover Securities (being unlisted securities in a private company) will not be afforded protections commensurate with those that they currently benefit from as shareholders in HL. Except for information to be provided to persons who qualify as Substantial B Shareholders (but not to other holders of Rollover Securities), neither the Revised Topco Articles nor the Revised Topco Shareholders’ Agreement will provide holders of Rollover Securities with information rights, and the default information rights available to minority shareholders in the position of the holders of Rollover Securities under Jersey law are very limited;
- the value of the Rollover Securities will depend on the future performance of the HL business under Consortium JVCo’s ownership. This remains uncertain and could result in the amount received on any Exit or other transfer being less than the Cash Consideration foregone under the Cash Offer. There can be no certainty or guarantee as to the performance of the Topco Group or the HL Group following the Effective Date, and past performance cannot be relied upon as an indication of future performance growth;
- Consortium JVCo intends that the costs and expenses incurred and to be incurred by or on behalf of the Topco Group and the Consortium Members in connection with the Acquisition will be borne by the Topco Group. Following the implementation of the Rollover, Consortium JVCo will subscribe for Topco A Ordinary Shares (at the same subscription price per share as Consortium JVCo paid in respect of its subscription for Topco A Ordinary Shares to fund the payment of the Cash Consideration to HL Shareholders) for an aggregate subscription amount equal to the total costs and expenses incurred and to be incurred by or on behalf of the Topco Group and the Consortium Members in connection with the Acquisition. This issuance will be implemented on a non-pre-emptive basis in order to enable the relevant members of the Topco Group to settle such costs and expenses, meaning that holders of Rollover Securities will not be entitled to participate and their economic rights in Topco will therefore be diluted by such issuance with effect from the Costs Issuance Date. Such costs and expenses incurred and to be incurred in connection with the Acquisition are currently expected to be approximately £123.4 million,

which would result in a dilution of participating HL Shareholders of approximately 3 per cent. of the holding of HL Shareholders who elect to receive the Rollover Securities. Further details of such costs and expenses are set out in paragraph 15 of Part IX (*Additional Information*) of this Document.

- Consortium JVCo intends that reasonable, properly incurred costs in connection with any Exit, reorganisation transaction or Refinancing or return of proceeds in future will be borne by the Topco Group and/or the holders of Topco Shares. Such costs would therefore result, directly or indirectly, in a pro rata reduction in the value of the investment made by holders of Rollover Securities in the Topco Group. The quantum of such costs is not known;
- certain consent rights under the Revised Topco Shareholders' Agreement are exercisable by the holder(s) of a majority of the Rollover Securities. These include waiving catch-up rights of holders of Rollover Securities in connection with issues of securities by any member of the Topco Group. Depending on the number of persons who elect for the Alternative Offer and in what proportions, it is possible that such consents may in practice be capable of being given by one or a small number of holder(s) of Rollover Securities who hold a majority of the Rollover Securities (without any requirement to consult with or refer to the other holder(s) of Rollover Securities);
- Consortium JVCo may, acting reasonably, make any amendment to, or variation of, the Revised Topco Shareholders' Agreement and/or Revised Topco Articles and/or related documents (notwithstanding any class rights) without the consent of, or notification to, holders of Rollover Securities provided that such amendments or variations are not disproportionately adverse to the economic, tax or legal position of the holders of Rollover Securities (as a whole) or the governance rights of the holders of Rollover Securities, in each case as compared to Consortium JVCo. Any such amendment or variation must be for bona fide purposes and shall not be used to frustrate, terminate or reduce the rights of holders of Rollover Securities. Consortium JVCo may make any other amendment to, or variation of, the Revised Topco Shareholders' Agreement and/or the Revised Topco Articles and/or related documents on reasonable notice to the Topco B Shareholders and with the prior consent of (i) the holders of a majority of the Rollover Securities (excluding, for the purposes of this limb (i), any such Rollover Securities held by a Substantial B Shareholder) and (ii) the approval of each Substantial B Shareholder;
- the Revised Topco Shareholders' Agreement includes a number of continuing obligations on holders of Rollover Securities, including (i) broad restrictions on saying or doing anything which may be harmful or prejudicial to the goodwill or reputation of the Topco Group, the HL Group or any Consortium Member or their affiliates (amongst others) and (ii) a compliance covenant, which requires the holders of Rollover Securities to observe and fully comply therewith and includes an undertaking by the parties to exercise their rights to give full effect thereto, including passing certain resolutions and/or class consents, including in connection with an Exit or issue of securities (which means that circumstances may arise whereby the holders of Rollover Securities are obliged to vote in a particular way to comply with this covenant, or their right to object to a variation of class rights may be otherwise restricted). The Revised Topco Shareholders' Agreement also contains a power of attorney whereby the Topco B Shareholders appoint Topco or Consortium JVCo as their attorney to provide the consents and approvals referred to above. A combination of such compliance covenants, the power of attorney and the variation provisions described above and certain other requirements in the Revised Topco Shareholders' Agreement and Revised Topco Articles therefore narrow the scope of class rights protections which would otherwise be available to holders of Rollover Securities under Jersey law; and
- certain rights and protections attaching to the Rollover Securities will depend on the number of Rollover Securities held by each relevant HL Shareholder. HL Shareholders will have no certainty as to the amount of Rollover Securities they would receive because:
 - the maximum number of Rollover Securities available to eligible HL Shareholders under the Alternative Offer will be limited to the Alternative Offer Maximum. To the extent that elections for the Alternative Offer cannot be satisfied in full, the number of Bidco Loan Notes (and therefore in turn and subject to implementation of the Rollover, Rollover Securities) to be issued to each eligible HL Shareholder who has validly elected for the Alternative Offer will be reduced on a pro rata basis, and the consideration due to HL Shareholders in respect of the balance of their HL Shares will be paid in cash in accordance with the terms of the Cash Offer; and
 - if (i) 2,000 or more HL Shareholders; or (ii) 500 or more HL Shareholders who are not Accredited Investors, in either case, where 300 or more of such HL Shareholders are US holders, elect for the Alternative Offer, Bidco may, at its discretion, determine that the Alternative Offer will not be made

available, and the consideration payable to all HL Shareholders will be settled entirely in cash in accordance with the terms of the Cash Offer.

Further details on the Topco Group and the principal rights of the Rollover Securities are set out in Part IV (*Summary of the Rollover Securities*) of this Document.

5. INFORMATION ON HL

HL is the UK's largest savings and investment platform and the UK's biggest retail stockbroker, with almost 1.9 million clients and £155.3 billion savings and investments. For over 40 years, from its Bristol headquarters, it has helped clients improve their financial futures. Its purpose is making it easy to save and invest for a better future, which it does via an easy-to-use platform and broad proposition supporting clients' financial needs across their lifetime.

HL's award-winning digital platform gives clients access to a broad range of savings and investment solutions and products to manage their finances and facilitate their investment goals. This includes a full suite of tax-efficient lifetime pension investment solutions; a comprehensive investment proposition; and a cash management platform, Active Savings, with access to highly competitive savings rates and the ability to spread cash savings across providers, maturities and accounts.

Finally, HL's funds provide clients with a range of options, from simple solutions (Ready Made) for low confidence clients, through to single asset funds that invest into tailored mandates, depending on clients' risk profiles.

HL provides its services via four channels: Direct to Consumer through the app or website; Helpdesk, via phone or email; Financial Advice; and Workplace, HL's B2B arm, offering variety of services adjacent to its core pension proposition.

6. INFORMATION ON BIDCO AND THE CONSORTIUM

Bidco

Bidco is a private limited company incorporated in England and Wales on 1 July 2024, which is indirectly wholly-owned by Topco. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. The current directors of Bidco are Peter William James Rutland, Faris Cassim, Richard Adam Riboe, Pev Hooper, Emil Anderson and Nawfal Belhachmi. Further details in relation to Bidco are set out in paragraph 1 of Part IV (*Summary of the Rollover Securities*) and paragraph 2.2 of Part IX (*Additional Information*) of this Document.

Topco

Topco is a private limited company incorporated under the laws of Jersey on 27 June 2024. Topco was formed for the purposes of the Acquisition. Topco is a wholly-owned subsidiary of Consortium JVCo. Topco has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

Consortium JVCo

Consortium JVCo is a newly formed private limited joint venture company incorporated under the laws of Jersey on 27 June 2024. Consortium JVCo is, and at the Effective Date will be, indirectly owned in equal shares by: (i) CVC Private Equity Funds; (ii) Nordic Capital Vehicles; and (iii) Platinum Ivy. Consortium JVCo was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

CVC Group

The CVC Group is a leading global private markets manager with a network of 30 offices throughout EMEA, the Americas, and Asia, with approximately €193 billion of assets under management. The CVC Group has seven complementary strategies across private equity, secondaries, credit and infrastructure, for which vehicles in the CVC Group have secured commitments of approximately €235 billion from some of the world's leading pension funds and other institutional investors. CVC Private Equity Funds have invested in over 130 companies worldwide (which have combined annual sales of approximately €155 billion and employ more than 600,000 people). CVC Private Equity Group has a repeatable approach to value creation, partnering with the best management teams to drive operational efficiency and reinvest for growth. Since 2008, CVC Private Equity

Funds have made 15 financial services investments spanning the globe. CVC Private Equity Funds invest regularly in regulated financial services businesses, being current investors in several companies regulated by the FCA, PRA and/or Lloyd's of London, and has a strong regulatory reputation and track record.

Nordic Capital

Nordic Capital is a leading sector-specialist private equity investor with approximately €31 billion of assets under management and invests in selected sectors and companies in Northern Europe and North America, offering partnership, deep sector knowledge, capital and experience to drive sustainable growth. Since its founding over 35 years ago, the Nordic Capital Vehicles have invested in over 145 companies with an ambition to create long-term sustainable value through active ownership. Nordic Capital focuses on sectors where it has deep experience and a proven history such as Healthcare, Technology & Payments, Financial Services and Services & Industrial Technology and its portfolio has a combined annual sales of around €18 billion and employs more than 80,000 people. Nordic Capital is one of the most experienced private equity investors in Financial Services in Northern Europe with a dedicated Financial Services team and has completed over 18 financial services and financial technology transactions over the last six years including Nordnet, Ascot Lloyd, Max Matthiessen and Qred.

Platinum Ivy

Platinum Ivy is a wholly-owned subsidiary of ADIA, managed by ADIA PED. ADIA is a globally-diversified investment institution that prudently invests funds on behalf of the Government of Abu Dhabi through a strategy focused on long-term value creation. ADIA PED is an investment department of ADIA. ADIA manages a substantial global diversified portfolio of investments, with assets under management in excess of US\$100 billion of which ADIA PED represents between 10-15 per cent. ADIA PED has made over 100 direct investments in the last six years. ADIA is a long term, value driven investor, mandated to build value in a systematic and structured manner. ADIA's portfolio comprises more than two dozen asset classes and sub-categories, from equities and fixed income to hedge funds, real estate, private equity and infrastructure. ADIA PED has a proven history of investing in Financial Services, Technology, Healthcare, Consumer and Industrials. ADIA PED is an experienced private equity investor in Financial Services with dedicated Financial Services professionals and has completed numerous financial services and financial technology transactions including non-controlling investments in Luminor Bank, IIFL Home Finance, Pension Insurance Corporation, Domestic & General and Fullsteam.

7. FINANCING OF THE ACQUISITION

Following completion of the Acquisition, Bidco expects to have a robust and conservative capital structure consistent with the strategic and financial priorities of HL during a period of transformation.

The cash consideration payable to HL Shareholders under the terms of the Acquisition will be financed by a combination of: (i) equity to be invested by CVC Private Equity Funds, Nordic Capital Fund XI and Platinum Ivy; and (ii) debt to be provided under an Interim Facilities Agreement provided by certain third party lenders comprising of a £1.75 billion interim senior term loan facility. Certain of the equity commitments described at (i) above will be provided by the Equity Co-Investor in Co-Investment Vehicle(s) (the Equity Co-Investor will be passive and not be granted any governance or control rights over Bidco or any member of the Topco Group or HL Group), as described in paragraph 10 of Part IX (*Additional Information*) of this Document. If any further syndication of the equity commitments described at (i) above occurs prior to the Effective Date, an announcement will be made by Bidco in respect of this through a Regulatory Information Service.

Goldman Sachs, in its capacity as financial adviser to Bidco, confirms that it is satisfied that sufficient cash resources are available to Bidco to satisfy in full the cash consideration payable to HL Shareholders under the terms of the Acquisition.

Further details of the financing arrangements relating to the Topco Group are summarised in paragraphs 8.2, 9 and 10 of Part IX (*Additional Information*) of this Document.

8. HL SHARE PLANS

Participants in the HL Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the HL Share Plans. Where applicable, Rule 15 Proposals will be made to participants in the HL Share Plans. The Rule 15 Proposals will be sent to participants later in the Acquisition timetable (and so will not be provided on or around the date of this Document) to allow HL and Bidco the opportunity to engage with the FCA on certain details of the proposals to ensure that they comply with the relevant FCA regulatory

requirements. While the precise duration of that engagement is not known, HL and Bidco currently expect the Rule 15 Proposals to be provided to participants in the HL Share Plans at a date expected to be in the middle of the fourth quarter of 2024.

All HL Shares issued or transferred on the exercise of share options under the HL Share Plans before the Scheme Record Time will be subject to the terms of the Scheme and will constitute Scheme Shares.

The Scheme will not extend to any HL Shares issued after the Scheme Record Time; for example, to satisfy the exercise of options over HL Shares by participants after the Scheme Record Time. However, as part of the Special Resolution to be proposed at the General Meeting, it is proposed that the Articles be amended to provide that if the Scheme becomes Effective, any HL Shares issued after the Scheme Record Time (including to participants in the HL Share Plans who exercise options after the Scheme Record Time) will, subject to that person first being permitted to transfer all or some of those HL Shares to their spouse or civil partner, be transferred automatically to Bidco (or such person as Bidco directs) in consideration for an amount equivalent to the Cash Consideration for each HL Share so transferred. Consequently, participants in the HL Share Plans who receive HL Shares on the exercise of share options after the Scheme Record Time are able to receive the same consideration as HL Shareholders save that they will not be able to participate in the Alternative Offer.

A summary of the effect of the Acquisition on outstanding options and awards under the HL Share Plans is set out below. In the event of any conflict between the summary set out below and the rules of the relevant HL Share Plan and/or the communications to participants in the HL Share Plans regarding the effect of the Scheme on their rights under the HL Share Plans and the details of the arrangements applicable to them (the “**Share Plan Notices**”), the rules of the relevant HL Share Plan or the terms of the relevant Share Plan Notices (as the case may be) will prevail.

PSP

Awards granted under the PSP which have not vested prior to the Court Sanction Date may (in consequence of the Acquisition and in accordance with the rules of the PSP) vest and become exercisable on the Court Sanction Date, subject to any applicable regulatory requirements.

The Independent HL Board will (in its sole discretion and pursuant to the rules of the PSP and, where applicable, the HL Directors’ Remuneration Policy) determine the extent to which any outstanding options under the PSP will vest. The Independent HL Board has discretion to: (i) assess the achievement of performance conditions; and (ii) apply or disapply time pro-rating.

It is the current intention of the Independent HL Board to (i) assess the existing performance conditions shortly prior to the Court Sanction Date, (ii) determine that outstanding PSP options will not be subject to time pro-ration, (iii) determine that outstanding PSP options will become awards over instruments with an equivalent value to the original PSP options (the “**Replacement PSP Awards**”), in order to comply with regulatory requirements applicable to “material risk takers”, and (iv) determine that Replacement PSP Awards will not be subject to further performance conditions or leaver terms (other than in the event of gross misconduct), will vest on the original vesting dates of the original options, and will remain subject to any applicable deferral period(s) and malus and clawback requirements.

SPP and SPP II

Outstanding options under the SPP and SPP II that are unvested on the Court Sanction Date will (in consequence of the Acquisition and in accordance with the rules of the SPP and SPP II (respectively)) vest and become exercisable on the Court Sanction Date, subject to any applicable regulatory requirements.

The Independent HL Board will (in its sole discretion and pursuant to the rules of the SPP and SPP II and, where applicable, the HL Directors’ Remuneration Policy) determine the extent to which any outstanding options under the SPP and SPP II vest. The Independent HL Board has discretion to: (i) assess the achievement of any underpin performance conditions; and (ii) apply or disapply time pro-rating.

Non-MRTs

It is the current intention of the Independent HL Board that outstanding options granted under the SPP and SPP II to individuals who are not “material risk takers” shall not be subject to time pro-ration, but will be subject to any underpin performance conditions and any other condition imposed on the vesting of options as will be assessed by the Independent HL Board on (or shortly prior to) the Court Sanction Date. Options shall be exercisable on the Court Sanction Date to the extent they have vested.

MRTs

For those individuals who are classed as “material risk takers”, options under the SPP and SPP II will not become exercisable on the Court Sanction Date. It is the current intention of the Independent HL Board to: (i) assess the existing underpin performance conditions shortly prior to the Court Sanction Date; (ii) determine that outstanding SPP and SPP II options will not be subject to time pro-rata; (iii) determine that outstanding SPP and SPP II options granted to MRTs will not vest early but will become awards over instruments with an equivalent value to the original SPP or SPP II options (the “**Replacement SPP Awards**” and “**Replacement SPP II Awards**” respectively), in order to comply with regulatory requirements; and (iv) determine that the Replacement SPP Awards and Replacement SPP II Awards will not be subject to further performance conditions (given the respective underpin performance conditions will already have been assessed) or leaver terms (other than in the event of gross misconduct), will vest on the original vesting dates of the original options, and will remain subject to any applicable deferral period(s) and malus and clawback requirements.

DPBP

Outstanding options granted under the DPBP to individuals who are not “material risk takers” will vest in full, with no application of time pro-rating, and become exercisable, immediately prior to the Scheme Record Time.

Outstanding options granted under the DPBP to individuals who are “material risk takers” will not vest and become exercisable early in connection with the Scheme but will become awards over instruments with an equivalent value to the original DPBP awards (the “**Replacement DPBP Awards**”), to comply with regulatory requirements applicable to “material risk takers”. The Replacement DPBP Awards (i) will vest on the original vesting dates of the original options, (ii) will not be subject to continuing leaver terms (other than in the event of gross misconduct), and (iii) will remain subject to any applicable deferral period and malus and clawback requirements.

Replacement awards

In order to comply with relevant regulatory requirements, Replacement PSP Awards, Replacement SPP Awards, Replacement SPP II Awards and Replacement DPBP Awards (together, “**Replacement Share Awards**”) will be over instruments (the precise form of which is to be agreed) where 50% (or such greater percentage as may be permitted by the relevant regulatory requirements) of the relevant eligible instruments will deliver a fixed return at the Cash Consideration per HL Share and the balance will be a cash-settled equity-linked instrument.

Dividend equivalents

Outstanding options under the PSP, SPP, SPP II, FUP and DPBP may accrue dividend or distribution equivalents from the date of grant to the Effective Date.

Such dividend/distribution equivalents shall be paid in cash in full (less required deductions for employee income taxes and social security contributions) within 30 days of exercise of the relevant option (or Replacement Share Award or Replacement FUP Award as applicable), subject to necessary regulatory requirements.

SIP

HL Shares held in the SIP trust on behalf of the SIP participants will participate in the Scheme (on the same terms as for other HL Shareholders).

CSOP

Options under the CSOP are already exercisable in full pursuant to the rules of the CSOP. Any option holder who exercises their option in accordance with its terms and becomes a shareholder prior to the Scheme Record Time will participate in the Scheme on the same terms as other HL Shareholders.

Sharesave

Options granted under the Sharesave which would not otherwise have been exercisable prior to the Court Sanction Date will be exercisable on the Court Sanction Date and for a period of 20 days after the Court Sanction Date to the fullest extent possible. To the extent not exercised by the end of such period, such options will lapse.

Options may be exercisable over fewer than the full number of HL Shares that would otherwise be the case on maturity of the relevant savings contract. Bidco will make a one-off cash payment to those participants in the Sharesave who exercise their options on or following the Court Sanction Date of an amount which, after deduction of employee income taxes and social security contributions, will be equal to the additional profit which the participants would have received had they been able to continue making their monthly contributions after the Effective Date and exercised their Sharesave options at the end of the earlier of (i) six months following the Court Sanction Date and (ii) the maturity of the relevant savings contract, and had those HL Shares been acquired on the terms of the Scheme. No such cash payment will be made in respect of options granted under the Sharesave after the date of this Document.

FUP

Options granted under the FUP (which are over notional fund units rather than HL Shares) which have not vested prior to the Court Sanction Date will become replacement FUP awards, to comply with regulatory requirements (the “**Replacement FUP Awards**”).

Such Replacement FUP Awards will (i) be over the same number of notional fund units as the FUP options, (ii) vest on the original vesting dates of the original FUP options, (iii) not be subject to continuing leaver terms (other than in the event of gross misconduct), and (iv) remain subject to any applicable deferral period and malus and clawback requirements.

9. HL DIRECTORS AND THE EFFECT OF THE SCHEME ON THEIR INTERESTS

Details of the interests of the HL Directors in the share capital of HL, and options and awards in respect of such share capital, are set out in paragraph 5 of Part IX (*Additional Information*) of this Document. Scheme Shares held by the HL Directors will be subject to the Scheme.

Particulars of the service contracts (including termination provisions) of the HL Executive Directors and letters of appointment of the HL Non-Executive Directors are set out in paragraph 7 of Part IX (*Additional Information*) of this Document.

Bidco has received irrevocable undertakings from each of the HL Independent Directors who hold shares and from Adrian Collins (a non-independent, non-executive director of HL) to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer), in respect of, in aggregate, 82,129 HL Shares, representing approximately 0.02 per cent. of HL’s issued share capital on 5 September 2024, being the latest practicable date prior to publication of this Document. These undertakings will remain binding in the event that a higher competing offer for HL is made. Further information in relation to the irrevocable undertakings given by the HL Independent Directors and Adrian Collins is set out in paragraph 6 of Part I (*Letter from the Chair of HL*) and in paragraph 6.1 of Part IX (*Additional Information*) of this Document.

As is customary, Bidco intends that, with effect from the Effective Date, each of the HL Non-Executive Directors shall resign from their office.

The effect of the Scheme on the interests of the HL Directors does not differ from the effect of the Scheme on the interests of other persons.

10. DESCRIPTION OF THE SCHEME AND THE MEETINGS

10.1 The Scheme

The Acquisition is expected to be implemented by means of a Court-sanctioned scheme of arrangement between HL and the Scheme Shareholders who are on the register of members at the Scheme Record Time under Part 26 of the Companies Act, although Bidco reserves the right to implement the Acquisition by means of an Offer (subject to the Panel’s consent and to the terms of the Cooperation Agreement). The procedure requires approval by Scheme Shareholders at the Court Meeting and by the HL Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part V (*The Scheme of Arrangement*) of this Document.

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued ordinary share capital of HL. This is to be achieved by transferring the Scheme Shares held by HL Shareholders to Bidco, in consideration for which Bidco will pay the Cash Consideration and/or issue Bidco Loan Notes which will, subject to implementation of the Rollover, be exchanged for Rollover Securities, in each case on the basis set

out in this Part II (*Explanatory Statement*). Bidco will reduce the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by an amount equal to any dividend and/or other distribution and/or other return of capital or value, other than the 2024 Full-Year Dividend, which is announced, declared, made or paid or becomes payable by the Company in respect of the HL Shares (in each case, with a record date prior to the Effective Date), as set out in paragraph 2 of this Part II (*Explanatory Statement*).

10.2 HL Shareholder Meetings

Before the Court's sanction can be sought for the Scheme, the Scheme requires approval by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of, representing not less than 75 per cent. in value of the Scheme Shares held by, Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting. In addition, the Special Resolution must be passed at the General Meeting to authorise the HL Directors to implement the Scheme and to deal with certain ancillary matters, which requires the approval of HL Shareholders present and voting representing at least 75 per cent. of the votes cast at the General Meeting (either in person or by proxy). The General Meeting will be held immediately after the Court Meeting. Notices of the Court Meeting and the General Meeting are set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this Document, respectively.

Save as set out below, all holders of HL Shares whose names appear on the register of members of HL at the Voting Record Time or, if any such Meeting is adjourned, on the register of members at 6.30 p.m. (London time) on the date which is two days (excluding non-working days) before the date set for such adjourned meeting, will be entitled to attend and vote at the Court Meeting and the General Meeting, in respect of the HL Shares registered in their name at the relevant time.

(a) The Court Meeting

The Court Meeting has been convened at the direction of the Court for 10.30 a.m. (London time) on 14 October 2024 for Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of, representing not less than 75 per cent. in value of the Scheme Shares held by, those Scheme Shareholders present and voting in person or by proxy.

It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair and reasonable representation of opinion of the HL Shareholders. You are therefore strongly advised to sign and return your Forms of Proxy for both the Court Meeting and the General Meeting (or deliver your voting instructions by one of the other methods set out in the paragraph titled "Voting at the Court Meeting and the General Meeting") as soon as possible. Doing so will not prevent you from attending, voting and speaking at the Meetings or any adjournment thereof, if you so wish and are so entitled.

(b) The General Meeting

The General Meeting has been convened for 10.45 a.m. (London time) on 14 October 2024, or as soon after that time as the Court Meeting has been concluded or adjourned, for HL Shareholders to consider and, if thought fit, pass the Special Resolution necessary to implement the Scheme and certain related matters.

The Special Resolution is proposed to approve:

- (i) giving the HL Directors the authority to take all necessary action to carry the Scheme into effect; and
- (ii) amending the Articles as described in paragraph 10.4 below.

At the General Meeting, voting on the Special Resolution will be by poll and each HL Shareholder present in person or by proxy will be entitled to one vote for each HL Share held as at the Voting Record Time. The approval required for the Special Resolution to be passed is at least 75 per cent. of the votes cast on the Special Resolution (in person or by proxy).

(c) Forms of Proxy

BLUE Forms of Proxy for use at the Court Meeting and WHITE Forms of Proxy for use at the General Meeting should be returned by post to HL's registrar, Equiniti, at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA as soon as possible and, in any event, so as to be received no later than 10.30 a.m. and 10.45 a.m., respectively, on 10 October 2024 (or, in the case of adjournment(s), no later than 48 hours (excluding non-working days) before the time fixed for the adjourned Meeting(s)). If the BLUE Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to a representative of Equiniti, on behalf of the Chair of the Court Meeting, or to the Chair of the Court Meeting or scanned and emailed to Equiniti at proxyvotes@equiniti.com before the start of that Meeting. However, in the case of the General Meeting, the WHITE Form of Proxy must be returned by the time mentioned above, or it will be invalid. The completion and return of a Form of Proxy will not prevent you from attending and voting in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you so wish and are so entitled.

(d) General

Information about the procedures for appointing proxies and giving voting instructions is set out in paragraph 18 (*Action to be taken*) below of this Part II (*Explanatory Statement*) and on pages 9 to 14 of this Document.

Notices of the Court Meeting and the General Meeting are set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this Document.

10.3 Court Hearing

Under the Companies Act, the Scheme requires the sanction of the Court. The hearing by the Court to sanction the Scheme is currently expected to be held during the first quarter of 2025, subject to the prior satisfaction or waiver of the other Conditions set out in Part III (*Conditions to and further terms of the Acquisition and the Scheme*) of this Document. HL will give notice of the time and date of the Court Hearing, once known, by issuing an announcement through a Regulatory Information Service. Scheme Shareholders will be entitled to attend the Court Hearing, should they wish to do so, in person or through counsel.

Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur during the first quarter of 2025, subject to satisfaction (or, where applicable, waiver) of the Conditions.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on, the Special Resolution at the General Meeting.

If the Scheme does not become Effective by the Long Stop Date, the Scheme will lapse and the Acquisition will not proceed.

10.4 Amendments to HL's articles of association

It is proposed, as part of the Special Resolution to be proposed at the General Meeting, that the Articles be amended to ensure that any HL Shares issued under the HL Share Plans or otherwise after the Voting Record Time in respect of the Court Meeting and on or prior to the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the Articles so that any HL Shares issued to any person other than Bidco and/or its nominee(s) after the Scheme Record Time will be automatically acquired by Bidco (or such person as Bidco directs) for a cash amount equal to the Cash Consideration for each such HL Share. Consequently, participants in the HL Share Plans who receive HL Shares on the exercise of share options after the Scheme Record Time are able to receive the same consideration as HL Shareholders save that they will not be able to participate in the Alternative Offer. These provisions will avoid any person (other than Bidco and/or its nominee(s)) being left with HL Shares after the Scheme becomes Effective.

Paragraph (b) of the Special Resolution set out in the notice of the General Meeting in Part XIII (*Notice of General Meeting*) of this Document seeks the approval of HL Shareholders for such amendments.

10.5 Entitlement to vote at the Meetings

Each HL Shareholder who is entered in HL's register of members at the Voting Record Time (expected to be 6.30 p.m. (London time) on 10 October 2024) will be entitled to attend, vote and speak on all resolutions to be

put to the Court Meeting and the General Meeting. If either Meeting is adjourned, only those HL Shareholders on the register of members at 6.30 p.m. (London time) on the day which is two days (excluding non-working days) before the adjourned meeting will be entitled to attend and vote. Each eligible HL Shareholder is entitled to appoint a proxy or proxies to attend and to vote instead of him or her. A proxy need not be a shareholder of HL but must attend the Meeting(s). The completion and return of a Form of Proxy or the appointment of a proxy or proxies electronically shall not prevent a HL Shareholder from attending, voting and speaking in person at either Meeting or any adjournment thereof if such shareholder wishes and is entitled to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please call the Shareholder Helpline by calling Equiniti on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls are welcomed via Relay UK. Please see www.relayuk.bt.com for more information. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Acquisition or the Scheme (including the Alternative Offer) or the merits of any of the foregoing, nor any legal, taxation or financial advice, can be given.

Further information on the actions to be taken by HL Shareholders is set out on pages 9 to 14 (*Action to be taken*) of this Document.

10.6 Return of documents of title

If the Scheme lapses or is withdrawn, or an eligible HL Shareholder withdraws its Form of Election, all documents of title and other documents lodged by any HL Shareholder with any Form of Proxy or Form of Election (as applicable) shall be returned to such HL Shareholder as soon as practicable (and in any event within 14 days of such lapsing or withdrawal) and to the extent that any HL Shares are held in escrow by Equiniti in connection with the Scheme, instructions shall be given immediately for the release of such HL Shares.

10.7 Modifications to the Scheme

The Scheme contains a provision for HL and Bidco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

11. CONDITIONS TO THE ACQUISITION

The Conditions to the Acquisition are set out in full in Part III (*Conditions to and further terms of the Acquisition and the Scheme*) of this Document. In summary, the Acquisition is conditional upon, among other things, the following events occurring on or before the Long Stop Date:

- (a) approval of the Scheme by a majority in number of, representing not less than 75 per cent. in value of the Scheme Shares held by, those Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting;
- (b) approval of the Special Resolution necessary to implement the Scheme, to be proposed at the General Meeting, by at least 75 per cent. of the votes cast by HL Shareholders present and voting in person or by proxy;
- (c) sanction of the Scheme by the Court and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (d) the receipt of regulatory approvals, including (i) the receipt or waiver of China Antitrust Clearance, EU Antitrust Clearance, Swiss Antitrust Clearance, Turkish Antitrust Clearance and UK Antitrust Clearance; and (ii) the receipt of approval of the change in control of certain regulated entities within the HL Group by the FCA (or it otherwise being regarded under FSMA as having approved the same).

If any Condition referred to in paragraphs 2.1(ii), 2.2(ii) or 2.3(ii) of Part A of Part III (*Conditions to and further terms of the Acquisition and the Scheme*) of this Document is not capable of being satisfied by the date specified therein, Bidco shall make an announcement through a Regulatory Information Service as soon as

practicable and, in any event, by no later than 8.00 a.m. on the Business Day following the date so specified, stating whether Bidco has invoked that Condition, waived that Condition or, with the agreement of HL and the consent of the Panel, specified a new date by which that Condition must be satisfied.

12. OFFER-RELATED ARRANGEMENTS

12.1 Confidentiality Agreement

On 22 June 2024, CVC Advisers, Nordic Capital XI Delta, Platinum Ivy and HL entered into a confidentiality agreement in relation to the Acquisition, pursuant to which, amongst other things, CVC Advisers, Nordic Capital XI Delta and Platinum Ivy have undertaken to: (i) subject to certain exceptions, keep information relating to HL and the Acquisition confidential and not to disclose it to third parties; and (ii) use such confidential information for the sole purpose of evaluating, negotiating, advising on or implementing the potential Acquisition. These confidentiality obligations will remain in force until the earlier of: (i) completion of the Acquisition; and (ii) 22 June 2026. The Confidentiality Agreement also contains undertakings from CVC Advisers, Nordic Capital XI Delta and Platinum Ivy that for a period of 12 months after the date of the Confidentiality Agreement, neither CVC Advisers, Nordic Capital XI Delta and Platinum Ivy nor any of their respective affiliates / affiliated entities who have received confidential information will solicit or offer to employ or solicit for employment any individual who is at any time during that 12 month period an officer of, or an employee holding an executive or management position with any member of the HL Group (subject to customary carve-outs).

12.2 Cooperation Agreement

Pursuant to the Cooperation Agreement dated 9 August 2024, Bidco has agreed to use all reasonable endeavours to satisfy the conditions set out in paragraphs 3.1 to 3.6 of Part A of Appendix 1 to the Rule 2.7 Announcement as soon as is reasonably practicable and, in any event, in sufficient time to allow the Effective Date to occur by the Long Stop Date, provided always that: (i) any remedy applies only to a member or members of the Topco Group and/or HL Group and/or its or their respective business(es) and/or (in relation to the regulatory condition set out in paragraph 3.6 of Part A of Appendix 1 to the Rule 2.7 Announcement only), any person in respect of whom FCA approval is required who is or would become a controller as a result of the Acquisition (and, other than in respect of any such controller, nothing shall require Bidco to offer or accept or agree to offer or accept any remedy in relation to: (a) any member of the CVC Network (as defined therein); (b) Nordic Capital, any Nordic Capital Vehicles, any portfolio company in which Nordic Capital Vehicles, or any of Nordic Capital Vehicles' associated companies or entities, have an equity or any other interest; or (c) any member of the Platinum Ivy Group, ADIA or any portfolio companies in which any of them, or any of their associated companies or entities, have an equity or any other interest, but excluding in each case any member of the Topco Group); and (ii) in respect of the regulatory condition set out in paragraph 3.6 of Part A of Appendix 1 to the Rule 2.7 Announcement, nothing shall require Bidco to offer or accept or agree to offer or accept any remedy which: (A) would require any change to the proposed transaction capital structure (including as to the debt and/or equity structure); or (B) would require any change to, or impede the implementation of, the proposed capital or distribution policies, in respect of the Topco Group and HL Group following completion of the Acquisition.

In addition, Bidco and HL have each agreed to certain related cooperation provisions and obligations in relation to the making of filings to relevant authorities in connection with the Acquisition.

The Cooperation Agreement records the parties' intention to implement the Acquisition by way of the Scheme and set outs the circumstances in which Bidco may elect to switch from a Scheme to an Offer and the obligations which would apply to Bidco in such circumstances.

The Cooperation Agreement is capable of termination in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a third party announces a firm intention to make an offer for HL which completes, becomes effective or becomes unconditional, if prior to the Long Stop Date any Condition has been invoked by Bidco (with the consent of the Panel), if the HL Independent Directors withdraw or adversely modify or qualify their recommendation of the Cash Offer, if the Scheme does not become Effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and HL.

Pursuant to the terms of the Cooperation Agreement and the requirements of paragraph 3(g)(i) of Appendix 7 to the Takeover Code, Bidco undertakes that it will deliver a notice in writing to HL and the Panel on the Business Day prior to the Court Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than the Conditions set out in paragraphs 2.3 and 2.4 of Part A of Appendix 1 to the Rule 2.7

Announcement); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

The Cooperation Agreement also contains provisions that apply in respect of the HL Share Plans and certain other employee-related matters.

12.3 Bid Conduct Agreement

On 9 August 2024, Nordic Cidron, CVC and Platinum Ivy (together, the “**Investors**”) and Nordic Capital XI, L.P. entered into a bid conduct agreement (the “**Bid Conduct Agreement**”), pursuant to which they have agreed certain principles in accordance with which they intend to cooperate in respect of the Acquisition.

Pursuant to the Bid Conduct Agreement, it is agreed that each of the Investors will make all material decisions with respect to the conduct of the Acquisition unanimously.

The terms of the Bid Conduct Agreement also include an agreement not to pursue a competing proposal to the Acquisition with respect to HL or take any action which might be prejudicial to completion of the Acquisition or directly or indirectly encourage, solicit, initiate facilitate, participate in or otherwise continue any discussion or negotiation with any person in connection with a competing proposal to the Acquisition, in each case for so long as the Bid Conduct Agreement is in force.

The Bid Conduct Agreement will terminate in certain circumstances, including: (i) 14 days after the date on which the Acquisition becomes Effective or unconditional; (ii) at such time as the Acquisition is withdrawn or lapses; (iii) at such time as a competing bid in relation to HL becomes effective or unconditional; or (iv) at such time as the parties thereto agree.

12.4 Clean Team Agreement

On 21 July 2024, CVC Advisers, Nordic Capital XI Delta, Platinum Ivy and HL entered into an amended and restated clean team agreement, the purpose of which is to set out the terms governing the disclosure of competitively sensitive information by HL to: (i) certain employees of CVC Advisers, Nordic Capital XI Delta and Platinum Ivy and their affiliates; (ii) outside counsel and experts engaged by the Consortium in connection with the Acquisition; and (iii) subject to the prior written consent of HL, employees, officers, directors or partners of proposed sources of debt or equity finance to the Consortium Members in connection with the Acquisition, and related obligations on the receiving persons in relation to the permitted use and handling of such information.

12.5 Joint Defence Agreement

On 18 July 2024, CVC Advisers, Nordic Capital XI Delta, Platinum Ivy, the Consortium’s external legal counsel, HL and HL’s external legal counsel entered into a joint defence agreement, the purpose of which is to ensure that the exchange or disclosure of certain materials relating to the parties only takes place between their respective external legal counsels and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of privilege, right or immunity that might otherwise be available.

13. CANCELLATION OF LISTING OF HL SHARES

It is intended that the last day for dealings in HL Shares will be the Business Day after the Court Hearing and that dealings in HL Shares will be suspended by 7.30 a.m. (London time) on the following Business Day. No transfers of HL Shares will be registered after 6.00 p.m. (London time) on the Business Day after the Court Hearing. It is further intended that, prior to the Scheme becoming Effective, an application will be made by HL to the London Stock Exchange for the cancellation of the trading of HL Shares on its main market for listed securities and the FCA will be requested to cancel the listing of HL Shares on the Official List, in each case to take effect on or shortly after the Effective Date.

14. SETTLEMENT

Subject to the Scheme becoming Effective (and except as provided in paragraph 16 of Part II (*Explanatory Statement*) of this Document in relation to certain overseas HL Shareholders), settlement of the consideration to which any holder of Scheme Shares is entitled under the Scheme will be effected as soon as practicable and in any event no later than 14 days after the Effective Date (or in such other period as may be approved by the Panel) in the manner set out below.

14.1 Consideration where Scheme Shares are held in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a holder of Scheme Shares holds such shares in uncertificated form, the Cash Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Bidco instructing or procuring the instruction of Euroclear to create an assured payment obligation in respect of the Cash Consideration payable to such Scheme Shareholder, in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated Scheme Shares.

Notwithstanding the above, Bidco reserves the right to settle all or part of such consideration in the manner set out in paragraph 14.2 below if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this paragraph 14.1.

14.2 Consideration where Scheme Shares are held in certificated form

Where, at the Scheme Record Time, a holder of Scheme Shares holds such shares in certificated form settlement of the Cash Consideration due pursuant to the Scheme will be effected by cheque. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned. Payments will not be sent via CHAPS or BACS. All cheques will be in pounds sterling drawn on the branch of a UK clearing bank.

Cheques will be despatched by first class post or, if overseas, by airmail (or, in each case, by such other method as may be approved by the Panel) to the address of the relevant Scheme Shareholder appearing on the HL share register at the Scheme Record Time (or, in the case of joint holders, to the address of that joint holder whose name stands first in the said register in respect of such joint holding).

14.3 Alternative Offer

Where Rollover Securities are issued to Scheme Shareholders pursuant to, and subject to the implementation of, the Rollover, certificates for the Rollover Securities will be despatched by first class post or, if overseas, by airmail (or in each case by such other method as is permitted by the Panel) as soon as practicable and in any event within 14 days after the Effective Date to each relevant Scheme Shareholders at the address for such Scheme Shareholder appearing in HL's register of members at the Scheme Record Time or, in the case of joint holders, to the holder whose name appears first in such register in respect of the joint holding concerned.

If elections are validly received from eligible HL Shareholders in respect of a number of HL Shares that would, subject to implementation of the Rollover, ultimately require the issue of Rollover Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Bidco Loan Notes and, in turn and subject to implementation of the Rollover, the number of Rollover Securities to be issued to each eligible HL Shareholder who has validly elected for the Alternative Offer will be scaled back on a pro rata basis (being pro rata to the number of HL Shares in respect of which elections have been validly received), and the balance of the consideration due to each such HL Shareholder will be paid in cash in accordance with the terms of the Cash Offer. For the avoidance of doubt, the ratio at which each such HL Share is exchanged for Bidco Loan Notes and, subject to implementation of the Rollover, Rollover Securities will remain unchanged.

Any fractional entitlements to Bidco Loan Notes (and therefore, in turn and subject to implementation of the Rollover, Rollover Securities) under the Alternative Offer will be rounded down to the nearest whole number of Bidco Loan Notes per eligible HL Shareholder. Fractional entitlements to Bidco Loan Notes will not be allotted or issued to such HL Shareholders but will be disregarded and the consideration for any applicable Scheme Share(s) which cannot be exchanged for Bidco Loan Notes (and therefore indirectly, subject to implementation of the Rollover, Rollover Securities) as a result of such treatment will be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Alternative Offer is conditional upon valid elections being made that would, subject to implementation of the Rollover, ultimately require the issue of the Alternative Offer Minimum, failing which it will lapse. In these circumstances, no Rollover Securities will be issued and the consideration payable in respect of each HL Share will be settled entirely in cash in accordance with the terms of the Cash Offer. However, given the undertaking to elect to receive the Alternative Offer provided for in the irrevocable undertaking from Peter Hargreaves, it is not expected that the Alternative Offer will lapse as a result of this minimum requirement.

The validity of an election for the Alternative Offer by any Scheme Shareholder is also conditional upon that Scheme Shareholder providing KYC Information (in respect of itself and, if applicable, in respect of any Underlying Holders(s)) to Bidco's satisfaction in its sole discretion.

HL Shareholders should read Part IV (*Summary of Rollover Securities*) and Part VI (*Notes on making an election for the Alternative Offer*) of this Document which contains further details of the Alternative Offer and how to make an election under it.

14.4 Right to withdraw or amend Alternative Offer elections

A Scheme Shareholder who has returned a Form of Election and subsequently wishes to withdraw or amend such election must notify Equiniti in writing by no later than the Election Return Time. Such notice must contain an original signature and clearly specify whether the election is to be withdrawn or amended. Any notices of this nature should be sent to Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA. Any Scheme Shareholder who has made an election for the Alternative Offer through a TTE Instruction and subsequently wishes to withdraw or amend that election should contact Equiniti as soon as possible to seek to arrange electronic withdrawal or amendment in sufficient time to permit the withdrawal to be completed by the Election Return Time. Further information on how to withdraw or amend an Alternative Offer Election is set out in Part VI (*Notes on making an election for the Alternative Offer*) of this Document.

14.5 General

All documents and remittances sent through the post will be sent at the risk of the person(s) entitled thereto. None of HL, Bidco or any of their respective agents shall be responsible for any loss or delay in the transmission of documents and remittances sent in this way.

The encashment of any cheque by, or the creation of any assured payment obligation or completion of the allotment and issue of the Rollover Securities in favour of, a Scheme Shareholder in accordance with paragraphs 14.1 to 14.3 (inclusive) above shall be a complete discharge of Bidco's obligation under the Scheme to pay or satisfy the consideration due to such Scheme Shareholder.

On the Effective Date each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of HL, delivered up to HL or to any person appointed by HL to receive the same.

In accordance with the Scheme, as from the Scheme Record Time, HL shall procure that each holding of Scheme Shares credited to any stock account in CREST shall be disabled. With effect from the Effective Date, Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form. Following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Equiniti shall be authorised to re-materialise entitlements to such Scheme Shares.

Save with the consent of the Panel, settlement of the consideration to which any HL Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien, right of set off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be, entitled against any HL Shareholder.

All mandates and other instructions given to HL by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

15. TAXATION

HL Shareholders should read Part VIII (*UK Taxation*) of this Document which contains a general description of the United Kingdom tax consequences of the Acquisition. **This summary is intended as a general guide only and does not constitute tax advice or purport to be a complete analysis of all potential UK tax consequences of the Scheme.**

If you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate independent professional tax adviser immediately.

16. OVERSEAS SHAREHOLDERS

16.1 General

The release, publication or distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the

fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Document has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

The availability of the Acquisition (including the Alternative Offer) to HL Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. In particular, the ability of persons who are not resident in the UK to vote their HL Shares with respect to the Scheme at the Court Meeting or the General Meeting, or to appoint another person as proxy to vote at the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition (including the Alternative Offer) disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition (including the Alternative Offer) will not be made available, in whole or in part, directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this Document and any other documentation relating to the Acquisition (including the Alternative Offer) are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer (including the Alternative Offer) may not be made, directly or indirectly, in, into, from, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer (including the Alternative Offer) may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

HL Shareholders should be aware that the transaction contemplated herein may have tax consequences and that such consequences, if any, may not be described herein. HL Shareholders are urged to consult with appropriate legal, tax and financial advisers in connection with the consequences of the Acquisition (including any election for the Alternative Offer) on them.

16.2 Additional information for US investors

The Acquisition relates to the shares of an English company with shares admitted to trading on the London Stock Exchange and is being made by means of a scheme of arrangement provided for under English law. A transaction implemented by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the UK to takeover offers and schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included or referred to in the Rule 2.7 Announcement and this Document has been or will have been prepared in accordance with generally accepted accounting principles of the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer, which is to be made into the US, such Offer will be made in compliance with applicable US laws and regulations.

It may be difficult for US holders of HL Shares to enforce their rights and any claim arising out of US federal laws, since Bidco, each member of the Topco Group and HL are each located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US holders of HL Shares

may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Bidco, its nominees or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, HL Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, Goldman Sachs will continue to act as an exempt principal trader in HL Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website, www.londonstockexchange.com.

US HL Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the US and that such consequences, if any, are not described herein. US HL Shareholders are urged to consult with appropriate legal, tax and financial advisers in connection with the tax impact of the Acquisition on them.

The Loan Notes and, subject to the implementation of the Rollover, the Rollover Securities to be issued under the Alternative Offer will not be registered under the US Securities Act or under relevant securities laws of any state or territory or other jurisdiction of the United States. The Topco Group expects to issue the Loan Notes and, subject to implementation of the Rollover, the Rollover Securities in reliance upon the exemption from the registration requirements under Section 3(a)(10). Section 3(a)(10) exempts securities issued in specified exchange transactions from the registration requirement under the US Securities Act where, among other requirements, the fairness of the terms and conditions of the issuance and exchange of such securities have been approved by a court or governmental authority expressly authorised by law to grant such approval, after a hearing upon the fairness of the terms and conditions of the exchange at which all persons to whom the relevant securities are proposed to be issued have the right to appear (and will not encounter any improper impediments to appear) and receive adequate and timely notice thereof. If the exemption afforded by Section 3(a)(10) is not available, then the Topco Group expects to avail itself of another available exemption to the registration requirements under the US Securities Act. If Bidco exercises its right to implement the acquisition of the HL Shares by way of an Offer, the Rollover Securities will not be offered in the US except pursuant to an exemption from or in a transaction not subject to registration under the US Securities Act.

The Rollover Securities will not be listed on any stock exchange. Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved of the Alternative Offer or has determined or will determine if this Document is accurate or complete. Any representation to the contrary is a criminal offence.

17. FURTHER INFORMATION

The terms of the Scheme are set out in full in Part V (*The Scheme of Arrangement*) of this Document. Your attention is also drawn to the further information contained in this Document, all of which forms part of this Explanatory Statement and, in particular, to the Conditions set out in Part A of Part III (*Conditions to and further terms of the Acquisition and the Scheme*) and the additional information set out in Part IX (*Additional Information*) of this Document.

18. ACTION TO BE TAKEN

Sending Forms of Proxy by post

HL Shareholders are entitled to appoint a proxy in respect of some or all of their HL Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder.

HL Shareholders will receive a BLUE Form of Proxy for the Court Meeting and a WHITE Form of Proxy for the General Meeting. Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them by post to HL's registrar, Equiniti, at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA so as to be received as soon as possible and, in any event, no later than 10.30 a.m. and 10.45 a.m., respectively, on 10 October 2024 (or, in the case of adjournment(s), no later than 48 hours (excluding non-working days) before the time fixed for the adjourned Meeting(s)). If the BLUE Form of Proxy for the Court Meeting is not received by the above time, it may be

handed to a representative of Equiniti, on behalf of the Chair of the Court Meeting, or to the Chair of the Court Meeting or scanned and emailed to Equiniti at proxyvotes@equiniti.com, before the start of that Meeting. However, in the case of the General Meeting, the WHITE Form of Proxy must be received by the time mentioned above, or it will be invalid.

HL Shareholders who wish to appoint more than one proxy in respect of their holding of HL Shares should contact Equiniti for further Forms of Proxy.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you wish and are entitled to do so.

Electronic appointment of proxies through CREST

If you hold your HL Shares in uncertificated form (i.e. in CREST) you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part XII (*Notice of Court Meeting*) and Part XIII (*Notice of General Meeting*) of this Document). Proxies submitted via CREST (under CREST participant ID RA 19) must be received by HL's registrar, Equiniti, by no later than 10.30 a.m. London time on 10 October 2024 in the case of the Court Meeting and by no later than 10.45 a.m. London time on 10 October 2024 in the case of the General Meeting or, in the case of any adjournment, by no later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting.

In the case of the Court Meeting only, if you have not appointed a proxy using a CREST Proxy Instruction (as defined below) by such time you may complete the BLUE Form of Proxy and hand it to a representative of Equiniti, on behalf of the Chair of the Court Meeting or to the Chair of the Court Meeting or scan and email it to Equiniti at proxyvotes@equiniti.com, before the start of that Meeting.

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 the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti no later than 48 hours (excluding non-working days) before the time fixed for the Court Meeting or General Meeting (or adjourned meeting), as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Equiniti 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.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. 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 any voting service provider(s), to procure that his/her 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 connection with this, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

HL may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, HL Shareholders entitled to attend and vote at the Meetings may appoint a proxy electronically by logging on to the following website: www.sharevote.co.uk where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on the Form of Proxy will be required to complete the procedure. If you have already registered at Shareview, you may complete the EPA via your portfolio at www.shareview.co.uk. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti no later than 10.30 a.m. London time on 10 October 2024 for the Court Meeting and by no later than 10.45 a.m. London time on 10 October 2024 for the General Meeting (or, in the case of adjournment(s), no later than 48 hours

(excluding non-working days) before the time fixed for the adjourned Meeting(s)). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time you may complete the BLUE Form of Proxy and hand it to a representative of Equiniti, on behalf of the Chair of the Court Meeting or to the Chair of the Court Meeting or scan and email it to Equiniti at proxyvotes@equiniti.com, before the start of that Meeting.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to complete and return both of your Forms of Proxy (or deliver your voting instructions by one of the other methods set out in the paragraph titled “*Voting at the Court Meeting and the General Meeting*”) as soon as possible. Doing so will not prevent you from attending, speaking and voting in person at the Meetings if you wish and are entitled to do so.

The Alternative Offer

As an alternative to all or part of the Cash Consideration to which Scheme Shareholders would otherwise be entitled pursuant to the Cash Offer, eligible HL Shareholders may elect to exchange some or all of their HL Shares for Bidco Loan Notes which will, subject to implementation of the Rollover, ultimately be exchanged for Rollover Securities at a ratio of one Rollover Security for each HL Share. Further details of the Alternative Offer are contained in paragraphs 3 and 4 of Part II (*Explanatory Statement*) and Part IV (*Summary of the Rollover Securities*) of this Document.

The Rollover Securities have been independently valued by Goldman Sachs in its capacity as financial adviser to Bidco, and an estimate of the value of the Rollover Securities (together with the assumptions, qualifications and caveats forming the basis of such estimate of the value) is set out in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document.

If you wish to make an election for the Alternative Offer in respect of all or part of your holding of Scheme Shares, you should read Part VI (*Notes on making an election for the Alternative Offer*) of this Document carefully and follow the applicable instructions therein so as to deliver an appropriately executed Form of Election or make a binding TTE Instruction in respect of the relevant number of Scheme Shares (and provide the KYC Information in a form satisfactory to Bidco) by the Election Return Time.

If you wish to receive cash for all the Scheme Shares that you hold at the Scheme Record Time and do not wish to make an election under the Alternative Offer, do not return the GREEN Form of Election or make a TTE Instruction.

If you are an eligible HL Shareholder who holds HL Shares in certificated form (that is, not in CREST) and are not a Restricted Shareholder and you wish to make an election under the Alternative Offer please complete and return the GREEN Form of Election by post to Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA so as to reach Equiniti by no later than the Election Return Time and take the further actions described in Part VI (*Notes on making an election for the Alternative Offer*) of this Document. A reply-paid envelope, for use in the UK only, has been provided for return of the GREEN Form of Election. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

If you are an eligible HL Shareholder who holds HL Shares in uncertificated form (that is, in CREST) and you are not a Restricted Shareholder and you wish to elect for the Alternative Offer you should NOT complete a GREEN Form of Election. Instead you should submit your election electronically by taking (or procuring to be taken) the actions set out in Part VI (*Notes on making an election for the Alternative Offer*) of this Document to transfer the HL Shares in respect of which you wish to elect for the Alternative Offer to the relevant escrow account using a TTE Instruction as soon as possible, and in any event so that the TTE Instruction settles no later than the Election Return Time. If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your HL Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your HL Shares.

The Election Return Time will be 1.00 p.m. on the Business Day prior to the date of the Court Hearing.

For technical reasons, it will not be possible to send TTE Instructions to Euroclear before the date on which the Court Hearing is set and announced. Once the date of the Court Hearing is set, HL will announce the Election

Return Time via a Regulatory Information Service (with such announcement being made available on HL's website at www.hl.co.uk/investor-relations) and an appropriate event will be set up by Euroclear in CREST. It will be possible for TTE Instructions to be sent to Euroclear from such time onwards until the Election Return Time.

If you hold HL Shares in both certificated and uncertificated form and you wish to make an election under the Alternative Offer in respect of both such holdings, you must make separate elections in respect of each holding.

As part of completing a Form of Election, HL Shareholders who hold HL Shares in certificated form (that is, not in CREST) will be asked to provide an email address for service of notices pursuant to the Revised Topco Shareholders' Agreement. Bidco and Topco reserve the right to treat email addresses previously given to HL or Equiniti by HL Shareholders who hold HL Shares in certificated form who wish to elect for the Alternative Offer as the addresses for notices under the terms of the Revised Topco Shareholders' Agreement. Alternatively, such holders may notify Equiniti of their email addresses if they wish to receive such notices by email. Bidco and Topco will regard addresses in the register of members of HL for such holders as being the relevant addresses for notices under the Revised Topco Shareholders' Agreement.

IMPORTANT: The Alternative Offer is not being offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction. Scheme Shareholders who wish to elect for the Alternative Offer must satisfy the eligibility criteria set out in Part IV (*Summary of the Rollover Securities*) of this Document and are required to deliver the KYC Information to Equiniti (acting on behalf of Bidco) by the Election Return Time. Scheme Shareholders who are considering whether to elect for the Alternative Offer are strongly encouraged to visit www.hl.co.uk/investor-relations to access a copy of the KYC form setting out details of the required KYC Information and/or to contact Equiniti using the Shareholder Helpline as soon as possible to inform Equiniti that they intend to elect for the Alternative Offer and to obtain further details of the required information. Where relevant, Scheme Shareholders are strongly advised to contact their Underlying Holder(s) well in advance of the Election Return Time to obtain the relevant KYC Information in respect of such Underlying Holder(s). The KYC Information is subject to the approval of Bidco in its sole discretion. Failure to deliver such KYC Information in a form satisfactory to Bidco on or prior to the Election Return Time will result in your purported election for the Alternative Offer being treated as invalid by Bidco and you will only be entitled to receive the Cash Consideration for the relevant Scheme Shares you hold in accordance with the terms of the Cash Offer (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder).

No election under the Alternative Offer will be valid unless, by the Election Return Time: (a) in the case of certificated shares, a Form of Election is completed in all respects and submitted, or in the case of uncertificated shares, an appropriate TTE Instruction is settled, and (b) in each case, the KYC Information is provided by the relevant Scheme Shareholder (in respect of itself and, if applicable, in respect of any Underlying Holder(s)) to Bidco's satisfaction in its sole discretion.

Restricted Shareholders will, under the Acquisition (to the extent it is being made into the jurisdiction in which they are resident or located), only be entitled to receive the Cash Consideration for the relevant Scheme Shares they hold in accordance with the terms of the Cash Offer and they will not have the option of taking Rollover Securities under the Alternative Offer. Any purported election for the Alternative Offer by such Restricted Shareholders will be treated as invalid by Bidco. Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

Any Underlying Holder who is interested in Scheme Shares through a nominee or similar arrangement and who wishes to elect for the Alternative Offer should contact their nominee or similar registered holder of the Scheme Shares in respect of which they wish to elect for the Alternative Offer. Such persons may need first to arrange with such nominee or similar registered holder for the transfer of such Scheme Shares into, and then make an election for the Alternative Offer in, their own name as the registered holder of the relevant Scheme Shares. Furthermore, in order to enjoy the full rights available to them under the Revised Topco Shareholders' Agreement, Underlying Holders who intend to make an election for the Alternative Offer may in any event wish to take the necessary steps to move the relevant number of Scheme Shares into their own names prior to making an election for the Alternative Offer.

Nominee and similar registered holders of Scheme Shares are responsible for ensuring that elections made by them for the Alternative Offer are consistent with the instructions they have received from the relevant

Underlying Holder(s) and are validly completed. None of HL, Bidco or Equiniti shall: (a) have any obligation to verify that an election made by a nominee or similar registered holder for the Alternative Offer is consistent with the instructions given by the relevant Underlying Holder(s) or is validly completed by the nominee or similar registered holder; or (b) have any liability to nominee or similar registered holders of Scheme Shares or any Underlying Holder(s) in the event that an election by any such nominee or similar registered holder for the Alternative Offer is rejected or treated as invalid, or is not made in accordance with the instructions received from the relevant Underlying Holder(s).

Eligible Scheme Shareholders who validly elect for the Alternative Offer will be required, subject to implementation of the Rollover, pursuant to a power of attorney granted by them pursuant to the Scheme (or the Form of Election, as applicable), to enter into or adhere to the Revised Topco Shareholders' Agreement as a condition of such election. The power of attorney will also provide for the signing on behalf of such Scheme Shareholder (in such form as Bidco and the Company may agree) of the Put and Call Deeds, any exchange agreement, transfer, instrument, any Section 431 Election or other document deemed by Bidco (in its sole discretion) to be necessary or desirable to implement the Rollover and issue the Loan Notes and the Rollover Securities as conditions of such election.

Eligible Scheme Shareholders should be aware that completion of the Rollover and receipt of Rollover Securities is contingent on the exercise of the put and call options set out in the Put and Call Deeds at each stage of the Rollover and, in the event that such options are not exercised by the relevant member of the Topco Group on their own behalf (as transferee) or the Company and/or Bidco (or any of their respective directors) as attorney on behalf of such Eligible Scheme Shareholders (as transferors), such Eligible Scheme Shareholders may need to take the relevant steps to exercise the relevant put option themselves. In such circumstances, Underlying Holders who elect for the Alternative Offer may need to instruct their nominee to take the required actions.

Shareholder Helpline

If you have any questions in relation to this Document, the Meetings, or the completion and return of the Forms of Proxy or the Form of Election, please telephone Equiniti on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls are welcomed via Relay UK. Please see www.relayuk.bt.com for more information. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Acquisition or the Scheme (including the Alternative Offer) or the merits of any of the foregoing, nor any legal, taxation or financial advice, can be given.

Yours faithfully

Kunal Gandhi

Senior Managing Director
for and on behalf of Fenchurch Advisory Partners LLP

Adrian Beidas

Managing Director, Co-Head of UK Advisory
for and on behalf of Barclays Bank plc

Charlie Farquhar

Managing Director
for and on behalf of Deutsche Numis

Gillian Sheldon

Vice Chair of UK & Ireland Investment Banking
for and on behalf of Morgan Stanley & Co International plc

Part III
CONDITIONS TO AND FURTHER TERMS OF THE
ACQUISITION AND THE SCHEME

Part A : Conditions to the Scheme and Acquisition

1. The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date.

Conditions of the Scheme

2. The Scheme is subject to the following Conditions:

2.1 (i) its approval by a majority in number of, representing not less than 75 per cent. in value of the Scheme Shares held by the Scheme Shareholders who are on the register of members of HL (or the relevant class or classes thereof, if applicable) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof); and (ii) such Court Meeting (and any separate class meeting which may be required) being held on or before the 22nd day after the expected date of the Court Meeting as set out in the Expected Timetable of Principal Events in this Document (or such later date as may be agreed between Bidco and HL with the consent of the Panel (and that the Court may approve, if required));

2.2 (i) the Special Resolution being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof); and (ii) such General Meeting being held on or before the 22nd day after the expected date of the General Meeting as set out in the Expected Timetable of Principal Events in this Document (or such later date as may be agreed between Bidco and HL with the consent of the Panel (and that the Court may approve, if required));

2.3 (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to Bidco and HL)); and (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing as first announced by HL through a Regulatory Information Service (or such later date as may be agreed between Bidco and HL with the consent of the Panel (and that the Court may approve, if required)); and

2.4 the delivery of a copy of the Court Order to the Registrar of Companies.

General Conditions

3. In addition, subject as stated in Part B of this Part III (*Conditions to and Further Terms of the Acquisition and the Scheme*), Bidco and HL have agreed that the Acquisition is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Antitrust approvals

China

3.1 either:

3.1.1 the State Administration for Market Regulation of the People's Republic of China ("SAMR") having declined jurisdiction over the Acquisition or all relevant parts of it; or

3.1.2 the SAMR having issued a decision under Article 30 or 31 of the China Anti-monopoly Law ("China AML") to approve (including not to conduct further review of or not to prohibit) the Acquisition or all relevant parts of it (whether unconditionally or subject to such conditions, obligations, undertakings or modifications pursuant to Article 35 of the China AML); or

3.1.3 the SAMR not having issued any decision, under Article 30 or 31 of the China AML, but being deemed to have cleared the Acquisition due to the expiration or termination of the legal statutory limitation period provided for such purposes,

("China Antitrust Clearance");

European Union

3.2 insofar as the Acquisition or any part of it constitutes, or is deemed to constitute, a concentration with a Community dimension within the scope of Council Regulation (EC) 139/2004 (as amended) (the "EU

Regulation”) or the European Commission otherwise accepts jurisdiction to examine the Acquisition under the EU Regulation:

3.2.1 the European Commission having issued a decision under Article 6(1)(b) of the EU Regulation, or being deemed to have done so under Article 10(6) of the EU Regulation, declaring the Acquisition and any and all relevant parts of it compatible with the internal market; and/or

3.2.2 following a referral by the European Commission of the Acquisition (or parts of it) to a relevant national competition authority, regulatory body or governmental department within any EU/EFTA Member State (under Article 9 of the EU Regulation), Bidco having received confirmation from the national competition authority concerned that the Acquisition (or any and all relevant parts of it) has been approved in accordance with the relevant national legislation of that EU Member State,

(“**EU Antitrust Clearance**”);

Switzerland

3.3 the Swiss Competition Commission: (i) having unconditionally approved the Acquisition or any and all relevant parts of it in writing; (ii) having conditionally approved the Acquisition or any and all relevant parts of it in writing; (iii) having denied jurisdiction over the Acquisition or any and all relevant parts of it in writing; or (iv) being deemed to have approved the Acquisition or any and all relevant parts of it due to expiry of the applicable Phase I review period (“**Swiss Antitrust Clearance**”);

Turkey

3.4 either:

3.4.1 the Turkish Competition Board (the “**TCB**”) having issued a decision pursuant to the Act on the Protection of Competition (Law No. 4054, as amended (the “**Turkish Competition Act**”)) and Communiqué No. 2010/4 on the Mergers and Acquisitions Calling for the Authorisation of the Competition Board (as amended) (the “**Turkish Merger Communiqué**”), stating that the Acquisition is not subject to notification or otherwise having declined jurisdiction over the Acquisition or any and all relevant parts of it; or

3.4.2 the TCB having issued a decision under the Turkish Competition Act and Turkish Merger Communiqué approving the Acquisition after a preliminary examination either unconditionally or subject to conditions; or

3.4.3 the statutory waiting period of 30 days specified in Article 10 of the Turkish Competition Act expiring without the TCB responding to or taking any action in relation to the notification made regarding the Acquisition or any and all relevant parts of it,

(“**Turkish Antitrust Clearance**”);

United Kingdom

3.5 one of the following having occurred:

3.5.1 the Competition and Markets Authority (“**CMA**”) having indicated, in terms satisfactory to Bidco (acting reasonably), in response to a briefing paper submitted by Bidco, that it has no further questions or that it does not intend to open a CMA merger investigation in relation to the Acquisition or any matters arising therefrom in either case at that stage and, as at the date on which all other Conditions are satisfied or waived, the CMA having confirmed the same following responses by Bidco or other parties involved in the Acquisition (as applicable) to subsequent questions raised by the CMA (if applicable); or

3.5.2 if the CMA opens such a CMA merger investigation: (i) confirmation having been received in writing from the CMA, in terms satisfactory to Bidco (acting reasonably), that the CMA does not intend to make a CMA Phase 2 Reference in connection with the Acquisition or any matters arising there from; or (ii) the period within which the CMA is required to decide whether the duty to make a CMA Phase 2 Reference applies with respect to the Acquisition or any matters arising therefrom has expired without such a decision having been made,

(“**UK Antitrust Clearance**”);

Regulatory approvals

3.6 receipt of written notice from the FCA in accordance with section 189(4) or 189(7) of FSMA either unconditionally or with conditions satisfactory to Bidco, acting reasonably of the FCA’s approval of the acquisition or increase of control (within the meaning of section 181 of FSMA) over each member of the Wider

HL Group that is a UK authorised person (as defined in section 191G(1) of FSMA) by each member of the Wider Bidco Group or any Consortium Member or any affiliate thereof whose acquisition or increase of control (as also defined in section 191G(1) of FSMA) over such entities would take place as a result of the Acquisition or its implementation or the FCA has otherwise been deemed to have given such approval pursuant to section 189(6) of FSMA;

Other Third Party clearances

3.7 other than in respect of the matters referred to in Conditions 3.1 to 3.6, no central bank, government or governmental, quasi governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or would reasonably be expected to:

3.7.1 make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider HL Group by any member of the Wider Bidco Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider HL Group by any member of the Wider Bidco Group;

3.7.2 require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider HL Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) in any case to an extent which is material in the context of the Wider Bidco Group taken as a whole or in the context of the Acquisition;

3.7.3 impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in HL (or any member of the Wider HL Group) or on the ability of any member of the Wider HL Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider HL Group in any case to an extent which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.7.4 other than pursuant to the terms or implementation of the Scheme or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider Bidco Group or the Wider HL Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider HL Group owned by any third-party in any case which is material in the context of the Wider HL Group or the Wider Bidco Group, in either case, taken as a whole;

3.7.5 require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider HL Group;

3.7.6 result in any member of the Wider HL Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.7.7 impose any limitation on the ability of any member of the Wider Bidco Group or any member of the Wider HL Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider HL Group in a manner and to an extent which is adverse and material to the Wider Bidco Group and/or the Wider HL Group, in either case, taken as a whole or in the context of the Acquisition; or

3.7.8 except as Disclosed, otherwise affect the business, assets, value, profits or prospects of any member of the Wider HL Group or any member of the Wider Bidco Group in each case in a manner and to an extent which is adverse to and material in the context of the Wider HL Group taken as a whole or of the financing of the Acquisition;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Acquisition or proposed acquisition of any HL Shares having expired, lapsed, or been terminated;

3.8 other than in respect of the matters referred to in Conditions 3.1 to 3.6, all notifications, filings or applications which are deemed by Bidco (acting reasonably) to be necessary or reasonably considered to be appropriate in any relevant jurisdiction having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Bidco (acting reasonably) to be necessary or reasonably considered to be appropriate in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, HL by any member of the Wider Bidco Group having been obtained on terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider HL Group or the Wider Bidco Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider HL Group or any member of the Bidco Group (in each case, taken as a whole) or the ability of Bidco to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes Effective and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

3.9 no injunction, enjoinment, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or its implementation, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing or materially restraining, restricting or delaying or otherwise materially interfering with the completion of the Acquisition;

Confirmation of absence of adverse circumstances

3.10 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider HL Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in HL or because of a change in the control or management of any member of the Wider HL Group or otherwise, would or would reasonably be expected to result in, in each case to an extent which is material in the context of the Wider HL Group taken as a whole or to the financing of the Acquisition:

3.10.1 any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider HL Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;

3.10.2 the rights, liabilities, obligations, interests or business of any member of the Wider HL Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider HL Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or reasonably being expected to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;

3.10.3 any member of the Wider HL Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the HL Group taken as a whole or in the context of the Acquisition;

3.10.4 any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider HL Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider HL Group otherwise than in the ordinary course of business;

3.10.5 other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider HL Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;

3.10.6 the business, assets, value, financial or trading position, profits or prospects of any member of the Wider HL Group being prejudiced or adversely affected;

3.10.7 the creation or acceleration of any material liability (actual or contingent) by any member of the Wider HL Group other than trade creditors or other liabilities incurred in the ordinary course of business; or

3.10.8 any liability of any member of the Wider HL Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

No material transactions, claims or changes in the conduct of the business of the HL Group

3.11 except as Disclosed, no member of the Wider HL Group having since 30 June 2023:

3.11.1 save as between HL and its wholly owned subsidiaries or between such wholly owned subsidiaries and save for the issue or transfer out of treasury of HL Shares on the exercise of options or vesting of awards granted in the ordinary course under the HL Share Plans, issued or agreed to issue or authorised the issue of additional shares of any class, or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised the transfer or sale of HL Shares out of treasury;

3.11.2 recommended, declared, paid or made any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to HL or one of its wholly owned subsidiaries or (for the avoidance of doubt) the 2024 Full-Year Dividend;

3.11.3 save as between HL and its wholly owned subsidiaries or between such wholly owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised the same, in each case to an extent which is material in the context of the Wider HL Group taken as a whole;

3.11.4 save as between HL and its wholly owned subsidiaries or between such wholly owned subsidiaries, made or authorised any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider HL Group taken as a whole;

3.11.5 issued, authorised or proposed or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between HL and its wholly owned subsidiaries or between such wholly owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.11.6 entered into, varied or authorised any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long-term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of such nature or magnitude which is or would reasonably be expected to be restrictive on the business of any member of the Wider HL Group to an extent which is or would reasonably be expected to be material to the Wider HL Group taken as a whole;

3.11.7 outside the normal course of business, entered into any licence or other disposal of intellectual property rights of any member of the Wider HL Group which are material in the context of the Wider HL Group;

3.11.8 entered into, varied or authorised the entry into or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider HL Group, save for salary increases, bonuses or variations of terms in the ordinary course;

3.11.9 except as permitted by or pursuant to the terms of the Cooperation Agreement, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider HL Group which, taken as a whole, are material in the context of the Wider HL Group taken as a whole;

3.11.10 (i) (excluding the trustee of any pension scheme(s) established by a member of the Wider HL Group other than where that trustee is HL itself) made, agreed or consented to or procured any significant change to: (a) the terms of any existing trust deeds, rules, policy or other governing documents, or entered into or established any new trust deeds, rules, policy or other governing documents, constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider HL Group or their dependants and established by a member of the Wider HL Group (a “**Relevant Pension Plan**”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; or (d) the basis or rate of employer contribution to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; (ii) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (iii) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;

3.11.11 other than to fill a vacancy on the board of directors of a corporate trustee, changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;

3.11.12 entered into, implemented or effected, or authorised any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.11.13 purchased, redeemed or repaid any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph 3.11.1 above, made any other change to any part of its share capital to an extent which (other than in the case of HL) is material in the context of the Wider HL Group taken as a whole;

3.11.14 other than with respect to claims between HL and its wholly-owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.11.15 made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme) which is material in the context of the Acquisition;

3.11.16 (other than in respect of a member of the Wider HL Group which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is in any case material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.11.17 been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.11.18 entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to effect any of the transactions, matters or events referred to in this Condition;

3.11.19 terminated or varied the terms of any agreement or arrangement between any member of the Wider HL Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider HL Group taken as a whole; or

3.11.20 following the date of the Rule 2.7 Announcement (and except for any matters referred to therein), taken any action which requires, or would require, the consent of the Panel or the approval of HL Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No material adverse change

3.12 since 30 June 2023, and except as Disclosed:

3.12.1 no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, financial or trading position, profits or prospects of any member of the Wider HL Group to an extent which is material to the Wider HL Group taken as a whole or to the financing of the Acquisition;

3.12.2 no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider HL Group or to which any member of the Wider HL Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, would reasonably be expected to have a material adverse effect on the Wider HL Group taken as a whole, and (other than as a result of the Acquisition) no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider HL Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider HL Group which, in any such case, would reasonably be expected to have a material adverse effect on the Wider HL Group taken as a whole;

3.12.3 no contingent or other liability of any member of the Wider HL Group having arisen, increased or become apparent which would reasonably be expected to adversely affect the business, assets, financial or trading position, profits or prospects of any member of the Wider HL Group to an extent which is material to the Wider HL Group taken as a whole;

3.12.4 other than in respect of the matters referred to in Conditions 3.1 to 3.6, no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider HL Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider HL Group taken as a whole; or

3.12.5 no member of the Wider HL Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider HL Group taken as a whole;

3.13 in relation to the period since 30 June 2023, and except as Disclosed, Bidco not having discovered:

3.13.1 that any financial, business or other information concerning the Wider HL Group publicly announced or disclosed to any member of the Wider Bidco Group at any time prior to the date of the Rule 2.7 Announcement by or on behalf of any member of the Wider HL Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider HL Group taken as a whole or in the context of the Acquisition;

3.13.2 that any member of the Wider HL Group is subject to any liability (actual or contingent) and which is material in the context of the Wider HL Group taken as a whole; or

3.13.3 any information which affects the import of any information disclosed to Bidco at any time prior to the date of the Rule 2.7 Announcement by or on behalf of any member of the Wider HL Group which is material in the context of the Wider HL Group taken as a whole;

Environmental liabilities

3.14 except as Disclosed, Bidco not having discovered that, in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco systems, any past or present member of the Wider HL Group, in a manner and to an extent which is material in the context of the Wider HL Group: (i) has committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party giving rise to a material liability; and/or (ii) has incurred any material liability (whether actual or contingent) to any Third Party; and/or (iii) would be likely to incur any material liability (whether actual or contingent), or is required, to make good, remediate, repair, re instate or clean up the environment (including any property) in each case of (i), (ii) or (iii),

which such liability or requirement is or would reasonably be expected to be material to the Wider HL Group taken as a whole;

Intellectual Property

3.15 except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider HL Group which would reasonably be expected to have a material adverse effect on the Wider HL Group taken as a whole or is otherwise material in the context of the Acquisition, including:

3.15.1 any member of the Wider HL Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider HL Group and material to its business being revoked, cancelled or declared invalid;

3.15.2 any claim being asserted in writing by any person challenging the ownership of any member of the Wider HL Group to, or the validity or effectiveness of, any such intellectual property; or

3.15.3 any agreement regarding the use of any such intellectual property licensed to or by any member of the Wider HL Group being terminated or varied;

Anti-corruption and sanctions

3.16 except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider HL Group taken as a whole):

3.16.1 any past or present member of the Wider HL Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;

3.16.2 any past or present member of the Wider HL Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or

3.16.3 a member of the HL Group has engaged in a transaction which would cause the Bidco Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; and

No criminal property

3.17 except as Disclosed, Bidco not having discovered that any asset of any member of the Wider HL Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part B: Further terms of the Acquisition

1. Subject to the requirements of the Panel, Bidco reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions set out in Part A of this Part III (*Conditions to and Further Terms of the Acquisition and the Scheme*), except Conditions 1, 2.1(i), 2.2(i), 2.3(i) and 2.4 which cannot be waived. The deadlines in any of Conditions 2.1(ii), 2.2(ii) or 2.3(ii) may be extended to such later date as may be agreed in writing by Bidco and HL (with the consent of the Panel and the approval of the Court, in each case if required). If any of Conditions 2.1(ii), 2.2(ii) or 2.3(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with HL to extend the relevant deadline.

2. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A of this Part III (*Conditions to and Further Terms of the Acquisition and the Scheme*) by a date and time earlier than 11.59 p.m. on the Business Day prior to the date of the Court Hearing, notwithstanding that the other Conditions of the Acquisition may at such earlier date have

been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

3. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 4 below, Bidco may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.

4. Condition 1 (subject to Rule 12 of the Takeover Code), Conditions 2.1(i), 2.2(i), 2.3(i) and 2.4 in Part A of this Part III (*Conditions to and Further Terms of the Acquisition and the Scheme*), and, if applicable, any acceptance condition if the Acquisition is implemented by means of an Offer, are not subject to Rule 13.5(a) of the Takeover Code.

5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco.

6. If the Panel requires Bidco to make an offer or offers for HL Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to the Conditions and the Acquisition as are necessary to comply with the provisions of that Rule.

7. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme, subject to the Panel's consent and to the terms of the Cooperation Agreement. In such an event, such Offer will be implemented on the same terms and conditions so far as is applicable, as those which would apply to the Scheme (subject to appropriate amendments to reflect the change in method of implementing the Acquisition and the terms of the Cooperation Agreement, including (without limitation and for so long as clause 5.2 of the Cooperation Agreement applies) an acceptance condition set at 75 per cent. of the HL Shares (which shall be, if Bidco so elects and with the prior consent of the Panel, calculated as 75 per cent. of HL Shares on a fully diluted basis) (or such other percentage as Bidco and HL may agree in accordance with the terms of the Cooperation Agreement and, to the extent necessary, with the consent of the Panel, being in any case more than 50 per cent. of the HL Shares)). If the Acquisition is effected by way of an Offer, and such Offer becomes or is declared unconditional and sufficient acceptances are received in respect of such Offer, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining HL Shares in respect of which the Offer has not been accepted.

8. The Acquisition is subject, inter alia, to the Conditions and certain further terms which are set out in this Part III (*Conditions to and further terms of the Acquisition and the Scheme*) and such further terms as may be required to comply with the provisions of the Listing Rules, the provisions of the Takeover Code and the applicable requirements of the Panel and the London Stock Exchange.

9. HL Shares will be acquired by Bidco pursuant to the Acquisition fully paid and free from all liens, charges, encumbrances and other third-party rights of any nature whatsoever and together with all rights attaching to them as at the Effective Date, including the right to receive and retain all dividends and distributions (if any) declared, made or paid with a record date on or after the Effective Date.

10. If, on or after 9 August 2024 (being the date of the Rule 2.7 Announcement) and prior to the Acquisition becoming Effective, any dividend and/or other distribution and/or other return of capital or value, other than the 2024 Full-Year Dividend, is announced, declared, made or paid or becomes payable by the Company in respect of the HL Shares (in each case, with a record date prior to the Effective Date), Bidco will reduce the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by an amount equal to the amount of such dividend and/or distribution and/or other return of capital or value, in which case, any reference in the Rule 2.7 Announcement or this Document to the Cash Consideration payable under the terms of the Cash Offer (or consideration due under the Alternative Offer) will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph 10 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In the event of any exercise of Bidco's rights referred to in this paragraph, HL Shareholders would be entitled to retain the relevant dividend, distribution and/or other return of capital or value. To the extent that any such dividend and/or distribution and/or other return of capital or value is announced, declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend or distribution or other return of capital or value and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph 10.

11. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

12. This Document and any rights or liabilities arising hereunder, the Acquisition, the Scheme, the Alternative Offer (including any elections thereunder) and any Forms of Proxy submitted in connection with the Court Meeting or the General Meeting are governed by English law and are subject to the jurisdiction of the Court. The Acquisition is subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA, the Listing Rules and the Registrar of Companies.

13. Each of the Conditions shall be regarded as a separate Condition and, except as expressly stated, shall not be limited by reference to any other Condition.

Part IV
SUMMARY OF THE ROLLOVER SECURITIES

Under the Alternative Offer, Eligible Scheme Shareholders may elect to exchange some or all of their HL Shares for Bidco Loan Notes at or shortly after the Effective Date which will, subject to implementation of the Rollover, ultimately be exchanged for the following Rollover Securities on the following basis:

for each HL Share: 1 Rollover Security

If the Scheme becomes Effective, assuming all eligible HL Shareholders validly elect to receive consideration by means of the Alternative Offer in respect of 35 per cent. of their holdings of HL Shares and no such elections are scaled back as a result of the US Holders Cap or the Shareholding Cap, following satisfaction of the Cash Consideration and subject to implementation of the Rollover, HL Shareholders will hold up to 35 per cent. of the economic rights in Topco. Following the implementation of the Rollover, Consortium JVCo will subscribe for Topco A Ordinary Shares (at the same subscription price per share as Consortium JVCo paid in respect of its subscription for Topco A Ordinary Shares to fund the payment of the Cash Consideration to HL Shareholders) for an aggregate subscription amount equal to the total costs and expenses incurred and to be incurred by or on behalf of the Topco Group and the Consortium Members in connection with the Acquisition. This issuance will be implemented on a non-pre-emptive basis in order to enable the relevant members of the Topco Group to settle such costs and expenses, meaning that holders of Rollover Securities will not be entitled to participate and their economic rights in Topco will therefore be diluted by such issuance (the date on which such issuance is completed being the “**Costs Issuance Date**”). The costs and expenses incurred and to be incurred in connection with the Acquisition are currently expected to be approximately £123.4 million, which would result in a limited dilution of participating HL Shareholders of approximately 3 per cent. of the holding of HL Shareholders who elect for the Alternative Offer. Further details of such costs and expenses are set out in paragraph 15 of Part IX (*Additional Information*) of this Document.

The maximum number of Rollover Securities available to HL Shareholders under the Alternative Offer will be limited to the Alternative Offer Maximum.

If elections are validly received from eligible HL Shareholders in respect of a number of HL Shares that would, subject to implementation of the Rollover, ultimately require the issue of Rollover Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Bidco Loan Notes and, in turn and subject to implementation of the Rollover, the number of Rollover Securities to be issued to each eligible HL Shareholder who has validly elected for the Alternative Offer will be scaled back on a pro rata basis (being pro rata to the number of HL Shares in respect of which elections have been validly received), and the balance of the consideration due to each such HL Shareholder will be paid in cash in accordance with the terms of the Cash Offer.

Any fractional entitlements to Bidco Loan Notes (and therefore, in turn and subject to implementation of the Rollover, Rollover Securities) under the Alternative Offer will be rounded down to the nearest whole number of Bidco Loan Notes per eligible HL Shareholder. Fractional entitlements to Bidco Loan Notes will not be allotted or issued to such HL Shareholders but will be disregarded and the consideration for any applicable Scheme Share(s) which cannot be exchanged for Bidco Loan Notes (and therefore indirectly, subject to implementation of the Rollover, Rollover Securities) as a result of such treatment will be paid in cash in accordance with the terms of the Cash Offer.

The availability of the Alternative Offer is conditional upon valid elections being made that would, subject to implementation of the Rollover, ultimately require the issue of the Alternative Offer Minimum, failing which it will lapse. In these circumstances, no Rollover Securities will be issued and the consideration payable in respect of each HL Share will be settled entirely in cash in accordance with the terms of the Cash Offer. However, given the undertaking to elect to receive the Alternative Offer provided for in the irrevocable undertaking from Peter Hargreaves, as described in paragraph 6 of Part I (*Letter from the Chair of HL*) of this Document, it is not expected that the Alternative Offer will lapse as a result of this minimum requirement.

The validity of an election for the Alternative Offer by any Scheme Shareholder is also conditional upon that Scheme Shareholder providing KYC Information (in respect of itself and, if applicable, in respect of any Underlying Holders(s)) to Bidco’s satisfaction in its sole discretion.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual elections for the Alternative Offer will only be valid to the extent that all regulatory approvals (if any) required by a relevant HL Shareholder (or, if applicable, a relevant Underlying Holder) to acquire the Rollover Securities have been obtained.

The Rollover Securities have not been, and will not be, registered under the US Securities Act nor under the securities laws of any state or territory or other jurisdiction of the United States, will not be listed on any stock exchange in the United States and may not be offered or sold in the United States absent registration or an available exemption from, or a transaction not subject to, the registration requirements of the US Securities Act. Accordingly, they will not be issued to HL Shareholders unless Bidco considers that they may be so issued pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act provided by Section 3(a)(10) of the US Securities Act or another available exemption under the US Securities Act.

In addition, if the US Holders Cap is reached (i.e. if: (i) 2,000 or more HL Shareholders; or (ii) 500 or more HL Shareholders who are not Accredited Investors, in either case, where 300 or more of such HL Shareholders are US holders elect for the Alternative Offer), Bidco may, at its discretion, determine that the Alternative Offer will not be made available and all HL Shareholders will instead receive Cash Consideration in respect of the HL Shares which were subject to such an election in accordance with the terms of the Cash Offer.

Where Bidco reasonably believes that an election for the Alternative Offer by any HL Shareholder may result in a requirement for a registration or qualification under the US Securities Act, US Exchange Act or any other securities laws in any state or territory or other jurisdiction of the United States, Bidco will have the right to deem that such HL Shareholder has not elected for the Alternative Offer and such HL Shareholder will instead receive Cash Consideration in respect of the HL Shares which were subject to such an election in accordance with the terms of the Cash Offer.

Following the Scheme becoming Effective and except with the approval of Consortium JVCo, the Rollover Securities may not be offered, sold, resold, taken up, delivered or transferred, directly or indirectly, in or into the United States or to or for the account or benefit of any person believed to be a US Person, or in any other manner whatsoever, as a result of which a registration under the US Securities Act or the US Exchange Act would be required, nor will any transfer of Rollover Securities be permitted that would result in there being (i) 2,000 or more HL Shareholders; or (ii) 500 or more HL Shareholders who are not Accredited Investors, in either case, where 300 or more of such HL Shareholders are US holders. Any transfer of Rollover Securities to a US Person shall require the approval of Consortium JVCo.

If an electing HL Shareholder (or any relevant Underlying Holder) would require approval from the FCA under Part XII of the FSMA to acquire or increase control of any member of the HL Group that is a UK authorised person as a result of their election and the completion of the Acquisition, the maximum amount of Rollover Securities such HL Shareholder who elects to receive the Alternative Offer shall be entitled to, subject to implementation of the Rollover, will be limited to the Shareholding Cap. If elections are validly received from an eligible HL Shareholder in respect of a number of HL Shares that would require, subject to implementation of the Rollover, the issue of Rollover Securities to such eligible HL Shareholder exceeding the Shareholding Cap (in respect of itself or, if applicable, any relevant Underlying Holder), such elections will be unable to be satisfied in full. In such circumstances, the number of Rollover Securities to be issued, subject to implementation of the Rollover, to such HL Shareholder will be rounded down to the Shareholding Cap and the balance of the consideration for each HL Share will be paid in cash in accordance with the terms of the Cash Offer.

Certain amendments have been made to the Topco Shareholders' Agreement and Topco Articles, as set out in the Revised Topco Shareholders' Agreement and Revised Topco Articles, in order to ensure that Beneficial Security Holders (as defined in the Revised Topco Shareholders' Agreement) are entitled to certain rights under the Revised Topco Shareholders' Agreement and the Revised Topco Articles that they would have if they were holders of legal title to the relevant Rollover Securities, including in respect of permitted transfer rights, catch-up rights on issuances of future securities by Topco and 'tag along' rights.

HL Shareholders who are interested in electing for the Alternative Offer should read Part VI (*Notes on making an election for the Alternative Offer*) of this Document in full. In order to be eligible to elect for the Alternative Offer, HL Shareholders must provide the KYC Information in a form satisfactory to Bidco as described further below and must not be a Restricted Shareholder.

HL Shareholders who wish to make an election for the Alternative Offer will be required, as a condition to their election being treated as valid and, subject to implementation of the Rollover, to Rollover Securities being issued to them, to provide certain preliminary 'know your customer' information to Equiniti (on behalf of Bidco) (being such information required in order to comply with applicable anti-money laundering, sanctions or 'know your customer' laws) or as otherwise reasonably required by Bidco and the Consortium (the "**KYC Information**"). The KYC Information is subject to the approval of Bidco in its sole discretion. Failure to provide KYC Information to Bidco's satisfaction will result in elections for the Alternative Offer being invalid

and an HL Shareholder who made such an invalid election will instead receive the Cash Consideration for the number of relevant Scheme Shares in respect of which they purported to make an election for the Alternative Offer (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder). Furthermore, if and to the extent required by applicable anti-money laundering, sanctions or 'know your customer' laws, eligible HL Shareholders who receive Rollover Securities may be required to provide Topco's Administrative Agent with further 'know your customer' information following the issue of Rollover Securities to them. Failure to provide such further information may result in the directors of Topco placing such restrictions as they think fit on the relevant holders of the Rollover Securities pursuant to the Revised Topco Articles. These restrictions may include suspending a person's ability to transfer the Rollover Securities or to receive dividends or other distributions in respect of them, as well as possibly cancelling the relevant Rollover Securities.

The issue of any Rollover Security pursuant to the Alternative Offer will be in accordance with the mechanism described in paragraph 2 of Part IV (*Summary of the Rollover Securities*) of this Document and subject to the Conditions and further terms set out in paragraph 7 of Part IV (*Summary of the Rollover Securities*) of this Document.

For the purposes of Rule 24.11 of the Takeover Code, Goldman Sachs, as financial adviser to Bidco, will provide an estimate of the value of a Rollover Security (together with the assumptions, qualifications and caveats forming the basis of its estimate of value) in a letter as set out in Part X (*Rule 24.11 Estimate of Value Letter*) of this Document.

If the Scheme becomes Effective, HL Shareholders who do not validly elect to receive some or all their consideration by means of the Alternative Offer (including as a result of failing to provide the KYC Information (in respect of itself and, if applicable, in respect of any Underlying Holder(s)) to Bidco's satisfaction in its sole discretion) or who are otherwise not eligible to receive the Alternative Offer, will automatically receive the Cash Consideration for their entire holding of relevant Scheme Shares (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder).

If the Scheme becomes Effective, Eligible Scheme Shareholders that validly elect to receive consideration by means of the Alternative Offer will receive: (i) their Rollover Securities pursuant to the Rollover, being a mechanism pursuant to which Scheme Shares will be exchanged for Bidco Loan Notes to be issued pursuant to the Scheme which will then be exchanged, indirectly and subject to exercise of associated put or call options set out in the Put and Call Deeds, for the relevant number of Rollover Securities in Topco; and (ii) if applicable, as a result of a partial election for the Alternative Offer and/or any scaling back of a relevant HL Shareholder's election in accordance with the terms of this Document, the Cash Consideration in respect of such Scheme Shareholder's remaining holding of Scheme Shares not exchanged pursuant to the Alternative Offer.

HL Shareholders who are interested in electing for the Alternative Offer should read paragraph 14 of Part I (*Letter from the Chair of HL*) and paragraph 4 of Part II (*Explanatory Statement*) of this Document which set out certain disadvantages and advantages, risk factors and investment considerations in relation to the Alternative Offer and the Rollover Securities. HL Shareholders are also strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. Any decision to elect for the Alternative Offer should be based on such independent financial, tax and legal advice, and full consideration of this Document (including paragraph 4 of Part II (*Explanatory Statement*) of this Document), together with the Revised Topco Shareholders' Agreement and the Revised Topco Articles

1. Information on Topco and the Intermediate Holding Companies

Consortium JVCo is, and at the Effective Date will be, jointly owned by CVC Private Equity Funds, affiliates of Nordic Capital XI Delta and Platinum Ivy (and/or any of its affiliates) in equal shares. Topco is a wholly-owned subsidiary of Consortium JVCo and was formed for the purpose of implementing the Acquisition. Each of Bidco, Finco, Midco 2 and Midco 1 (together the "**Intermediate Holding Companies**") is a direct or indirect wholly-owned subsidiary company of Topco. None of Consortium JVCo, Topco, or any of the

Intermediate Holding Companies have traded since the date of their incorporation nor entered into any obligations, other than in connection with the Acquisition.

Consortium JVCo is a private limited company incorporated on 27 June 2024 under the laws of Jersey. The share capital of Consortium JVCo currently comprises of 3,000 ordinary shares of no par value.

Topco is directly wholly-owned by Consortium JVCo. Topco is a private limited company incorporated on 27 June 2024 under the laws of Jersey. The share capital of Topco currently comprises 1 ordinary share of no par value but will be reorganised on or prior to the Effective Date so that it comprises Topco A Ordinary Shares and Rollover Securities on the terms set out in this Document. Subject to completion of the Rollover, the Topco A Ordinary Shares will be held by Consortium JVCo, and the Rollover Securities will be held by eligible HL Shareholders who elect for the Alternative Offer.

Midco 1 is wholly-owned by Topco. Midco 1 is a private limited company incorporated on 27 June 2024 under the laws of Jersey. The share capital of Midco 1 currently comprises 1 ordinary share of no par value.

Midco 2 is wholly-owned by Midco 1. Midco 2 is a private limited company incorporated on 27 June 2024 under the laws of Jersey. The share capital of Midco 2 currently comprises 1 ordinary share of no par value.

Finco is wholly-owned by Midco 2. Finco is a private limited company incorporated on 27 June 2024 under the laws of Jersey. The share capital of Finco currently comprises 1 ordinary share of no par value.

Bidco is wholly-owned by Finco. Bidco is a private limited company incorporated on 1 July 2024 under the laws of England and Wales. The share capital of Bidco currently comprises 1 ordinary share of £0.01.

Between the date of this Document and completion of the Rollover, no member of the Topco Group is expected to conduct any business or activities other than in connection with the Acquisition.

Set out below is a summary of the proposed provisions of the Revised Topco Shareholders' Agreement and the Revised Topco Articles governing the terms on which eligible HL Shareholders who elect for the Alternative Offer will, subject to implementation of the Rollover, hold interests in Rollover Securities. Eligible HL Shareholders who validly elect for the Alternative Offer will, pursuant to a power of attorney to be included in the Form of Election and/or the Scheme, execute and deliver the Revised Topco Shareholders' Agreement or a deed of adherence pursuant to which they will be bound by the Revised Topco Shareholders' Agreement.

2. Rollover Mechanics

If the Scheme becomes Effective, eligible HL Shareholders that validly elect to receive consideration by means of the Alternative Offer will receive their Rollover Securities in Topco pursuant to the Rollover whereby on or shortly following the Effective Date:

- **First Exchange** — first, the relevant HL Shares of the relevant electing HL Shareholders will be exchanged for loan notes to be issued by Bidco pursuant to the Scheme (the “**Bidco Loan Notes**”);
- **Second Exchange** — secondly (subject as referred to below), the Bidco Loan Notes may be exchanged for loan notes to be issued by Finco (the “**Finco Loan Notes**”);
- **Third Exchange** — thirdly (subject as referred to below), the Finco Loan Notes may be exchanged for loan notes to be issued by Midco 2 (the “**Midco 2 Loan Notes**”);
- **Fourth Exchange** — fourthly (subject as referred to below), the Midco 2 Loan Notes may be exchanged for loan notes to be issued by Midco 1 (the “**Midco 1 Loan Notes**”); and
- **Fifth Exchange** — finally (subject as referred to below), the Midco 1 Loan Notes may be exchanged for the relevant number of Rollover Securities in Topco to which eligible HL Shareholders are entitled in accordance with the Alternative Offer,

provided that each of the second exchange, the third exchange, the fourth exchange and the fifth exchange will be subject to and conditional on the exercise of a put option by the relevant transferor, or a call option by the relevant transferee, in relation to the securities to be exchanged. As noted above, HL Shareholders who elect for the Alternative Offer will be required, pursuant to a power of attorney granted by them pursuant to the Scheme, to execute and deliver the Revised Topco Shareholders' Agreement or a deed of adherence to the Revised Topco Shareholders' Agreement as a condition of such election. The power of attorney will also provide for the signing on behalf of such HL Shareholder (in such form as Bidco and the Company may agree) of the Put and Call Deeds and/or any exchange agreement, transfer, instrument, or other document deemed by Bidco (in its sole discretion) to be necessary or desirable to effect the Rollover as conditions of such election,

including any Section 431 Elections. Eligible Scheme Shareholders should be aware that completion of the Rollover and receipt of Rollover Securities is contingent on the exercise of the put and call options set out in the Put and Call Deeds at each stage of the Rollover and, in the event that such options are not exercised by the relevant member of the Topco Group on their own behalf (as transferee) or the Company and/or Bidco (or any of their respective directors) as attorney on behalf of such Eligible Scheme Shareholders (as transferors), such Eligible Scheme Shareholders may need to take the relevant steps to exercise the relevant put option themselves. In such circumstances, Underlying Holders who elect for the Alternative Offer may need to instruct their nominee to take the required actions.

3. Terms of Issue of Rollover Securities

The Rollover Securities to be issued, subject to implementation of the Rollover, to eligible HL Shareholders who elect for the Alternative Offer will be issued credited as fully paid and will rank economically *pari passu* with the Topco A Ordinary Shares held by and issued to Consortium JVCo in connection with the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the date of the Rule 2.7 Announcement.

4. Economic Rights

The economic rights described below are subject to the risks also described below and in paragraph 4 of Part II (*Explanatory Statement*) of this Document (for example, that: (i) holders of Rollover Securities may be diluted over time, potentially significantly, should holders of Rollover Securities not elect to participate in further issues of additional shares, loan notes or other securities of the Topco Group; (ii) holders of Rollover Securities are not always entitled to participate in such issues; and (iii) such additional securities may have different (including, potentially, preferential) rights to the Rollover Securities).

Subject to the above, any return of proceeds to security holders of Topco, whether on a future share sale, asset sale, merger, listing or initial public offering (“**IPO**”), or solvent winding-up, in each case relating to the Topco Group (each an “**Exit**”) or otherwise, including the right to receive and retain dividends and all other distributions and returns of capital made or paid, shall, after payment of all reasonable, properly incurred costs in relation to any such Exit and/or return of proceeds (excluding, for the avoidance of doubt, any management fees (or similar) charged by Consortium JVCo or any Consortium Member), be distributed to each holder of Topco A Ordinary Shares and Rollover Securities, pro rata to their shareholdings. The Topco A Ordinary Shares and the Rollover Securities shall rank equally as regards any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by Topco.

5. Governance and Voting Rights

Every holder of one or more Topco A Ordinary Shares on the date on which either a written resolution is circulated or a general meeting is held and who is present at such meeting shall, subject to the Revised Topco Articles, have one vote for each Topco A Ordinary Share.

Rollover Securities will not carry any general voting rights at general meetings of Topco and, save as set out below in relation to Substantial B Shareholders, will not carry the right to appoint directors to the board of any member of the Topco Group.

Consortium JVCo may, acting reasonably, make any amendment to, or variation of, the Revised Topco Shareholders’ Agreement and/or the Revised Topco Articles and/or related documents (notwithstanding any class rights) without the consent of, or notification to, holders of Rollover Securities provided that such amendments or variations are not disproportionately adverse to the economic, tax or legal position of the holders of Rollover Securities (as a whole) or the governance rights of the holders of Rollover Securities, in each case as compared to Consortium JVCo. Any such amendment or variation must be for bona fide purposes and shall not be used to frustrate, terminate or reduce the rights of the holders of Rollover Securities. Consortium JVCo may make any other amendment to, or variation of, the Revised Topco Shareholders’ Agreement and/or the Revised Topco Articles and/or related documents on reasonable notice to the Topco B Shareholders and with the prior consent of (i) the holders of a majority of the Rollover Securities (excluding, for the purposes of this limb (i), any such Rollover Securities held by a Substantial B Shareholder) and (ii) the approval of each Substantial B Shareholder.

The following reserved matters shall require the prior consent of each Substantial B Shareholder:

- non-arm’s length transactions between Consortium JVCo, any Consortium Member or their affiliates/related parties and the Topco Group, other than: (i) transactions between the Topco Group and any

portfolio company of a Consortium Member undertaken for good faith commercial purposes; (ii) any issuance of securities to Consortium JVCo, any other member of the Topco Group and/or any other Consortium Member or any of their affiliates, in each case, undertaken for good faith commercial purposes; or (iii) to the extent otherwise set out in the Revised Topco Shareholders' Agreement;

- dividends or distributions to the holders, or redemptions or repurchases, of any securities issued by the Topco Group otherwise than in accordance with the distribution provisions of the Revised Topco Shareholders' Agreement;
- variations of any coupon, or imposition of any redemption premium or fee, attaching to shareholder debt, loan notes, preference shares or other debt securities, if that would be materially and disproportionately adverse to the economic position of the Substantial B Shareholders (as a whole) as compared to Consortium JVCo;
- issuances of any securities by the Topco Group other than in accordance with the terms of the Revised Topco Shareholders' Agreement; and
- any alteration or variation to the Revised Topco Shareholders' Agreement or the articles of association of any member of the Topco Group which would be disproportionately adverse to the economic, tax or legal position of the Topco B Shareholders (as a whole) or the governance rights of the holders of Rollover Securities, in each case as compared to Consortium JVCo.

6. Transfers

Consortium JVCo and each Consortium Member shall be permitted to directly or indirectly transfer Topco A Ordinary Shares or other securities in Topco at any time.

No Rollover Securities will be transferable without the prior written consent of Consortium JVCo, except (i) where required or permitted pursuant to an Exit or reorganisation transaction, or the 'drag along' and 'tag along' rights, each as described below or (ii) in respect of permitted transfers to close family members, vehicles under their (or their close family's) sole control and/or family trust(s) established for tax planning purposes or affiliates of any corporate shareholder, in each case subject to transfer back requirements and subject to an exclusion in respect of sanctioned persons. Underlying Holders should note that pursuant to the amendments made in the Revised Topco Shareholders' Agreement and the Revised Topco Articles, the permitted transfer rights in (ii) above also permit a nominee holding legal title to Rollover Securities on behalf of an Underlying Holder to transfer legal title to the Rollover Securities to such Underlying Holder or to its close family members, controlled vehicles or family trusts.

No changes in direct or indirect interests or economic entitlements in Rollover Securities which circumvent such restrictions on transfer shall be permitted.

Any proposed transferee of Rollover Securities:

- shall adhere to the Revised Topco Shareholders' Agreement;
- shall provide such information and materials as Consortium JVCo or any other relevant person (including any corporate administrator) reasonably requires and requests in respect of such transferee and/or its affiliated or related persons in order to satisfy their respective obligations in respect of any 'know your customer', proceeds of crime, anti-terrorism financing and/or anti-money laundering legislation or regulation from time to time, or in connection with any anti-trust or regulatory change in control approvals required by any regulator (which Topco shall provide reasonable information and assistance in obtaining, if required); and
- must not be subject to applicable sanctions restrictions.

7. Additional Topco Securities Issues

The Topco B Shareholders will be entitled to participate pro rata (on a catch-up basis only) in issues of securities by the Topco Group after the Effective Date of the Acquisition, excluding any such securities issued:

- to Consortium JVCo and/or its affiliates to finance the Acquisition;
- to Consortium JVCo and/or its affiliates following the implementation of the Rollover (at the same subscription price per share as Consortium JVCo paid in respect of its subscription for Topco A Ordinary Shares to fund the payment of the Cash Consideration to HL Shareholders) for an aggregate subscription amount equal to the total costs and expenses reasonably and properly incurred and to be incurred by or on

behalf of the Topco Group and the Consortium Members in connection with the Acquisition (including in relation to preparation of Acquisition documentation, financing of the Cash Consideration and the Consortium's due diligence exercise), expected to be in the amount of approximately £123.4 million (such costs and expenses are described in further detail in paragraph 15 of Part IX (*Additional Information*) of this Document);

- subject to implementation of the Rollover, to HL Shareholders that validly elect to receive consideration by means of the Alternative Offer pursuant to the Scheme;
- by one wholly-owned member of the Topco Group to another wholly-owned member of the Topco Group;
- to actual or potential employees, directors or consultants of the Topco Group (whether directly or indirectly), which shall dilute Topco A Ordinary Shares and Topco B Ordinary Shares pro rata;
- to any third-party lender in connection with the debt financing arrangements of the Topco Group, which shall dilute Topco A Ordinary Shares and Topco B Ordinary Shares pro rata;
- in connection with an IPO or pre-IPO reorganisation which shall dilute Topco A Ordinary Shares and Topco B Ordinary Shares pro rata;
- pursuant to the terms of any class of convertible securities of the Topco Group which may be issued following the Effective Date in accordance with, and subject to, the terms of the Revised Topco Shareholders' Agreement and the Revised Topco Articles (which, if issued, would dilute Topco A Ordinary Shares and Topco B Ordinary Shares pro rata);
- to any vendor(s) as non-cash consideration on the acquisition of, or merger with, all or part of another business, undertaking, company or assets, which shall dilute Topco A Ordinary Shares and Topco B Ordinary Shares pro rata; and
- in respect of which Consortium JVCo and a Topco B Shareholder Majority agree in writing is excluded.

References to rights on a catch-up basis mean that Topco B Shareholders will be given the opportunity to take up their pro rata entitlements to securities following completion of a related issue of securities to the Topco A Shareholders or other persons.

8. Terms of Alternative Offer in the event of a switch

In the event that Bidco elects, with the consent of the Panel and subject to the Cooperation Agreement, to switch to an Offer, and less than one hundred per cent. of the HL Shares are acquired by Bidco, the Alternative Offer Maximum and the Alternative Offer Minimum may each be amended by Bidco with the consent of the Panel.

9. Board Composition and Representation

With effect from the Effective Date, the main operating and decision-making board of the Topco Group (which will, following the Effective Date, include the HL Group) will be the board of directors of Bidco. It is expected that a majority of the board of directors of Bidco will be appointed by Consortium JVCo and that, in turn, such appointees will be nominated by the Consortium Members. In addition, with effect from the Effective Date, it is proposed that Consortium JVCo be entitled to appoint all members of the boards of Topco, Midco 1, Midco 2 and Finco.

In addition to the directors of Bidco appointed or to be appointed by Consortium JVCo, each Substantial B Shareholder shall be entitled to:

- nominate one director to the board of Bidco subject to appropriate qualification and suitability criteria;
- nominate an observer to the board of Bidco, who shall be entitled to attend board meetings by telephone or video call software only and shall not speak or vote at such meetings;

Except as set out above, Topco B Shareholders will not have any rights to appoint directors or observers to the board of directors of any member of the Topco Group.

10. Information Rights

Each Substantial B Shareholder shall be entitled to:

- hold a regular, monthly meeting with the chairperson of the board of Bidco (in addition to the board meetings) to discuss strategy and performance of the Topco Group;

- the same information rights as lenders to the Topco Group with respect to financial information of the Topco Group and annual audited accounts of any holding company of Bidco not included in the annual audited consolidated accounts of the Topco Group; and
- regular meetings, no more than once a quarter, with CVC (on behalf of the Consortium).

11. Exit Arrangements

Any Exit shall occur at the absolute discretion of the Consortium, including as to conduct, implementation, structuring and timing.

All holders of Rollover Securities are required to take such reasonable actions as are reasonably requested by the board of Bidco or Consortium JVCo to achieve, and to actively co-operate with the Topco Group and Consortium JVCo to maximise the value for holders of securities in the Topco Group achieved as a result of, any such process. This shall include without limitation: (i) providing customary representations and warranties as to the title to the Rollover Securities held by such holder and its capacity to transfer such Rollover Securities; (ii) giving a customary locked box covenant or a customary covenant in relation to any completion accounts adjustment that Consortium JVCo has agreed to give in connection with such Exit process on a pro rata, several basis; (iii) bearing their pro rata share of costs in relation to such Exit; and (iv) in the case of an IPO, entering into any “lock-up”, sell-down or other related arrangements as may be reasonably recommended by the underwriter(s) advising on such IPO and to the same extent and on the same terms as Consortium JVCo; and (v) taking a number of related actions including voting in favour of or consenting to the relevant process. Equivalent obligations also apply in relation to certain indirect liquidity events for members of the Consortium (an “**Indirect Liquidity Event**”) and any raising of additional debt or equity financing for or refinancing of the Topco Group (a “**Refinancing**”).

Holders of Rollover Securities are also required to enter into documentation and provide any consents as are reasonably required to give effect to any reorganisation of the Topco Group approved by Consortium JVCo and the board of Bidco, provided that such reorganisation would not be materially and disproportionately adverse to the economic (including capital and income rights) position of the holders of Rollover Securities (as a whole) as compared to Consortium JVCo.

12. Drag Along and Tag Along

If Consortium JVCo or any Consortium Member proposes to directly or indirectly transfer any of its securities in the Topco Group to a bona fide third-party purchaser which is not affiliated with any Consortium Member as part of a single transaction or series of connected transactions, Consortium JVCo shall have a right to ‘drag along’ (i.e., force the sale of) Rollover Securities held by Topco B Shareholders in Topco on a pro rata basis on the same economic terms as Consortium JVCo to such third-party purchaser, provided that Consortium JVCo shall be entitled to elect for Topco B Shareholders to receive a cash alternative to any non-cash component of consideration.

If Consortium JVCo or any Consortium Member proposes to directly or indirectly transfer Topco A Ordinary Shares to a third-party purchaser as part of a single transaction or series of connected transactions following which Consortium JVCo, the Consortium Members and/or their affiliates together hold, or would as a result of the relevant transfer hold, directly or indirectly, less than 90 per cent. of the Topco A Ordinary Shares in issue on the Costs Issuance Date (or on any direct or indirect transfer of Topco A Ordinary Shares by Consortium JVCo, any Consortium Member or their affiliates thereafter), Topco B Shareholders shall have a ‘tag along’ right exercisable on a pro rata basis in relation to such transfer. Any transfer by Topco B Shareholders of their rights under the ‘tag along’ provision shall be at the same price and otherwise on the same terms as agreed to by Consortium JVCo (or the selling Consortium Member or its affiliates, if applicable), save that Consortium JVCo shall be entitled to elect for Topco B Shareholders to receive a cash alternative to any non-cash component of consideration. This right is subject to a number of exceptions, including, amongst others, (i) any initial transfers of up to 10 per cent. of the Topco A Ordinary Shares in issue on the Costs Issuance Date, (ii) in relation to transfers in connection with a Refinancing, or (iii) in connection with a syndication of equity interests by Consortium JVCo or its affiliates.

13. Fees

No Topco B Shareholder or any of their respective affiliates will be entitled to receive any management, transaction, investment, or monitoring fees from any member of the Topco Group (including, following the Effective Date, the HL Group).

The Revised Topco Shareholders' Agreement provides that reasonable, properly incurred costs associated with any Exit, Refinancing, reorganisation transaction or return of proceeds in future will be borne by the Topco Group.

14. Governing Law and Jurisdiction

The Revised Topco Shareholders' Agreement and any non-contractual or other obligations arising out of or in connection with it shall be governed by English law. Any dispute shall be resolved by arbitration under the Rules of the London Court of International Arbitration for which there shall be three arbitrators and the seat of the arbitration shall be London.

Part V
THE SCHEME OF ARRANGEMENT

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

CR-2024-004849

IN THE MATTER OF HARGREAVES LANSDOWN PLC

-AND-

IN THE MATTER OF THE COMPANIES ACT 2006

**SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)**

between

HARGREAVES LANSDOWN PLC

and

THE HOLDERS OF ITS SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings:

“2024 Full-Year Dividend”	a dividend of 30 pence per HL Share in respect of the Financial Year ended 30 June 2024 payable to HL Shareholders on the register of members of the Company at a record time that falls before the Effective Date;
“Acquisition”	the proposed acquisition by Bidco of the entire issued and to be issued share capital of HL, to be implemented by means of this Scheme (including, where the context requires, any subsequent revision, variation, extension or renewal thereof);
“Alternative Offer”	the alternative provided for in this Scheme whereby Eligible Scheme Shareholders may elect, subject to certain limitations and conditions, in respect of some or all of their Scheme Shares, to receive Bidco Loan Notes which will, subject to implementation of the Rollover, ultimately be exchanged for Rollover Securities in lieu of the Cash Consideration to which they would otherwise be entitled under, and subject to the terms of, this Scheme on the basis of an exchange ratio of 1 Rollover Security for each Scheme Share in respect of which a valid election for the Alternative Offer is made;
“Alternative Offer Election”	an election by an Eligible Scheme Shareholder (in accordance with clause 3) for the Alternative Offer made pursuant to a Form of Election or a TTE Instruction (as applicable);
“Alternative Offer Maximum”	the maximum number of Rollover Securities available (subject to implementation of the Rollover) to Eligible Scheme Shareholders under the Alternative Offer, which shall be such number of Rollover Securities as is equivalent to 35.0 per cent. of the aggregate of the total number of HL Shares in issue at the Effective Date and the number of HL Shares in

	respect of which options and awards are estimated, as at the Election Return Time, to be exercisable if the Court sanctions this Scheme;
“Bidco”	Harp Bidco Limited, a private limited company incorporated in England and Wales with registered number 15812199;
“Bidco Loan Notes”	the unsecured loan notes due 2034 of 1,100 pence each to be issued by Bidco pursuant to the Alternative Offer;
“Business Day”	a day (other than a Saturday, Sunday or a public or bank holiday) on which banks in London are generally open for normal business;
“Cash Consideration”	1,110 pence in cash for each Scheme Share;
“Cash Offer”	the acquisition by Bidco of Scheme Shares on the terms described as the “Cash Offer” in the Scheme Document;
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST);
“Companies Act”	the Companies Act 2006 (as amended, modified, consolidated, re-enacted or replaced from time to time);
“Company” or “HL”	Hargreaves Lansdown plc, a public limited company incorporated in England and Wales with registered number 02122142;
“Court”	the High Court of Justice in England and Wales;
“Court Hearing”	the hearing by the Court of the application to sanction this Scheme under Part 26 of the Companies Act;
“Court Meeting”	the meeting of Scheme Shareholders (including any adjournment thereof) convened with the permission of the Court under Part 26 of the Companies Act to consider and, if thought fit, to approve this Scheme (with or without modification);
“CREST”	the relevant system (as defined in the CREST Regulations) to facilitate the transfer of title to shares in uncertificated form in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001 No. 3755) (as amended from time to time);
“Effective Date”	the date on which this Scheme becomes effective in accordance with its terms;
“Election Return Time”	1.00 p.m. on the Business Day immediately prior to the date of the Court Hearing;
“Eligible Scheme Shareholder”	a Scheme Shareholder (other than a Restricted Shareholder) that satisfies the eligibility requirements set out in Part IV (<i>Summary of the Rollover Securities</i>) of the Scheme Document;
“Equiniti”	Equiniti Limited, the Company’s registrar;
“Euroclear”	Euroclear UK & International Limited;
“Excluded Shares”	any HL Shares (i) registered in the name of, or beneficially owned by, Bidco and/or any other member of the Topco Group (and/or any nominee of the foregoing), or (ii) held by the Company in treasury, in each case at the relevant time;
“FCA”	the UK Financial Conduct Authority;
“Finco”	Harp Finco Limited, a private limited company incorporated in Jersey with registered number 155059;
“Finco Loan Notes”	the unsecured loan notes due 2034 of 1,100 pence each to be issued by Finco pursuant to the Rollover;

“Form of Election”	the green form of election for use in respect of the Alternative Offer by Eligible Scheme Shareholders who hold HL Shares in certificated form;
“HL Share Plans”	each of: (i) the HL plc Performance Share Plan; (ii) the HL Company Share Option (2010) Scheme; (iii) the HL Deferred Performance Bonus Plan 2012; (iv) the HL Sustained Performance Plan 2017; (v) the HL Sustained Performance Plan II; (vi) the HL plc Savings Related Share Option Scheme 2019; and (vii) the HL Share Incentive Plan, in each case as amended from time to time
“HL Shareholders”	holders of HL Shares;
“HL Shares”	ordinary shares of 0.4 pence each in the capital of the Company;
“holder”	a registered holder and includes any person entitled by transmission;
“KYC Information”	has the meaning given in Part IV (<i>Summary of the Rollover Securities</i>) of the Scheme Document;
“Loan Notes”	together, the Bidco Loan Notes, Finco Loan Notes, Midco 2 Loan Notes and Midco 1 Loan Notes;
“Long Stop Date”	9 May 2025 or such later date: (i) as may be agreed between Bidco and HL and, if required, the Panel; or (ii) set at the direction of the Panel under the Note on Section 3 of Appendix 7 to the Takeover Code, and in each case as the Court may approve (if such approval is required);
“Midco 1”	Harp Midco I Limited, a private limited company incorporated in Jersey with registered number 155057;
“Midco 1 Loan Notes”	the unsecured loan notes due 2034 of 1,100 pence each to be issued by Midco 1 pursuant to the Rollover;
“Midco 2”	Harp Midco II Limited, a private limited company incorporated in Jersey with registered number 155058;
“Midco 2 Loan Notes”	the unsecured loan notes due 2034 of 1,100 pence each to be issued by Midco 2 pursuant to the Rollover;
“Panel”	the Panel on Takeovers and Mergers;
“Put and Call Deeds”	the separate put and call option deeds to be entered into between each of Finco, Midco 2, Midco 1 and Topco (on the one hand) and Eligible Scheme Shareholders who make a valid Alternative Offer Election (on the other hand);
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Restricted Jurisdiction”	any (i) jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to HL Shareholders in that jurisdiction, or (ii) sanctioned jurisdiction, in each case from time to time;
“Restricted Shareholder”	a person in, or resident in, or any person who Bidco reasonably believes to be in, or resident in, any Restricted Jurisdiction and any person deemed by Bidco to be a Restricted Shareholder in accordance with clause 4(b);
“Revised Topco Shareholders’ Agreement”	the shareholders agreement to be entered into by Harp Group Holdings Jersey Limited, Topco, Midco 1, Midco 2, Finco, Bidco and, subject to implementation of the Rollover, holders of Rollover Securities, in the form published at or around the date of the Scheme Document;
“Rollover”	the steps pursuant to which Eligible Scheme Shareholders who have made valid Alternative Offer Elections receive Bidco Loan Notes and, subject to implementation of all relevant steps, Rollover Securities, as set out in clauses 3(a) to 3(e);

“Rollover Securities”	B ordinary shares in the capital of Topco having the rights of “B Ordinary Shares” set out in the articles of association of Topco (as amended from time to time);
“Rule 2.7 Announcement”	the joint announcement made by HL and Bidco under Rule 2.7 of the Takeover Code in relation to the Acquisition on 9 August 2024;
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court;
“Scheme Document”	the circular to Scheme Shareholders published by the Company in connection with this Scheme;
“Scheme Record Time”	6.00 p.m. (London time) on the Business Day immediately following the date of the Court Hearing;
“Scheme Shareholder”	a holder of Scheme Shares;
“Scheme Shares”	<p>HL Shares:</p> <ul style="list-style-type: none"> (a) in issue at the date of this Scheme; (b) (if any) issued after the date of this Scheme but before the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and on or prior to the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by this Scheme, <p>in each case excluding any Excluded Shares;</p>
“Section 431 Election”	an election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003;
“Shareholding Cap”	9.99 per cent. (or, if applicable, the maximum percentage that will not require approval from the FCA for the relevant person) of the Shareholding Cap Denominator, such percentage to be applied to each electing Eligible Scheme Shareholder (or, as applicable, each of their relevant Underlying Holder(s)) on an individual basis or, if applicable, when aggregated with any other electing Eligible Scheme Shareholder (or, as applicable, each of their relevant Underlying Holder(s)) or any Consortium Member (or affiliate thereof) with whom they might reasonably be deemed by the FCA to be acting in concert;
“Shareholding Cap Denominator”	the ordinary share capital of Topco expected to be in issue immediately following settlement of the Cash Consideration and completion of the Rollover based on valid Alternative Offer Elections received (and not withdrawn) by the Election Return Time;
“subsidiary”	has the meaning given in section 1159 of the Companies Act 2006;
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act 2006;
“Takeover Code”	the City Code on Takeovers and Mergers, as issued, amended and interpreted from time to time by or on behalf of the Panel;
“Topco”	Harp Topco Limited, a private limited company incorporated in Jersey with registered number 155056;
“Topco A Ordinary Shares”	A ordinary shares in the capital of Topco;
“Topco Group”	Topco and its subsidiaries and subsidiary undertakings from time to time;
“TTE Instruction”	a transfer to escrow instruction given by an Eligible Scheme Shareholder in respect of any Scheme Shares held in uncertificated form;

“uncertificated” or “in uncertificated form”	recorded on the relevant register as being held in uncertificated form and title to which may, by virtue of the CREST Regulations, be transferred by means of CREST;
“Underlying Holder”	where legal title to any Scheme Shares is held by an Eligible Scheme Shareholder as nominee for and on behalf of a second person, such second person (or, at Bidco’s sole discretion and based on the KYC Information received, any other person with an underlying beneficial interest in the relevant Scheme Shares as Bidco may determine);
“US Securities Act”	the United States Securities Act of 1933; and
“Voting Record Time”	6.30 p.m. (London time) on the day which is two days (excluding non-working days) prior to the date of the Court Meeting or any adjournment thereof (as the case may be),

and references to clauses, sub-clauses and paragraphs are to clauses, sub-clauses and paragraphs of this Scheme. All references to statutory provisions or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom. References to “pounds”, “pounds sterling”, “sterling”, “GBP”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom. A reference to “includes” shall mean “includes without limitation”, and references to “including” and any similar term shall be construed accordingly. References to a “person” include any individual, an individual’s executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality).

- (B) As at 5 September 2024 (the last practicable date prior to the publication of the Scheme Document), the issued ordinary share capital of the Company was £189,727,450 divided into 474,318,625 ordinary shares of 0.4 pence each all of which are credited as fully paid and none of which were held in treasury.
- (C) Options and awards to acquire up to 3,574,314 HL Shares have been granted pursuant to the HL Share Plans and remain unexercised and/or unvested at the date of this Scheme. It is anticipated that options and awards to acquire further HL Shares will be granted pursuant to the HL Share Plans in the ordinary course on or after the date of this Scheme and prior to the Effective Date.
- (D) Bidco is a private limited company incorporated in England and Wales on 1 July 2024, which was formed for the purposes of the Acquisition. Each of Finco, Midco 2, Midco 1 and Topco are private limited companies incorporated in Jersey prior to the date of this Scheme for the purposes of the Acquisition.
- (E) As at 5 September 2024 (the last practicable date prior to the publication of the Scheme Document), no member of the Topco Group held any HL Shares.
- (F) Bidco, Finco, Midco 2, Midco 1 and Topco have agreed to appear by counsel at the hearing to sanction this Scheme and to submit to be bound by and undertake to the Court to be bound by this Scheme (and, subject to satisfaction or, where applicable, waiver of the Conditions (other than Conditions 2.3 and 2.4 of Part A of Part III (*Conditions to and further terms of the Acquisition and the Scheme*) of the Scheme Document) provide such documentation and information as may reasonably be required by counsel to the Company or the Court in relation to such undertaking) and to execute and do, or procure to be executed and done, all such documents, acts or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.
- (G) The Topco Group will rely upon the Court’s sanctioning of this Scheme for the purpose of qualifying for the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof with respect to the Rollover Securities and Loan Notes to be issued pursuant to the Alternative Offer.

THE SCHEME

1. TRANSFER OF SCHEME SHARES

- (a) On the Effective Date, Bidco (and/or such of its nominee(s) as are agreed between Bidco and the Company) shall acquire all of the Scheme Shares, fully paid-up with full title guarantee, and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and other third party interests of any nature, together with all rights as at the Effective Date or thereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends, other distributions and any other return of capital (whether by way of a reduction of share capital or share premium account or otherwise) (if any) declared, made or paid or that become payable by the Company by reference to a record date which is on or after the Effective Date (other than the 2024 Full-Year Dividend).
- (b) For such purposes, the Scheme Shares shall be transferred to Bidco (and/or such of its nominee(s) as are agreed between Bidco and the Company) by means of one or more form(s) of transfer or other instrument(s) or instruction(s) of transfer and to give effect to such transfer any person may be appointed by the Company as attorney and/or agent and/or otherwise and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the Scheme Shareholders to execute and deliver as transferor one or more form(s) of transfer or other instrument(s) or instruction(s) of transfer (whether as a deed or otherwise) of the Scheme Shares and every form, instrument or instruction of transfer so executed or instruction so given shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred. Such instruments, forms or instructions of transfer shall be deemed to be the principal instruments of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to Bidco (and/or its nominee(s)), together with the legal interest in such Scheme Shares, pursuant to such instructions, forms or instruments of transfer.
- (c) With effect from the Effective Date and until the register of members of HL is updated to reflect the transfer of the Scheme Shares pursuant to clause 1(b), each Scheme Shareholder irrevocably:
 - (i) appoints Bidco (and/or its nominee(s)) as its attorney and/or agent and/or otherwise to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges attaching to its Scheme Shares;
 - (ii) appoints Bidco (and/or its nominee(s)) and any one or more of Bidco's directors to sign on behalf of such Scheme Shareholder any such documents, and do such things, as may in the opinion of Bidco be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to the Scheme Shares (including, without limitation, to sign any consent to short notice of a general or separate class meeting and to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Bidco to attend general and separate class meetings of the Company and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
 - (iii) authorises the Company and/or its agents to send to Bidco (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to it as a member of the Company (including any share certificate(s) or other document(s) of title issued as a result of conversion of any Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with Bidco's directions.

- (d) With effect from the Effective Date, each Eligible Scheme Shareholder who has validly elected for the Alternative Offer irrevocably appoints the Company and/or Bidco and/or any one or more of their respective directors as its agent and/or attorney and/or otherwise to sign, execute and deliver as a deed on behalf of such Eligible Scheme Shareholder (in such form as Bidco and the Company may agree) the Put and Call Deeds, any exchange agreement, instrument of transfer, instrument, Section 431 Election, or other document deemed by Bidco (in its sole discretion) to be necessary or desirable to effect the steps set out in clause 3 and to execute and deliver as a deed on behalf of such Eligible Scheme Shareholder (in such form as Bidco and the Company may agree) either the Revised

Topco Shareholders' Agreement or a deed of adherence to the Revised Topco Shareholders' Agreement.

- (e) The authorities granted pursuant to clauses 1(b) to 1(d) shall be treated for all purposes as having been granted by deed.

2. CONSIDERATION FOR THE TRANSFER OF SCHEME SHARES

- (a) In consideration of the transfer of the Scheme Shares to Bidco and/or its nominee(s) pursuant to clause 1(b) of this Scheme, Bidco shall, subject to the remaining provisions of this Scheme, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing in the register of members of HL at the Scheme Record Time) the Cash Consideration of 1,110 pence in cash per Scheme Share held by the Scheme Shareholder at the Scheme Record Time.
- (b) If, on or after the date of the Rule 2.7 Announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of capital or value, other than the 2024 Full-Year Dividend, is announced, declared, made or paid or becomes payable by the Company in respect of the HL Shares (in each case, with a record date prior to the Effective Date), Bidco will reduce the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by an amount equal to the amount of such dividend and/or distribution and/or other return of capital or value, in which case:
 - (i) any reference in this Scheme to the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) will be deemed to be a reference to such consideration as so reduced;
 - (ii) any such reduction of the Cash Consideration payable under the terms of the Cash Offer (and, as the case may be, the number of Rollover Securities due, subject to implementation of the Rollover, under the terms of the Alternative Offer) by Bidco shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of this Scheme; and
 - (iii) HL Shareholders will be entitled to retain the relevant dividend, distribution and/or other return of capital or value.
- (c) To the extent that any dividend, distribution and/or other return of capital or value is authorised, announced, declared or paid by the Company or becomes payable by the Company in respect of the HL Shares and:
 - (i) the Scheme Shares are transferred pursuant to this Scheme on a basis which entitles Bidco to receive such dividend, distribution and/or other return of capital or value and to retain it; or
 - (ii) such dividend, distribution and/or other return of capital or value is cancelled before payment by the Company,the consideration due pursuant to this Scheme will not be subject to change in accordance with clause 2(b).

3. ALTERNATIVE OFFER

- (a) Conditional on and subject to the remainder of this clause 3, to the extent that any Eligible Scheme Shareholder appearing in the register of members of the Company at the Scheme Record Time validly elects for the Alternative Offer in respect of some or all of their Scheme Shares, Bidco shall, in consideration for the transfer of such Scheme Shares to Bidco and/or its nominee(s) referred to in clauses 1(a) and 1(b), subject as hereinafter provided, allot and issue to such Eligible Scheme Shareholder Bidco Loan Notes in an aggregate nominal amount equal to the Cash Consideration multiplied by the total number of Rollover Securities that such Eligible Scheme Shareholder is entitled, subject to implementation of the Rollover, to receive under the Alternative Offer. The cumulative effect of the steps set out in this clause 3 is that any Eligible Scheme Shareholder that makes a valid election for the Alternative Offer will, subject to the terms and conditions of this clause 3, ultimately hold Rollover Securities in Topco on the basis of an exchange ratio of 1 Rollover Security for each Scheme Share in respect of which a valid election for the Alternative Offer is made.

- (b) Immediately following the allotment and issue by Bidco of the Bidco Loan Notes and conditional thereon, each relevant Eligible Scheme Shareholder may, if a relevant put or call option is exercised under the terms of the relevant Put and Call Deed, transfer its holding of Bidco Loan Notes to Finco in exchange for the same number of Finco Loan Notes with the same nominal value as such Bidco Loan Notes transferred to Finco by such Eligible Scheme Shareholder.
- (c) Immediately following any exchange of loan notes pursuant to clause 3(b) and conditional thereon, each relevant Eligible Scheme Shareholder may, if a relevant put or call option is exercised under the terms of the relevant Put and Call Deed, transfer its holding of Finco Loan Notes to Midco 2 in exchange for the same number of Midco 2 Loan Notes with the same nominal value as the Finco Loan Notes transferred to Midco 2 by such Eligible Scheme Shareholder.
- (d) Immediately following any exchange of loan notes pursuant to clause 3(c) and conditional thereon, each relevant Eligible Scheme Shareholder may, if a relevant put or call option is exercised under the terms of the relevant Put and Call Deed, transfer its holding of Midco 2 Loan Notes to Midco 1 in exchange for the same number of Midco 1 Loan Notes with the same nominal value as the Midco 2 Loan Notes transferred to Midco 1 by such Eligible Scheme Shareholder.
- (e) Immediately following any exchange of loan notes pursuant to clause 3(d) and conditional thereon, each relevant Eligible Scheme Shareholder may, if a relevant put or call option is exercised under the terms of the relevant Put and Call Deed, transfer its holding of Midco 1 Loan Notes to Topco in exchange for the relevant number of Rollover Securities which such Eligible Scheme Shareholder is entitled, subject to implementation of the Rollover, to receive under the Alternative Offer.
- (f) The Loan Notes will be constituted by instruments in the form initialled for the purposes of identification by Kirkland & Ellis International LLP, solicitors for Bidco, with such modifications or additions, if any, as may be agreed by the Company and Bidco prior to the execution thereof.
- (g) The total number of Scheme Shares in respect of which an Eligible Scheme Shareholder may elect for the Alternative Offer (in respect of itself or any relevant Underlying Holder(s), in each case as applicable based on the requirements and practice of the FCA) shall not exceed the Shareholding Cap. If valid elections are received from an Eligible Scheme Shareholder in respect of a number of Scheme Shares that would require the issue of Bidco Loan Notes and, subject to implementation of the Rollover, Rollover Securities to such Eligible Scheme Shareholder (or any relevant Underlying Holder, as applicable) which, in aggregate, exceed the Shareholding Cap:
 - (i) the number of Bidco Loan Notes and, subject to implementation of the Rollover, Rollover Securities to be issued to such Eligible Scheme Shareholder shall be scaled down as necessary so as not to breach the Shareholding Cap (in respect of itself or any relevant Underlying Holder(s), in each case as applicable based on the requirements and practice of the FCA); and
 - (ii) the balance of the Scheme Shares which cannot be exchanged for Bidco Loan Notes and, subject to implementation of the Rollover, Rollover Securities as a result of clause 3(g)(i) above shall be deemed to be Scheme Shares in respect of which no Alternative Offer Election has been made and the balance of the consideration due to such Eligible Scheme Shareholder will be paid in cash in accordance with clause 2.
- (h) The availability of the Alternative Offer (including the issuance of the Loan Notes and the Rollover Securities) is conditional upon valid elections having been made for the Alternative Offer (subject to first applying the Shareholding Cap described in clause 3(g) above, to the extent applicable) in respect of such number of Scheme Shares as shall correspond to at least five per cent. of the issued share capital of Topco at completion of the Acquisition (following and subject to implementation of the Rollover). If the condition set out in this clause 3(h) is not met, any Scheme Shares in respect of which an Alternative Offer Election has been made shall be deemed to be Scheme Shares in respect of which no Alternative Offer Election has been made, and the consideration in respect of all Scheme Shares shall be paid in cash in accordance with clause 2.
- (i) The total number of Scheme Shares in respect of which Eligible Scheme Shareholders may elect for the Alternative Offer shall not exceed, in aggregate, the Alternative Offer Maximum. If valid Alternative Offer Elections are received which, in aggregate, exceed this limit (subject to first applying the Shareholding Cap described in clause 3(g) above, to the extent applicable):
 - (i) the number of Scheme Shares in respect of which the relevant Eligible Scheme Shareholder has made a valid Alternative Offer Election shall be scaled down to the proportion of such Scheme

Shares that the Alternative Offer Maximum bears to the total number of Scheme Shares in respect of which Alternative Offer Elections have been made (rounding such number of Scheme Shares down to the nearest whole number of Scheme Shares); and

- (ii) the balance of the Scheme Shares the subject of each such Alternative Offer Election shall be deemed to be Scheme Shares in respect of which no Alternative Offer Election has been made and the balance of the consideration in respect of such Scheme Shares shall be paid in cash in accordance with clause 2.
- (j) Any fractional entitlements of an Eligible Scheme Shareholder who has validly elected to receive Bidco Loan Notes (and therefore in turn and subject to implementation of the Rollover, Rollover Securities) under the Alternative Offer will be rounded down to the nearest whole number of Bidco Loan Notes. Fractional entitlements to Bidco Loan Notes will not be allotted or issued to such Eligible Scheme Shareholder but will be disregarded, except that any Scheme Share which cannot be exchanged for a Bidco Loan Note as a result of this clause 3(j) shall be dealt with in accordance with 3(i)(ii). For the purposes of determining fractional entitlements, each portion of an Eligible Scheme Shareholder's holding which is recorded in the register of members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.
- (k) The Rollover Securities to be issued, subject to implementation of the Rollover, shall be issued credited as fully paid and together with all rights attaching thereto, including the rights to receive and retain dividends and other distributions and returns of capital or value declared, made or paid by Topco by reference to a record date falling on or after the date of the Rule 2.7 Announcement, and will rank economically *pari passu* in all respects with the Topco A Ordinary Shares.
- (l) In the case of Eligible Scheme Shareholders who hold Scheme Shares in certificated form, an election under the Alternative Offer shall be made by completion of a Form of Election which shall be signed by the relevant Eligible Scheme Shareholder or their duly authorised attorney (or, in the case of a body corporate, executed by an authorised representative), and in the case of joint holders by or on behalf of all such holders. To be effective, the Form of Election must be completed and returned to Equiniti, in accordance with the instructions printed thereon, so as to arrive by no later than the Election Return Time. In the case of Eligible Scheme Shareholders who hold Scheme Shares in uncertificated form, an election under the Alternative Offer shall be made by delivery of a TTE Instruction validly electing for the Alternative Offer by the Election Return Time. An Eligible Scheme Shareholder who wishes to elect for the Alternative Offer must also deliver to Equiniti by no later than the Election Return Time the KYC Information (in a form satisfactory to Bidco).
- (m) If a Form of Election or TTE Instruction is received after the Election Return Time or is received before such time but is not, or is deemed not to be, valid or complete in all respects at such time (including in the event that the KYC Information has not been received in a form satisfactory to Bidco at or prior to such time), then such election shall be void unless Bidco, in its sole discretion, elects to treat as valid in whole or in part any such election.
- (n) Upon execution and delivery by an Eligible Scheme Shareholder of a valid Form of Election or TTE Instruction electing for the Alternative Offer, such Eligible Scheme Shareholder shall be bound by the terms and provisions contained in the Form of Election or the TTE Instruction (as the case may be) and by the terms and provisions contained in Part VI (*Notes on making an election for the Alternative Offer*) of the Scheme Document.
- (o) A Form of Election duly completed and delivered or TTE Instruction electing for the Alternative Offer made in accordance with this clause 3 may be withdrawn by notice to Equiniti in writing (in the case of a Form of Election) or through CREST (in the case of a TTE Instruction) so as to be received, in either case, by no later than the Election Return Time.
- (p) If an Eligible Scheme Shareholder delivers more than one Form of Election or TTE Instruction electing for the Alternative Offer in respect of some or all of their Scheme Shares, in the case of an inconsistency between such Forms of Election or TTE Instructions, the last Form of Election or TTE Instruction which is delivered by the Election Return Time shall prevail over any earlier Form of Election or TTE Instruction. The delivery time for a Form of Election or TTE Instruction shall be determined on the basis of which Form of Election or TTE Instruction is last sent or, if Equiniti is unable to determine which is last sent, is last received. Forms of Election which are sent in the same envelope shall be treated for these purposes as having been sent and received at the same time and, in

the case of an inconsistency between such Forms of Election, none of them shall be treated as valid (unless Bidco otherwise determines in its sole discretion).

- (q) Elections made by Eligible Scheme Shareholders under the Alternative Offer will not affect the entitlements of Eligible Scheme Shareholders who do not make any such election.
- (r) Subject to the other provisions of this clause 3, if an Eligible Scheme Shareholder has validly made (and not withdrawn) an Alternative Offer Election at or before the Election Return Time, the validity of such election shall not be affected by any alteration in the number of Scheme Shares held by such Eligible Scheme Shareholder at any time prior to the Scheme Record Time, provided that:
 - (i) if, at the Scheme Record Time, the number of Scheme Shares held by the relevant Eligible Scheme Shareholder is equal to or more than the number of Scheme Shares in respect of which such person has made an Alternative Offer Election, the Alternative Offer Election shall apply in respect of the number of Scheme Shares specified therein; or
 - (ii) if, at the Scheme Record Time, the number of Scheme Shares held by the relevant Eligible Scheme Shareholder is less than the number of Scheme Shares in respect of which such person has made an Alternative Offer Election, the Alternative Offer Election shall apply in respect of such person's entire holding of Scheme Shares at the Scheme Record Time.
- (s) If an Eligible Scheme Shareholder has more than one designation in HL's register of members in respect of Scheme Shares in relation to which it wishes to elect for the Alternative Offer, such Eligible Scheme Shareholder must complete a separate Form of Election or submit a separate TTE Instruction (in each case as applicable) for each designation in respect of such Scheme Shares.
- (t) If: (i) 2,000 or more Eligible Scheme Shareholders; or (ii) 500 or more Eligible Scheme Shareholders who are not "accredited investors" as defined under Rule 501(a) of the US Securities Act, in either case where 300 or more of such Eligible Scheme Shareholders are US holders, elect for the Alternative Offer, Bidco may, in its sole discretion, determine that the Alternative Offer will not be made available, in which case the consideration payable to all Scheme Shareholders will be paid entirely in cash in accordance with clause 2.
- (u) Minor adjustments to the entitlements of Eligible Scheme Shareholders pursuant to any Alternative Offer Election made under this Scheme may be made by Equiniti with the prior consent of the Company and Bidco on a basis that the Company and Bidco consider to be fair and reasonable. Such adjustments shall be final and binding on Scheme Shareholders. No member of the Topco Group nor the Company shall be liable to any Eligible Scheme Shareholder in respect of any adjustment, decision or determination made pursuant to this clause 3.

4. PROHIBITION BY LAW AND OVERSEAS SHAREHOLDERS

- (a) The provisions of clauses 2, 3 and 5 shall be subject to any prohibition or condition imposed by law.
- (b) Without prejudice to the generality of clause 4(a), if in the case of any Scheme Shareholder (or any Underlying Holder, if applicable) having a registered address outside the United Kingdom or whom Bidco reasonably believes to be a citizen, resident or national of a country or jurisdiction other than the United Kingdom, Bidco is advised that the issue of Rollover Securities (and/or Loan Notes) pursuant to clause 3 or the provision to such Scheme Shareholder of the right to make an election under the Alternative Offer would or may infringe the law of any such country or jurisdiction or would or may require compliance by the Company or Bidco or the relevant Scheme Shareholder (or any Underlying Holder, if applicable) (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company or Bidco or the relevant Scheme Shareholder (or any Underlying Holder, if applicable) (as the case may be) is unable to comply or compliance with which (if it would or may require compliance by the Company or Bidco) Bidco, in its sole discretion, regards as unduly onerous, then Bidco may, in its sole discretion, require the Company to treat such Scheme Shareholder as a Restricted Shareholder for the purposes of this Scheme and any purported election for the Alternative Offer made by such Scheme Shareholder shall be void, the omission to send a Form of Election to such Scheme Shareholder shall not constitute a breach by the Company or Bidco (as the case may be) of any of their respective obligations under this Scheme, and such Scheme Shareholder shall receive the Cash Consideration for the transfer of the relevant Scheme Shares pursuant to the terms of the Cash Offer.

- (c) Neither Bidco nor the Company shall be liable to any Scheme Shareholder (or any Underlying Holder, if applicable) in respect of any determination made pursuant to this clause 4.

5. SETTLEMENT

- (a) Settlement of the Cash Consideration shall be effected as follows:
- (i) where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, settlement of any cash consideration to which the Scheme Shareholder is entitled shall be settled by Bidco by cheque. Cheques shall be despatched as soon as practicable after the Effective Date, and in any event within 14 days after the Effective Date (unless the Panel consents otherwise);
 - (ii) where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, settlement of any cash consideration to which the Scheme Shareholder is entitled shall be paid by means of CREST by Bidco procuring that Euroclear is instructed to create an assured payment obligation in favour of the Scheme Shareholder's payment bank in respect of the cash consideration due to them as soon as practicable after the Effective Date, and in any event within 14 days after the Effective Date (unless the Panel consents otherwise), in accordance with the CREST assured payment arrangements, provided that Bidco reserves the right to make such payment by cheque as set out in clause 5(a)(i) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 5(a)(ii);
 - (iii) in the case of Scheme Shares issued or transferred pursuant to the HL Share Plans (other than the HL Share Incentive Plan) on or after the date of the Court Hearing and prior to the Scheme Record Time, the Cash Consideration payable in respect of those Scheme Shares shall be settled by such method as shall be determined by HL (including, but not limited to, procuring that payments are made through payroll as soon as possible and subject to, if required, the deduction of the applicable exercise price, income taxes and social security contributions).
- (b) Settlement of any consideration due under the Alternative Offer shall be effected by the issue of such number of Bidco Loan Notes and, subject to implementation of the Rollover, Rollover Securities to which the relevant Eligible Scheme Shareholder is entitled in accordance with this Scheme (regardless of whether the relevant Scheme Shares are held in certificated or uncertificated form). Definitive share certificates in relation to the Rollover Securities will be despatched to each relevant Eligible Scheme Shareholder within 14 days after the Effective Date (unless the Panel consents otherwise).
- (c) As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- (d) All deliveries of notices, certificates, statements of entitlement and/or cheques required to be made under this Scheme shall be made by sending the same by first class post in pre-paid envelopes or, if overseas, by airmail (or in each case by such other method as may be approved by the Panel), addressed to the person entitled thereto, to the address appearing in the register of members of the Company or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time.
- (e) All payments in respect of the Cash Consideration shall be in pounds sterling and drawn on a United Kingdom clearing bank and shall be made payable to the Scheme Shareholder concerned or, in the case of joint holders, to the holder whose name stands first in the register of members of the Company in respect of the joint holding concerned at the Scheme Record Time and the encashment of any cheque or the creation of any assured payment obligation as is referred to in clause 5(a)(i) and clause 5(a)(ii) shall be a complete discharge to Bidco for the moneys represented thereby.
- (f) None of the Company, Bidco or their respective agents or nominees shall be responsible for any loss or delay in the transmission of the share certificates, statements of entitlement or cheques sent to Scheme Shareholders in accordance with this clause 5, which shall be posted at the risk of the Scheme Shareholder concerned.

6. CERTIFICATES IN RESPECT OF SCHEME SHARES

With effect from the Effective Date:

- (a) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder thereof shall be bound at the request of the Company to deliver up such certificates(s) to the Company (or any person appointed by the Company to receive such certificates) or, as it may direct, to destroy the same;
- (b) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (c) following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Equiniti shall be authorised to re-materialise entitlements to such Scheme Shares;
- (d) subject to the completion of such transfers, forms, instruments or instructions as may be required in accordance with clause 1(b) and the payment of any UK stamp duty thereon, the Company shall make or procure to be made the appropriate entries in the register of members of the Company to reflect the transfer of the Scheme Shares to Bidco and/or such nominee(s) as may be agreed pursuant to clause 1(b).

7. MANDATES

All mandates to the Company in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

8. EFFECTIVE TIME

- (a) This Scheme shall become effective as soon as a copy of the order of the Court sanctioning this Scheme under Part 26 of the Companies Act shall have been delivered to the Registrar of Companies.
- (b) Unless this Scheme shall become effective on or before 23.59 p.m. (London time) on the Long Stop Date, this Scheme shall never become effective.

9. MODIFICATION

The Company and Bidco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose. Any such modification or addition or condition shall require the consent of the Panel where such consent is required under the Takeover Code. For the avoidance of doubt, no modification can be made to the Scheme pursuant to this clause 9 once the Scheme has been sanctioned and taken effect.

10. GOVERNING LAW

This Scheme is governed by English law and is subject to the jurisdiction of the courts of England and Wales. The rules of the Takeover Code apply to this Scheme.

Dated: 6 September 2024

Part VI
NOTES ON MAKING AN ELECTION FOR THE ALTERNATIVE OFFER

1. INTRODUCTION

As further described in paragraph 3 of Part II (*Explanatory Statement*) of this Document, Bidco is making the Alternative Offer to Scheme Shareholders, subject to the eligibility criteria and certain other terms and conditions set out in this Document. The Alternative Offer is subject to certain restrictions and conditions which are set out in full in paragraph 14 of Part I (*Letter from the Chair of HL*) and Part IV (*Summary of the Rollover Securities*) of this Document.

Details of certain disadvantages and advantages of the Alternative Offer identified by the HL Independent Directors, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley are set out in paragraph 14 of Part I (*Letter from the Chair of HL*) of this Document. Scheme Shareholders are strongly encouraged to take into account such disadvantages and advantages and the investment considerations and risk factors set out in paragraph 4 of Part II (*Explanatory Statement*) of this Document, as well as their particular circumstances, when deciding whether to elect for the Alternative Offer in respect of some or all of their Scheme Shares. Scheme Shareholders are also strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for the Alternative Offer. Scheme Shareholders should also ascertain whether the acquiring or holding of Loan Notes and Rollover Securities is permitted under and/or otherwise affected by the laws of the relevant jurisdiction in which they reside and consider whether the Loan Notes and Rollover Securities are a suitable investment in light of their own particular circumstances and investment objectives. Any decision to elect for the Alternative Offer should be based on such independent financial, tax and legal advice, and full consideration of this Document (including paragraph 4 of Part II (*Explanatory Statement*) of this Document), together with the Revised Topco Shareholders' Agreement and the Revised Topco Articles.

Action to be taken

If you wish to make an election for the Alternative Offer in respect of all or part of your holding of Scheme Shares, you should read this Part VI (*Notes on making an election for the Alternative Offer*) carefully and follow the applicable instructions below so as to deliver an appropriately executed Form of Election or make a binding TTE Instruction in respect of the relevant number of Scheme Shares (and provide the KYC Information in a form satisfactory to Bidco) by the Election Return Time.

If you wish to receive cash for all the Scheme Shares that you hold at the Scheme Record Time and do not wish to make an election under the Alternative Offer, do not return the GREEN Form of Election or make a TTE Instruction.

No election under the Alternative Offer will be valid unless, by the Election Return Time: (a) in the case of certificated shares, a Form of Election is completed in all respects and submitted, or in the case of uncertificated shares, an appropriate TTE Instruction is settled, and (b) in each case, the KYC Information is provided by the relevant Scheme Shareholder (in respect of itself and, if applicable, in respect of any Underlying Holder(s)) to Bidco's satisfaction in its sole discretion.

If any Form of Election, in the case of certificated shares, or TTE Instruction, in the case of uncertificated shares, to make an election under the Alternative Offer is either received after the Election Return Time or is received before such time and date but is not valid or complete in all respects at such time and date (including in the event that the KYC Information has not been received in a form satisfactory to Bidco at or prior to such time), such election shall, for all purposes (unless Bidco, in its sole discretion, elects to treat as valid in whole or in part any such election), be void and the holder of Scheme Shares purporting to make such election shall not, for any purpose, be entitled to receive any consideration under the Alternative Offer in respect of such purported election and the relevant Scheme Shareholder will, upon the Scheme becoming Effective, only be entitled to receive the Cash Consideration due pursuant to the terms of the Cash Offer in respect of the relevant Scheme Shares (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made in respect of another Underlying Holder).

Bidco reserves the right at its sole discretion to determine that any Scheme Shareholder electing for the Alternative Offer is a Restricted Shareholder and to refuse to issue Bidco Loan Notes or, subject to implementation of the Rollover, Rollover Securities to such Scheme Shareholder. In such event, the relevant Scheme Shareholder shall only be entitled to receive the Cash Consideration pursuant to the terms of the Cash

Offer. Bidco will not be liable to any Scheme Shareholder for making such determination. Without prejudice to any other provision of this Part VI (*Notes on making an election for the Alternative Offer*) or the Form of Election or otherwise, Bidco reserves the right in its sole discretion to treat as invalid in whole or in part any election for the Alternative Offer which is not entirely in order.

An election for the Alternative Offer is binding once made but is revocable until the Election Return Time in accordance with the instructions in paragraphs 2 and 3 of this Part VI (*Notes on making an election for the Alternative Offer*) of this Document.

Persons who have made valid elections under the Alternative Offer will not be entitled to transfer their Scheme Shares after the Scheme Record Time.

Eligibility requirements and KYC Information

Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant territory.

Scheme Shareholders who wish to elect for the Alternative Offer must satisfy the eligibility criteria set out in Part IV (*Summary of the Rollover Securities*) of this Document and are required to deliver the KYC Information to Equiniti (acting on behalf of Bidco) by the Election Return Time. Scheme Shareholders who are considering whether to elect for the Alternative Offer are strongly encouraged to visit www.hl.co.uk/investor-relations to access a copy of the KYC form setting out details of the required KYC Information and/or to contact Equiniti using the Shareholder Helpline as soon as possible to inform Equiniti that they intend to elect for the Alternative Offer and to obtain further details of the required information. Where relevant, Scheme Shareholders are strongly advised to contact their Underlying Holder(s) well in advance of the Election Return Time to obtain the relevant KYC Information in respect of such Underlying Holder(s). The KYC Information is subject to the approval of Bidco in its sole discretion. Failure to deliver such KYC Information in a form satisfactory to Bidco on or prior to the Election Return Time will result in your purported election for the Alternative Offer being treated as invalid by Bidco and you will only be entitled to receive the Cash Consideration for the relevant Scheme Shares you hold in accordance with the terms of the Cash Offer (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder).

Nominees

Any Underlying Holder who is interested in Scheme Shares through a nominee or similar arrangement and who wishes to elect for the Alternative Offer should contact their nominee or similar registered holder of the Scheme Shares in respect of which they wish to elect for the Alternative Offer. Such persons may need first to arrange with such nominee or similar registered holder for the transfer of such Scheme Shares into, and then make an election for the Alternative Offer in, their own name as the registered holder of the relevant Scheme Shares. Furthermore, in order to enjoy the full rights available to them under the Revised Topco Shareholders' Agreement, Underlying Holders who intend to make an election for the Alternative Offer may in any event wish to take the necessary steps to move the relevant number of Scheme Shares into their own names prior to making an election for the Alternative Offer.

Nominee and similar registered holders of Scheme Shares are responsible for ensuring that elections made by them for the Alternative Offer are consistent with the instructions they have received from the relevant Underlying Holder(s) and are validly completed. None of HL, Bidco or Equiniti shall: (a) have any obligation to verify that an election made by a nominee or similar registered holder for the Alternative Offer is consistent with the instructions given by the relevant Underlying Holder(s) or is validly completed by the nominee or similar registered holder; or (b) have any liability to nominee or similar registered holders of Scheme Shares or any Underlying Holder(s) in the event that an election by any such nominee or similar registered holder for the Alternative Offer is rejected or treated as invalid, or is not made in accordance with the instructions received from the relevant Underlying Holder(s).

Shareholder Helpline

If you need further copies of the Form of Election or have any questions in relation to the information in this Part VI (*Notes on making an election for the Alternative Offer*) or the Alternative Offer more generally, please

call Equiniti on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls are welcomed via Relay UK. Please see www.relayuk.bt.com for more information. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that no advice on the Acquisition or the Scheme (including the Alternative Offer) or the merits of any of the foregoing, nor any legal, taxation or financial advice, can be given.

2. ELECTIONS IN RESPECT OF SCHEME SHARES HELD IN CERTIFICATED FORM

You should note that if you hold Scheme Shares in certificated form and are not a Restricted Shareholder and you wish to make an election under the Alternative Offer you must complete and sign the GREEN Form of Election in accordance with the instructions printed thereon and return it to Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA, so as to be received by no later than the Election Return Time. A reply-paid envelope, for use in the UK only, has been provided. The instructions printed on, or deemed to be incorporated in, the Form of Election constitute part of the terms of the Scheme.

IMPORTANT: in order for your election to be valid, it is essential that you provide to Equiniti (acting on behalf of Bidco) the KYC Information satisfactory to Bidco prior to the Election Return Time. Scheme Shareholders who are considering whether to elect for the Alternative Offer must satisfy the eligibility criteria set out in Part IV (*Summary of the Rollover Securities*) of this Document and are required to deliver the KYC Information to Equiniti (acting on behalf of Bidco) by the Election Return Time. Scheme Shareholders who are considering whether to elect for the Alternative Offer are strongly encouraged to visit www.hl.co.uk/investor-relations to access a copy of the KYC form setting out details of the required KYC Information and/or to contact Equiniti using the Shareholder Helpline as soon as possible to inform Equiniti that they intend to elect for the Alternative Offer and to obtain further details of the required information. Where relevant, Scheme Shareholders are strongly advised to contact their Underlying Holder(s) well in advance of the Election Return Time to obtain such KYC Information. The KYC Information is subject to the approval of Bidco in its sole discretion. Failure to deliver such KYC Information in a form satisfactory to Bidco on or prior to the Election Return Time will result in your purported election for the Alternative Offer being treated as invalid by Bidco and you will only be entitled to receive the Cash Consideration for the relevant Scheme Shares you hold in accordance with the terms of the Cash Offer (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder).

If you have more than one designation in HL's register of members in respect of Scheme Shares in respect of which you wish to elect for the Alternative Offer, you are required to complete a separate Form of Election for each such designation of Scheme Shares.

Forms of Election are binding once signed and returned to Equiniti but the relevant Scheme Shareholder's election will also remain revocable until the Election Return Time. Any Eligible Scheme Shareholder who has validly elected for the Alternative Offer in relation to Scheme Shares held by them in certificated form may, by written notice to Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA, withdraw or amend their election for the Alternative Offer in relation to some or all of their Scheme Shares, provided that such notice is received by Equiniti by no later than the Election Return Time.

If you need further copies of the Form of Election, please contact Equiniti on the Shareholder Helpline described in paragraph 1 of this Part VI (*Notes on making an election for the Alternative Offer*).

3. SHARES HELD IN UNCERTIFICATED FORM (THAT IS, IN CREST)

If your Scheme Shares are in uncertificated form and you are not a Restricted Shareholder and you wish to elect for the Alternative Offer you should NOT complete a GREEN Form of Election but instead take (or procure to be taken) the actions set out below to transfer the Scheme Shares in respect of which you wish to elect for the Alternative Offer to the relevant escrow account using a transfer to escrow instruction ("**TTE Instruction**") specifying Equiniti (in its capacity as a CREST participant under the participant ID referred to below) as the escrow agent ("**Escrow Agent**"), as soon as possible and in any event so that the TTE Instruction settles no later than the Election Return Time.

Any Underlying Holder who is interested in Scheme Shares through a nominee or similar arrangement and who wishes to elect for the Alternative Offer should contact their nominee or similar registered holder of the Scheme Shares in respect of which they wish to elect for the Alternative Offer. Such persons may need first to arrange with such nominee or similar registered holder for the transfer of such Scheme Shares into, and then make an election for the Alternative Offer in, their own name as the registered holder of the relevant Scheme Shares. Furthermore, in order to enjoy the full rights available to them under the Revised Topco Shareholders' Agreement, Underlying Holders who intend to make an election for the Alternative Offer may in any event wish to take the necessary steps to move the relevant number of Scheme Shares into their own names prior to making an election for the Alternative Offer.

The issue of Rollover Securities pursuant to the Alternative Offer (subject to implementation of the Rollover) is settled outside of CREST (certificated form only with no ISIN) and therefore cannot be supported by Euroclear for transformation purposes in respect of any CREST participant that submits a TTE Instruction for the Alternative Offer and any resolution of unsettled trades will need to be managed outside of CREST bilaterally between the CREST participants involved.

If you are a CREST personal member or other CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participation ID and the member account ID under which your Scheme Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Scheme Shares. You should send (or, if you are a CREST personal member or other CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for a TTE Instruction to settle in CREST, the following details:

- (a) the number of Scheme Shares to be transferred to escrow (see below);
- (b) your member account ID;
- (c) your participant ID;
- (d) the participant ID of the Escrow Agent, which is 5RA70;
- (e) the member account ID of the Escrow Agent for the Rollover Securities, which is RAALTOFF
- (f) the ISIN number of the Scheme Shares. This is GB00B1VZ0M25;
- (g) the intended settlement date. This should be as soon as possible and in any event before the Election Return Time;
- (h) the corporate action number for the transaction. This is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- (i) CREST standard delivery instructions priority of 80; and
- (j) a contact name and telephone number (in the shared note field of the TTE Instruction); and
- (k) in the field relating to the number of Scheme Shares to be transferred to escrow, you should insert the number of Scheme Shares in respect of which you wish to make an election for the Alternative Offer.

For technical reasons, it will not be possible to send TTE Instructions to Euroclear before the date on which the Court Hearing is set and announced. Once the date of the Court Hearing is set, HL will announce the Election Return Time via a Regulatory Information Service (with such announcement being made available on HL's website at www.hl.co.uk/investor-relations) and an appropriate event will be set up by Euroclear in CREST. It will be possible for TTE Instructions to be sent to Euroclear from such time onwards until the Election Return Time.

IMPORTANT: in order for your election to be valid, it is essential that you provide to Equiniti (acting on behalf of Bidco) (or any other person as Bidco directs) the KYC Information satisfactory to Bidco prior to the Election Return Time. Scheme Shareholders who are considering whether to elect for the Alternative Offer must satisfy the eligibility criteria set out in Part IV (*Summary of the Rollover Securities*) of this Document and are required to deliver the KYC Information to Equiniti (acting on behalf of Bidco) by the Election Return Time. Scheme Shareholders who are considering whether to elect for the Alternative Offer are strongly encouraged to visit www.hl.co.uk/investor-relations to access a copy of the KYC form setting out details of the required KYC Information and/or to contact Equiniti using the Shareholder Helpline as soon as possible to inform Equiniti that they intend to elect for the Alternative Offer and to obtain further details of the required information. Where relevant, Scheme

Shareholders are strongly advised to contact their Underlying Holder(s) well in advance of the Election Return Time to obtain such KYC Information. The KYC Information is subject to the approval of Bidco in its sole discretion. Failure to deliver such KYC Information in a form satisfactory to Bidco on or prior to the Election Return Time will result in your purported election for the Alternative Offer being treated as invalid by Bidco and you will only be entitled to receive the Cash Consideration for the relevant Scheme Shares you hold in accordance with the terms of the Cash Offer (provided that, where a Scheme Shareholder holds as nominee or by way of a similar arrangement for more than one Underlying Holder, the invalidity of an election made, or failure to provide the required KYC Information, in respect of one Underlying Holder will not impact the validity of an election made on behalf of another Underlying Holder).

After settlement of the TTE Instruction, save as set out below, you will not be able to access the Scheme Shares in CREST for any transaction or for charging purposes. If the Scheme becomes Effective, the Escrow Agent will transfer the Scheme Shares to Bidco and/or such of its nominee(s) as may be agreed with the Company. You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedure outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Scheme Shares to settle prior to the Election Return Time. In this regard you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Please note that, if (i) you elect for the Alternative Offer in respect of Scheme Shares which are held in CREST and (ii) you fail to give the TTE Instruction to settle prior to the Election Return Time in accordance with the instructions set out above (including in relation to the provision of KYC Information to Bidco's satisfaction), your election for the Alternative Offer will to that extent be invalid and you will only be entitled to receive the Cash Consideration under the Cash Offer in respect of the relevant Scheme Shares as if you had not elected for the Alternative Offer in respect of such Scheme Shares.

An election for the Alternative Offer pursuant to a TTE Instruction is revocable until the Election Return Time. If you have submitted a TTE Instruction and subsequently wish to withdraw or amend that election, you should contact Equiniti as soon as possible to seek to arrange electronic withdrawal or amendment in sufficient time to permit the withdrawal to be completed by the Election Return Time. If a Scheme Shareholder intends to resubmit a TTE Instruction, the CREST participant will need to instruct the withdrawal in sufficient time to permit the new TTE Instruction to settle. Any such withdrawal may be effected through CREST by sending (or, if you are a CREST sponsored member, procuring that your CREST sponsor sends) an ESA instruction to settle in CREST by no later than the Election Return Time. Each ESA instruction must, in order for it to be valid and to settle, include the following details:

- (a) the number of Scheme Shares to be withdrawn;
- (b) your member account ID;
- (c) your participant ID;
- (d) the ISIN number of the Scheme Shares, which is GB00B1VZ0M25;
- (e) the participant ID of the Escrow Agent, which is 5RA70;
- (f) the member account ID of the Escrow Agent for the Rollover Securities, which is RAALTOFF;
- (g) the CREST transaction ID of the TTE Instruction to be withdrawn;
- (h) the intended settlement date for the withdrawal;
- (i) the corporate action number for the transaction: this is allocated by Euroclear and can be found by viewing the relevant corporate action details onscreen in CREST; and
- (j) a CREST standard delivery instructions priority of 80.

Any such withdrawal will be conditional upon Equiniti verifying that the withdrawal request is validly made. Accordingly, Equiniti will, on behalf of HL and Bidco, reject or accept the withdrawal by transmitting in CREST a receiving agent reject or receiving agent accept message as appropriate.

Alternatively, you may revoke an election for the Alternative Offer by notice in writing in accordance with paragraph 2 above.

4. GENERAL

No acknowledgements of receipt of any Form of Election or other documents will be given. All communications, notices, other documents and remittances to be delivered by or to or sent to or from holders of Scheme Shares (or their designated agent(s)) or as otherwise directed will be delivered by or to or sent to or from such holders of Scheme Shares (or their designated agents(s)) at their own risk.

Neither Bidco, HL nor any of their respective advisers or any person acting on behalf of either of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of elections for the Alternative Offer on any of the bases set out in this Part VI (*Notes on making an election for the Alternative Offer*) or otherwise in connection therewith.

Bidco and HL and/or their respective agents reserve the right to notify any matter to all or any Scheme Shareholders with (i) registered addresses outside the UK or (ii) whom Bidco, HL and/or their respective agents know to be nominees, trustees or custodians for such Scheme Shareholders, by announcement in the UK or paid advertisement in any daily newspaper published and circulated in the UK or any part thereof, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Scheme Shareholders to receive or see such notice. All references in this Document to notice in writing, or the provision of information in writing, by or on behalf of Bidco, HL and/or their respective agents shall be construed accordingly. No such document shall be sent to an address outside the United Kingdom where it would or might infringe the laws of that jurisdiction or would or might require Bidco or HL to obtain any governmental or other consent or to effect any registration, filing or other formality with which, in the opinion of Bidco or HL, it would be unable to comply or which it regards as unduly onerous.

Each Scheme Shareholder by whom, or on whose behalf, either a Form of Election is executed and lodged with Equiniti or a TTE Instruction is submitted to Euroclear, irrevocably undertakes, represents, warrants and agrees to and with each of Topco, Bidco, HL and Equiniti (as applicable) (so as to bind him/ her/it and his/ her/its heirs, successors and assigns) to the effect that the execution of the Form of Election, or submission of a TTE Instruction to Euroclear (as applicable) will, conditionally on (and with effect from) the Scheme becoming Effective, constitute:

- (a) an irrevocable authority pursuant to which Bidco shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of HL or any class of its shareholders) attaching to the Scheme Shares to which such Form of Election or TTE Instruction (as applicable) relates;
- (b) an authority to HL from such Scheme Shareholder to send any notice, warrant, document or other communication issued after the Effective Date which may be required to be sent to him/her/ it as a member of HL (including any share certificate(s) or other document(s) of title issued as a result of the conversion of such Scheme Shares into certificated form) to Bidco c/o Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA, United Kingdom;
- (c) an authority to Bidco and/or its nominee(s) and any one or more of Bidco's directors to sign any instrument of transfer or consent to short notice on his/her/its behalf in respect of such Scheme Shares, and to attend any such meeting or execute a form of proxy (and, where appropriate, any appointment pursuant to section 323 of the Companies Act) in respect of such Scheme Shares appointing any person nominated by Bidco to attend general meetings and separate class meetings of HL or its members (or any of them) (and any adjournment thereof);
- (d) a further authority to Bidco or any director of Bidco to exercise or refrain from exercising the votes attaching to such Scheme Shares on his/her/its behalf;
- (e) the agreement of such Scheme Shareholder not to exercise any such rights without the consent of Bidco and the irrevocable undertaking of such Scheme Shareholder not to appoint a proxy or corporate representative to attend, and not himself/herself/itself to attend, any such general meeting or separate class meeting;
- (f) the appointment of HL and/or Bidco and/or any one or more of their respective directors as its agent and/ or attorney to execute (in such form as Bidco and HL may agree) the Put and Call Deeds, any exchange agreement, instrument of transfer, instrument, Section 431 Election, or other document deemed by Bidco (in its sole discretion) to be necessary or desirable to effect the Rollover and issue of the Rollover

Securities and to execute and deliver as a deed on behalf of such Eligible Scheme Shareholder (in such form as Bidco and the Company may agree) either the Revised Topco Shareholders' Agreement or a deed of adherence to the Revised Topco Shareholders' Agreement; and

- (g) a representation and warranty to each of Topco and Bidco that he/she/it is not prohibited by law from electing to receive the Alternative Offer.

All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Document or in the Form of Election are given by way of security for the performance of the obligations of the Scheme Shareholder concerned and are irrevocable (in accordance with section 4 of the Powers of Attorney Act 1971), except as required by law or as determined by the Panel in accordance with the Takeover Code.

Any Form of Election or TTE Instructions and all elections thereunder or pursuant thereto and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of this Part VI (*Notes on making an election for the Alternative Offer*) and the relationship between a Scheme Shareholder, Topco, Midco 1, Midco 2, Finco, Bidco, the Company and/or Equiniti shall be governed by and construed in accordance with English law (except where expressly agreed otherwise in writing by the relevant persons).

The execution by or on behalf of a Scheme Shareholder of a Form of Election or the submission by or on behalf of a Scheme Shareholder of a TTE Instruction (as applicable) will constitute his/her/its agreement that the courts of England and Wales are (subject to the paragraph below), to have exclusive jurisdiction to settle any dispute which may arise in relation to all matters arising out of or in connection with the creation, validity, effect, interpretation or performance of the legal relationships established by the election for the Alternative Offer, or otherwise arising in connection with the Scheme and such election (but, for the avoidance of doubt, not in respect of the Rollover Securities), and for such purposes that he/she/it irrevocably submits to the exclusive jurisdiction of the courts of England and Wales.

The execution of a Form of Election or TTE Instruction (as applicable) by or on behalf of a Scheme Shareholder will constitute his/her/its agreement that the provision set out above is included for the benefit of Bidco, HL, Equiniti and their respective agents and accordingly, notwithstanding the exclusive agreement in the paragraph above in this Part VI (*Notes on making an election for the Alternative Offer*), each of Topco, any Intermediate Holding Company, HL, Equiniti and their respective agents shall retain the right to, and may in their sole discretion, bring any action, suit or proceedings arising out of or in connection with the Scheme and Form of Election or TTE Instruction in the courts of any other country which may have jurisdiction and that the electing Scheme Shareholder irrevocably submits to the jurisdiction of the courts of any such country.

The issue of Rollover Securities pursuant to the Alternative Offer (subject to implementation of the Rollover) is settled outside of CREST (certificated form only with no ISIN) and therefore cannot be supported by Euroclear for transformation purposes in respect of any CREST participant that submits a TTE Instruction for the Alternative Offer and any resolution of unsettled trades will need to be managed outside of CREST bilaterally between the CREST participants involved.

If the Scheme does not become Effective in accordance with its terms, any election made for the Alternative Offer shall cease to be valid. If you hold Scheme Shares in uncertificated form and the Scheme does not become Effective in accordance with its terms, the Escrow Agent will transfer back to you as soon as possible thereafter all of your Scheme Shares that were transferred to an escrow balance.

Part VII

FINANCIAL AND RATINGS INFORMATION

Part A: Financial information relating to HL

The following sets out financial information in respect of HL as required by Rule 24.3 of the Takeover Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference pursuant to Rule 24.15 of the Takeover Code:

- the unaudited preliminary results of HL for the financial year ended 30 June 2024 available from HL's website at www.hl.co.uk/investor-relations;
- the interim report and condensed financial statements of HL for the six months ended 31 December 2023 available from HL's website at www.hl.co.uk/investor-relations;
- the audited accounts of HL for the financial year ended 30 June 2023 are set out on pages 137 to 180 (both inclusive) in HL's annual report for the financial year ended 30 June 2023 available from HL's website at www.hl.co.uk/investor-relations; and
- the audited accounts of HL for the financial year ended 30 June 2022 are set out on pages 123 to 164 (both inclusive) in HL's annual report for the financial year ended 30 June 2022 available from HL's website at www.hl.co.uk/investor-relations.

Part B: HL ratings information

No ratings agency has publicly accorded HL with any current credit rating or outlook.

Part C: Financial information relating to Bidco

Bidco was incorporated on 1 July 2024 for the purpose of carrying out the Acquisition and has not traded or paid any dividends since its date of incorporation. Accordingly, no financial information is available or has been published in respect of it. Bidco has no material assets or liabilities, in each case other than those described in this Document in connection with the Acquisition.

Following the Scheme becoming Effective, the earnings, assets and liabilities of Bidco will include the consolidated earnings, assets and liabilities of the HL Group.

Part D: Bidco ratings information

There are no current ratings or outlooks publicly accorded to Bidco by ratings agencies.

No incorporation of website information

Save as expressly referred to herein, neither the content of HL's website, nor the content of any website accessible from hyperlinks on HL's website, is incorporated into, or forms part of, this Document.

Part VIII UK TAXATION

The comments set out below, which are intended as a general guide only, summarise certain limited aspects of the UK taxation treatment of Scheme Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme (and, without limitation, do not include analysis of tax considerations relating to participation in the HL Share Plans). They are based on current UK legislation and published HM Revenue and Customs (“**HMRC**”) practice (which may not be binding on HMRC) applying at 5 September 2024, being the latest practicable date prior to publication of this Document, both of which are subject to change, possibly with retrospective effect. They do not constitute legal or tax advice and do not purport to be a complete analysis of all UK tax considerations relating to the Scheme.

The comments apply only to certain categories of person and, in particular, may not apply to such persons as market makers, brokers, charities, trustees, dealers in securities, intermediaries, insurance companies, persons who have or could be treated for tax purposes as having acquired their Scheme Shares by reason of their employment or as holding their Scheme Shares as carried interest, collective investment schemes, exempt pension funds, persons subject to UK tax on the remittance basis, temporary non-residents, non-residents carrying on a trade, profession or vocation in the UK, and persons connected with depositary arrangements or clearance services, to whom special rules apply.

References below to “**UK holders**” are to Scheme Shareholders who: are resident in the UK for UK tax purposes; in the case of individuals, are domiciled or deemed domiciled for the relevant period solely in the UK for UK tax purposes and to whom “split year” treatment does not apply; do not have a permanent establishment, branch or agency in any jurisdiction with which the holding of the Scheme Shares is connected; hold their Scheme Shares as an investment (other than under a pension arrangement or an individual savings account); and are the absolute beneficial owners of their Scheme Shares.

The comments below relate to UK holders only, except in relation to stamp duty or stamp duty reserve tax.

SCHEME SHAREHOLDERS WHO ARE IN ANY DOUBT ABOUT THEIR TAX POSITION AND/OR WHO MAY BE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM ARE STRONGLY RECOMMENDED TO CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

UK taxation of chargeable gains — Cash Offer

The transfer of Scheme Shares under the Scheme in return for cash should be treated as a disposal of the relevant UK holder’s Scheme Shares for the purposes of UK capital gains tax (“**CGT**”) or UK corporation tax on chargeable gains (as applicable) and therefore may, depending on the UK holder’s particular circumstances (including the UK holder’s base cost in their holding of the Scheme Shares and the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to CGT or UK corporation tax on chargeable gains or, alternatively, an allowable capital loss.

Individual Scheme Shareholders

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Scheme Shares by an individual UK holder will be subject to CGT at the rate of 10 per cent. except to the extent that the gain, when it is added to the UK holder’s other taxable income and chargeable gains in the relevant tax year, takes the individual UK holder’s aggregate income and gains over the upper limit of the income tax basic rate band, in which case it will be taxed at the rate of 20 per cent.

The CGT annual exemption (£3,000 for the 2024/25 tax year) may be available to individual UK holders to offset against chargeable gains realised on the disposal of their Scheme Shares.

Corporate Scheme Shareholders

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Scheme Shares by a UK holder within the charge to UK corporation tax will be subject to UK corporation tax. The current rate of UK corporation tax on chargeable gains is 25 per cent. For UK holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Scheme Shares), indexation allowance may be available to reduce any chargeable gain arising on the disposal of their Scheme Shares. However, indexation cannot create or increase an allowable loss for corporation tax purposes. Indexation allowance is not available for any period of ownership from 1 January 2018.

UK taxation of chargeable gains — Alternative Offer

UK holders who elect for the Alternative Offer should consult their own professional advisers as to their tax position resulting from the making of such an election and the holding of Loan Notes and/or Rollover Securities.

UK holders are advised that no application for clearance has been made or is expected to be made to HMRC under section 138 of the Taxation of Chargeable Gains Act 1992 for confirmation that HMRC is satisfied that the exchanges which may be implemented in connection with the Alternative Offer will be effected for bona fide commercial reasons and will not form part of any scheme or arrangements of which the main purpose, or one of the main purposes, is an avoidance of liability to CGT or UK corporation tax.

It is intended that the Loan Notes constitute non-qualifying corporate bonds for holders of such Loan Notes who are UK tax resident individuals.

UK stamp duty and stamp duty reserve tax (SDRT)

No UK stamp duty or SDRT should be payable by Scheme Shareholders on the transfer of their Scheme Shares under the Scheme.

Part IX
ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The HL Independent Directors, whose names are set out in paragraph 2.1 of this Part IX (*Additional Information*), accept responsibility for the information contained in this Document (including any expressions of opinion), except for that information for which the Bidco Directors, CVC Responsible Persons, Platinum Ivy Responsible Persons, Nordic Capital Responsible Persons and OAPC Responsible Persons accept responsibility in accordance with paragraphs 1.3 to 1.6 below. To the best of the knowledge and belief of the HL Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 Adrian Collins, a non-executive director of HL, is not considered by HL to be independent for the purposes of the Acquisition by virtue of his appointment to the HL Board as a representative of Peter Hargreaves (a founder and existing major shareholder of HL who the HL Independent Directors believed the Consortium may seek to engage with early on in the pre-announcement period). As a result, Adrian Collins has not been treated as a HL Independent Director and has not participated in the consideration of the Acquisition by the HL Independent Directors or the decision of the HL Independent Directors to recommend the Cash Offer. Due to such restrictions on his participation in discussions of the HL Independent Directors since the initial approach by the Consortium, Adrian Collins accepts responsibility for the information contained in this Document (including any expressions of opinion), except for (a) information relating to (i) the terms and conditions of the Acquisition (including the Alternative Offer) or the Scheme, (ii) any steps or action to be taken or which have been taken (or agreements or arrangements which have been or are entered into) in relation to the implementation of the Acquisition (including the Alternative Offer) or the Scheme (other than statements regarding the irrevocable undertaking entered into by Adrian Collins and the impact of the Scheme on him (in paragraph 9 (*HL Directors and the effect of the Scheme on their interests*) of Part II (*Explanatory Statement*) of this Document) for which Adrian Collins accepts responsibility); (iii) the risk factors and investment considerations relating to the Alternative Offer (as identified in paragraph 4 of Part II (*Explanatory Statement*) of this Document), and (iv) the treatment of the HL Share Plans under the Acquisition (including the Alternative Offer) and/or the Scheme and the impact of the Acquisition (including the Alternative Offer) and/or the Scheme on participants in the HL Shares Plans as set out in paragraph 8 of Part II (*Explanatory Statement*) of this Document; (b) any information relating to the intentions, expectations, opinions or beliefs of the HL Independent Directors relating to the Acquisition (including the Alternative Offer) or the Scheme, including the information set out in paragraph 3 (*Background to and reasons for the recommendation of the Cash Offer*) and paragraph 14 (*Recommendation*) of Part I (*Letter from the Chair of HL*) of this Document; and (c) any information for which the Bidco Representatives, CVC Responsible Persons, Platinum Ivy Responsible Persons, Nordic Capital Responsible Persons and OAPC Responsible Persons accept responsibility in accordance with paragraphs 1.3 to 1.6 below. To the best of the knowledge and belief of Adrian Collins, the information contained in this Document for which he is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The CVC Responsible Persons, whose names are set out in paragraph 2.3 of this Part IX (*Additional Information*), and the CVC Bidco Representatives, each accept responsibility for the information contained in this Document (including any expressions of opinion) relating to them (and their close relatives, related trusts and other persons connected with them), the CVC Group, Bidco and the Topco Group (including, without limitation, information relating to Bidco's strategy and future intentions for HL). To the best of the knowledge and belief of the CVC Responsible Persons and the CVC Bidco Representatives (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, save as provided otherwise in this Document, neither the CVC Responsible Persons nor the CVC Bidco Representatives accept responsibility for any information (or expressions of opinion) contained in this Document relating to Nordic Capital, Nordic Capital XI Delta, Platinum Ivy, ADIA PED, ADIA or OAPC.
- 1.4 The Platinum Ivy Responsible Persons, whose names are set out in paragraph 2.4 of this Part IX (*Additional Information*), and the Platinum Ivy Bidco Representatives, each accept responsibility for the information contained in this Document (including any expressions of opinion) relating to them (and their close relatives, related trusts and other persons connected with them), Platinum Ivy, ADIA PED, ADIA,

Bidco and the Topco Group, (including, without limitation, information relating to Bidco's strategy and future intentions for HL). To the best of the knowledge and belief of the Platinum Ivy Responsible Persons and the Platinum Ivy Bidco Representatives (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, save as provided otherwise in this Document, neither the Platinum Ivy Responsible Persons nor the Platinum Ivy Bidco Representatives accept responsibility for any information (or expressions of opinion) contained in this Document relating to the CVC Group, Nordic Capital, Nordic Capital XI Delta or OAPC.

- 1.5 The Nordic Capital Responsible Persons, whose names are set out in paragraph 2.5 of this Part IX (*Additional Information*), and the Nordic Capital Bidco Representatives, each accept responsibility for the information contained in this Document (including any expressions of opinion) relating to them (and their close relatives, related trusts and other persons connected with them), Nordic Capital Fund XI, Bidco and the Topco Group (including, without limitation, information relating to Bidco's strategy and future intentions for HL). To the best of the knowledge and belief of the Nordic Capital Responsible Persons and the Nordic Capital Bidco Representatives (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, save as provided otherwise in this Document, neither the Nordic Capital Responsible Person nor the Nordic Capital Bidco Representatives accept responsibility for any information (or expressions of opinion) contained in this Document relating to the CVC Group, Platinum Ivy, ADIA PED, ADIA or OAPC.
- 1.6 The OAPC Responsible Persons, whose names are set out in paragraph 2.6 of this Part IX (*Additional Information*), each accept responsibility for the information in this Document (including any expression of opinion) relating to OAPC. To the best of the knowledge and belief of the OAPC Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this Document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The HL Independent Directors and their respective functions are as follows:

<u>Name</u>	<u>Position held</u>
Alison Platt	Chair
Dan Olley	Chief Executive Officer
Amy Stirling	Chief Financial Officer
Penny James	Senior Independent Non-Executive Director
John Troiano	Independent Non-Executive Director
Andrea Blance	Independent Non-Executive Director
Moni Mannings	Independent Non-Executive Director
Darren Pope	Independent Non-Executive Director
Michael Morley	Independent Non-Executive Director

HL's registered office is at: One College Square South, Anchor Road, Bristol, England, BS1 5HL.

Adrian Collins is a non-executive director of HL. Adrian Collins is not a HL Independent Director for the reasons described in paragraph 1.2 of this Part IX (*Additional Information*). As a result, Adrian Collins has recused himself from all meetings and discussions of the HL Board and therefore has not participated in the consideration of the Acquisition by the HL Independent Directors or the decision of the HL Independent Directors to recommend the Cash Offer as set out above.

As announced by HL on 4 September 2024, in light of other commitments and having successfully delivered and overseen implementation of the revised remuneration policy during FY 2024, Moni Mannings has notified the HL Board of her decision to step down from her position as an HL Director and chair of the Remuneration Committee with effect from the end of October 2024. Michael Morley, an independent non-executive director and member of the Remuneration Committee, will be appointed as interim chair of the Remuneration Committee at the end of October following a handover period.

- 2.2 The CVC Bidco Representatives, Platinum Ivy Bidco Representatives and Nordic Capital Bidco Representatives (being the Bidco Directors and, in the case of Christian Frick, an observer to the Bidco Board) and their respective functions are as follows:

<u>Name</u>	<u>Position held</u>	<u>Consortium affiliation</u>
Peter William James Rutland	Director of Bidco	CVC Bidco Representative
Faris Cassim	Director of Bidco	Platinum Ivy Bidco Representative
Richard Adam Riboe	Director of Bidco	Nordic Capital Bidco Representative
Pev Hooper	Director of Bidco	CVC Bidco Representative
Nawfal Belhachmi	Director of Bidco	Platinum Ivy Bidco Representative
Emil Anderson	Director of Bidco	Nordic Capital Bidco Representative
Christian Frick	Observer of the Bidco Board	Nordic Capital Bidco Representative

Bidco's registered office is at: C/O TMF Group 13th Floor, One Angel Court, London, United Kingdom, EC2R 7HJ.

- 2.3 The CVC Responsible Persons and their respective positions are set out below:

<u>Name</u>	<u>Position held</u>
Carl Hansen	Managing Director
Rob Lucas	Chief Executive Officer
Giampiero Mazza	Managing Partner
Christopher Stadler	Managing Partner
Javier de Jaime Guijarro	Managing Partner
Alex Dibelius	Managing Partner

The business address of each of the above CVC Responsible Persons is Level 1, IFC 1, Esplanade, St. Helier, Jersey, JE2 3BX.

- 2.4 The Platinum Ivy Responsible Persons and their respective positions are set out below:

<u>Name</u>	<u>Position held</u>
Hamad Aldhaheri	Executive Director of Private Equity, Private Equity Department ExCom member and ADIA Investment Committee member
Saif Almarshghouni	Deputy Director of Private Equity and Private Equity Department ExCom member
Jerome Mourgue D'Algue	Global Head of Private Equity and Private Equity Department ExCom Member
Kabir Mathur	Head of APAC Private Equity and Private Equity Department ExCom Member
Jean Philippe Barade	Head of EMEA Private Equity and Private Equity Department ExCom Member
Nasser Al Ketbi	Executive Director of ADIA Equities and ADIA Investment Committee member
Thomas Chevalier	Counsel, ADIA Legal Division
Joginder Anand	Senior Counsel, ADIA Legal Division
Majed Salem Khalifa Al Romaithi	2 nd Deputy Chairman, ADIA Investment Committee and Executive Director, Strategy & Planning

The business address of each of the above Platinum Ivy Responsible Persons is Abu Dhabi Investment Authority, 211 Corniche Street, PO Box 3600, Abu Dhabi, UAE.

2.5 The Nordic Capital Responsible Persons and their respective positions are set out below:

<u>Name</u>	<u>Position held</u>
Claes-Johan Geijer	Director of Nordic Capital XI, L.P. (acting through its general partner Nordic Capital XI Limited)
Michael Kelly	Director of Nordic Capital XI, L.P. (acting through its general partner Nordic Capital XI Limited)
Peter Rioda	Director of Nordic Capital XI, L.P. (acting through its general partner Nordic Capital XI Limited)
Clive Spears	Director of Nordic Capital XI, L.P. (acting through its general partner Nordic Capital XI Limited)
Reshenth Beeby	Director of Nordic Capital XI, L.P. (acting through its general partner Nordic Capital XI Limited)
Tamara Williams	Director of Nordic Capital XI, L.P. (acting through its general partner Nordic Capital XI Limited)

The business address of each of the above Nordic Capital Responsible Persons is Mäster Samuelsgatan 21, 9th floor, SE-111 44 Stockholm, Sweden.

2.6 The OAPC Responsible Persons and their respective positions are set out below:

<u>Name</u>	<u>Position held</u>
Randall Damstra	Chief Executive Officer and Chief Investment Officer of OAPC
David Reynolds	Chief Financial Officer and Chief Compliance Officer of OAPC

The business address of each of the above OAPC Responsible Persons is 200 Monroe Avenue NW, Grand Rapids, Michigan 49503.

3. Persons acting in concert

- 3.1 In addition to the HL Independent Directors (together with their close relatives and related trusts) and members of the HL Group (and their related pension schemes), the persons who, for the purposes of the Takeover Code, are acting in concert with HL in respect of the Acquisition and who are required to be disclosed are:

<u>Name</u>	<u>Registered office</u>	<u>Relationship with HL</u>
Fenchurch Advisory Partners LLP	110 Bishopsgate, London EC2N 4AY	Connected adviser
Barclays Bank PLC	1 Churchill Place, London E14 5HP	Connected adviser
Numis Securities Limited	45 Gresham Street, London, England, EC2V 7BF	Connected adviser
Morgan Stanley & Co. International plc	Legal Department, 25 Cabot Square, Canary Wharf, London, E14 4QA	Connected adviser
Hargreaves Lansdown EBT Trustees Limited	One College Square South, Anchor Road, Bristol, BS1 5HL	Trustee of HL's employee benefit trust
Hargreaves Lansdown Trustee Company Limited	One College Square South, Anchor Road, Bristol, BS1 5HL	Trustee of HL's share incentive plan trust
DBX Advisors LLC	The Corporation Trust Company, Corporation Trust Center 1209 Orange St, Wilmington, New Castle, DE, 19801	Group company of Deutsche Numis, a joint financial advisor and broker to HL

- 3.2 In addition to the Bidco Directors, the CVC Responsible Persons, the Nordic Capital Responsible Persons, the Platinum Ivy Responsible Persons and the OAPC Responsible Persons (together with their close relatives and related trusts) and members of the Consortium (and any related pension schemes), the

persons who, for the purposes of the Takeover Code, are acting in concert with Bidco in respect of the Acquisition and who are required to be disclosed are:

<u>Name</u>	<u>Registered office</u>	<u>Relationship with Bidco</u>
Goldman Sachs International	Plumtree Court, 25 Shoe Lane, London, EC4A 4AU	Connected adviser
ADIA	Abu Dhabi Investment Authority, 211 Corniche Street, PO Box 3600, Abu Dhabi, UAE	Controller of Platinum Ivy

4. Market quotations

4.1 The following table shows the Closing Price for HL Shares on the London Stock Exchange on:

- (a) 21 May 2024, being the last Business Day prior to the commencement of the Offer Period;
- (b) the first Business Day of each of the six months immediately before the date of this Document; and
- (c) 5 September 2024, being the latest practicable date prior to the publication of this Document.

<u>Date</u>	<u>Closing Price for HL Shares (pence)</u>
2 April 2024	738.0
1 May 2024	809.4
21 May 2024	932.8
3 June 2024	1,064.0
1 July 2024	1,127.0
1 August 2024	1,095.5
2 September 2024	1,103.0
5 September 2024	<u>1,105.0</u>

5. Interests and dealings in relevant securities

5.1 Definitions used in this section

For the purposes of this paragraph 5:

“**acting in concert**” with Bidco or HL, as the case may be, means any such person acting or deemed to be acting in concert with Bidco or HL, as the case may be, for the purposes of the Takeover Code;

“**connected adviser**” has the meaning given to it in the Takeover Code;

“**connected person**” in relation to a director of Bidco or HL includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;

“**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code) of a company, irrespective of whether such interest(s) give(s) de facto control;

“**dealing**” has the meaning given to it in the Takeover Code and “**dealt**” has the corresponding meaning;

“**derivative**” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

“**Disclosure Date**” means the close of business on 5 September 2024, being the latest practicable date prior to the publication of this Document;

“**Disclosure Period**” means the period commencing on 22 May 2023 (being the date 12 months prior to the date of commencement of the Offer Period) and ending on the Disclosure Date;

“**exempt fund manager**” and “**exempt principal trader**” have the meanings given to them in the Takeover Code;

“**financial collateral arrangements**” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code;

“**interest**” in relevant securities has the meaning given to it in the Takeover Code;

“**Note 11 arrangement**” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and confirmation of intent to vote in favour of the Scheme and/or related resolutions, details of which are set out in paragraph 5 of this Part IX (*Additional Information*));

“**Offer Period**” means the offer period (as defined by the Takeover Code) relating to HL which commenced on 22 May 2024;

“**relevant securities**” means:

- (a) HL Shares and any other securities of HL which carry voting rights;
- (b) equity share capital of HL or, as the context requires, Bidco; and
- (c) securities of HL or, as the context requires, Bidco, carrying conversion or subscription rights into any of the foregoing; and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

5.2 *Interests in relevant securities of HL*

HL

- (a) As at the Disclosure Date, the interests of the HL Directors (and their close relatives, related trusts and connected persons) in HL Shares (apart from options, which are described in paragraph (b) below) were as follows:

<u>HL Director</u>	<u>Number of HL Shares</u>	<u>Percentage of HL issued share capital</u>
Alison Platt	18,696	0.00
Dan Olley	7,242	0.00
Amy Stirling	24,392	0.01
John Troiano	14,400	0.00
Darren Scott Pope	3,999	0.00
Adrian Collins	13,400	0.00
TOTAL	82,129	0.02

- (b) As at the Disclosure Date, the HL Directors held the following outstanding options and awards over HL Shares under the HL Share Plans:

Dan Olley, Chief Executive Officer

<u>Scheme under which granted</u>	<u>Number of HL Shares in respect of which options granted</u>	<u>Date of grant</u>	<u>Exercise price per share (£)</u>	<u>Vesting date</u>	<u>Expiry / lapse date</u>
Performance Share Plan	150,618	18 December 2023	0	20 September 2026	18 December 2033
Sustained					
Performance Plan . .	46,675	20 September 2023	0	20 September 2026	20 September 2033
Sustained					
Performance Plan . .	48,668	20 September 2023	0	20 September 2023	20 September 2033
Sustained					
Performance Plan . .	6,042	20 September 2023	0	01 September 2024	20 September 2033

Scheme under which granted	Number of HL Shares in respect of which options granted	Date of grant	Exercise price per share (£)	Vesting date	Expiry / lapse date
Sustained Performance Plan . .	6,042	20 September 2023	0	01 September 2025	20 September 2033
Sustained Performance Plan . .	6,042	20 September 2023	0	01 September 2026	20 September 2033
Sustained Performance Plan . .	51,017	20 September 2023	0	31 October 2024	20 September 2033
Sustained Performance Plan . .	53,948	20 September 2023	0	01 March 2025	20 September 2033
2024 3 Year Sharesave Option . .	3,336	17 April 2024	5.56	01 June 2027	01 December 2027

Amy Stirling, Chief Financial Officer

Scheme under which granted	Number of HL Shares in respect of which options granted	Date of grant	Exercise price per share (£)	Vesting date	Expiry / lapse date
Performance Share Plan	93,878	18 December 2023	0	20 September 2026	18 December 2033
Deferred Performance Bonus Plan	3,747	21 September 2022	0	20 September 2024	19 September 2025
Deferred Performance Bonus Plan	3,747	21 September 2022	0	20 September 2025	19 September 2026
Deferred Performance Bonus Plan	18,716	20 September 2023	0	20 September 2024	19 March 2026
Deferred Performance Bonus Plan	18,716	20 September 2023	0	20 September 2025	19 March 2027
Deferred Performance Bonus Plan	18,718	20 September 2023	0	20 September 2026	19 March 2028
Sustained Performance Plan . .	30,955	21 September 2022	0	20 September 2027	19 October 2032
Sustained Performance Plan . .	33,567	20 September 2023	0	20 September 2026	20 September 2033
2022 3 Year Sharesave Option . .	2,227	28 April 2022	8.08	01 June 2025	01 December 2025

It is anticipated that, following the Disclosure Date, additional options under the HL Share Plans will be granted to the HL Executive Directors in September 2024 (at the same time as options granted to other HL employees under the HL Share Plans), in accordance with usual and past practice.

- (c) As at the Disclosure Date, the interests of persons acting in concert with HL in HL Shares were as follows:

Name	Number of HL Shares	Percentage of HL issued share capital (to two decimal places)
Hargreaves Lansdown EBT Trustees Limited	98,436	0.02
Hargreaves Lansdown Trustee Company Limited	20,725	0.00
DBX Advisors LLC	374,097	0.08

Bidco

- (d) As at the Disclosure Date, the interests of persons acting in concert with Bidco in HL Shares were as follows:

Interests

<u>Name</u>	<u>Nature of interest</u>	<u>Number of HL Shares</u>	<u>Percentage of HL issued share capital (to two decimal places)</u>
The Abu Dhabi Investment Authority .	Securities owned and/or controlled	375,212	0.08
The Abu Dhabi Investment Authority .	Cash-settled derivatives	614,233	0.13
Goldman Sachs Bank Europe SE	Securities borrowed	23,071	0.00
David Wells (acting in concert with CVC in relation to the Acquisition) . . .	Securities owned and/or controlled	100	0.00

Short positions

<u>Name</u>	<u>Number of HL Shares</u>	<u>Percentage of HL issued share capital (to two decimal places)</u>
The Abu Dhabi Investment Authority	60,650	0.01

5.3 Dealings in relevant securities in HL

During the Disclosure Period, except in relation to the HL EBT Trustee as set out below, none of the HL Directors or their close relatives, related trusts and connected persons, nor any other person acting in concert with HL, has dealt in HL Shares:

<u>Name of party</u>	<u>Date(s)</u>	<u>Nature of dealings</u>	<u>Number of HL Shares</u>	<u>Price per unit</u>
HL EBT Trustee	5 June 2024	Sale	9,000	£ 9.3175
HL EBT Trustee	6 June 2024	Sale	2,500	£ 9.3175
HL EBT Trustee	7 June 2024	Sale	539	Nil Cost
HL EBT Trustee	11 June 2024	Sale	5000	£ 9.3175
HL EBT Trustee	14 June 2024	Sale	9,907	Nil cost
HL EBT Trustee	21 June 2024	Sale	36,658	Nil cost
HL EBT Trustee	21 June 2024	Sale	958	£ 6.26
HL EBT Trustee	21 June 2024	Sale	33,000	£ 9.3175
HL EBT Trustee	11 July 2024	Sale	2,953	Nil cost
HL EBT Trustee	17 July 2024	Sale	10,000	£ 9.3175
HL EBT Trustee	19 August 2024	Sale	35,000	£ 9.3175
HL EBT Trustee	19 August 2024	Sale	1,714	Nil cost
HL EBT Trustee	21 August 2024	Sale	15,245	Nil cost

During the Disclosure Period, except in relation to the Abu Dhabi Investment Authority and Goldman Sachs Bank Europe SE as set out below, no person acting in concert with Bidco, has dealt in HL Shares:

Abu Dhabi Investment Authority

<u>Dates of dealings</u>	<u>Nature of dealings</u>	<u>Number of HL Shares</u>	<u>Low price per unit (£)</u>	<u>High price per unit (£)</u>
22 April 24 to 22 May 24	Purchase (CFD)	34,047	7.52	9.31
	Sale (CFD)	-12,149	7.39	8.55
	Purchase (Physical)	2,540	8.77	8.77
	Sale (Physical)	-16,289	8.09	8.14
22 March 24 to 21 April 24	Purchase (CFD)	13,712	7.28	7.57
	Sale (CFD)	-13,566	7.13	7.37
22 February 24 to 21 March 24	Purchase (CFD)	285,406	6.99	7.59
	Sale (CFD)	-35,689	6.94	7.52
	Purchase (Physical)	7,454	6.95	7.28
	Sale (Physical)	-31,280	6.93	6.93
22 November 23 to 21 February 24	Purchase (CFD)	338,995	7.01	7.50
	Sale (CFD)	-50,617	6.99	8.41
	Purchase (Physical)	44,552	7.18	7.23
	Sale (Physical)	-252,162	7.58	7.66
22 August 23 to 21 November 23	Purchase (CFD)	3,547	7.11	8.29
	Sale (CFD)	-8,122	6.82	8.00
	Purchase (Physical)	34,290	7.07	7.73
	Sale (Physical)	-29,836	7.11	7.11
22 May 23 to 21 August 23	Purchase (CFD)	8,770	7.81	8.64
	Sale (CFD)	-7,464	7.62	8.96
	Purchase (Physical)	1,427	8.32	8.32
	Sale (Physical)	-79,616	8.02	8.51

Goldman Sachs Bank Europe SE

<u>Dates of dealings</u>	<u>Nature of dealings</u>	<u>Number of HL Shares</u>	<u>Low price per unit (£)</u>	<u>High price per unit (£)</u>
22/05/2024	Loan (New)	-6,461	—	—
22/05/2024	Loan (New)	-5,671	—	—
22/05/2024	Loan (New)	-4,873	—	—
22/05/2024	Loan (Return)	701	—	—
22/05/2024	Loan (Return)	3,607	—	—
22/05/2024	Loan (Return)	4,970	—	—
22/05/2024	Loan (Return)	7,395	—	—
23/05/2024	Loan (Return)	4,873	—	—
23/05/2024	Loan (Return)	5,671	—	—
23/05/2024	Loan (Return)	6,461	—	—
23/05/2024	Borrow (New)	9,026	—	—
30/05/2024	Borrow (New)	7,779	—	—
05/06/2024	Borrow (New)	5,421	—	—
13/06/2024	Borrow (New)	21,007	—	—
14/06/2024	Borrow (Return)	-12,824	—	—
17/06/2024	Borrow (New)	7,987	—	—
19/06/2024	Borrow (New)	3,523	—	—
20/06/2024	Borrow (New)	30,103	—	—
21/06/2024	Borrow (New)	40,885	—	—
24/06/2024	Borrow (Return)	-4,410	—	—
25/06/2024	Borrow (Return)	-6,081	—	—
26/06/2024	Borrow (New)	1,430	—	—
27/06/2024	Borrow (Return)	-633	—	—
28/06/2024	Borrow (New)	814	—	—
01/07/2024	Borrow (Return)	-4,264	—	—
02/07/2024	Borrow (Return)	-3,322	—	—

<u>Dates of dealings</u>	<u>Nature of dealings</u>	<u>Number of HL Shares</u>	<u>Low price per unit (£)</u>	<u>High price per unit (£)</u>
03/07/2024	Borrow (New)	454	—	—
04/07/2024	Borrow (Return)	-2,082	—	—
08/07/2024	Borrow (Return)	-5,277	—	—
09/07/2024	Borrow (Return)	-1,569	—	—
10/07/2024	Borrow (Return)	-1,486	—	—
11/07/2024	Borrow (Return)	-1,333	—	—
12/07/2024	Borrow (Return)	-2,051	—	—
16/07/2024	Borrow (Return)	-6,983	—	—
17/07/2024	Borrow (Return)	-11,296	—	—
18/07/2024	Borrow (New)	10,898	—	—
19/07/2024	Borrow (New)	24,693	—	—
22/07/2024	Borrow (Return)	-161	—	—
22/07/2024	Borrow (Return)	-11,528	—	—
23/07/2024	Borrow (Return)	-7,585	—	—
23/07/2024	Borrow (Return)	-8,183	—	—
23/07/2024	Borrow (Return)	-8,673	—	—
23/07/2024	Borrow (Return)	-9,026	—	—
23/07/2024	Borrow (Return)	-10,737	—	—
23/07/2024	Borrow (Return)	-24,693	—	—
25/07/2024	Borrow (New)	2,298	—	—
26/07/2024	Borrow (New)	4,643	—	—
29/07/2024	Borrow (New)	712	—	—
30/07/2024	Borrow (Return)	-4,064	—	—
31/07/2024	Borrow (New)	374	—	—
01/08/2024	Borrow (Return)	-1,509	—	—
02/08/2024	Borrow (New)	814	—	—
05/08/2024	Borrow (New)	2,217	—	—
06/08/2024	Borrow (New)	4,286	—	—
07/08/2024	Borrow (New)	33,495	—	—
08/08/2024	Borrow (New)	2,853	—	—
12/08/2024	Borrow (Return)	-5,408	—	—
13/08/2024	Borrow (Return)	-27,222	—	—
14/08/2024	Borrow (Return)	-617	—	—
14/08/2024	Borrow (Return)	-4,286	—	—
14/08/2024	Borrow (Return)	-4,643	—	—
15/08/2024	Borrow (New)	3,233	—	—
16/08/2024	Borrow (Return)	-1,373	—	—
16/08/2024	Borrow (Return)	-2,298	—	—
16/08/2024	Borrow (Return)	-2,853	—	—
16/08/2024	Borrow (Return)	-3,295	—	—
16/08/2024	Borrow (Return)	-3,523	—	—
16/08/2024	Borrow (Return)	-3,715	—	—
19/08/2024	Borrow (New)	9,790	—	—
20/08/2024	Borrow (New)	2,213	—	—
21/08/2024	Borrow (Return)	-1,802	—	—
22/08/2024	Borrow (New)	2,928	—	—

5.4 **General**

Save as disclosed in this Document:

- (a) as at the Disclosure Date, none of: (i) Bidco; (ii) any director of Bidco, or any close relative, related trust or connected person of any such director; or (iii) any other person acting in concert with Bidco, had any interest in, right to subscribe in respect of, or short position in relation to relevant securities of HL; and no such person has dealt in any relevant securities of HL during the Disclosure Period;
- (b) as at the Disclosure Date, neither Bidco nor any person acting in concert with Bidco had borrowed or lent any relevant securities of HL (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;

- (c) as at the Disclosure Date, none of: (i) HL; (ii) any director of HL, or any close relatives, related trusts or connected person of any such director; or (iii) any other person acting in concert with HL, had any interest in, right to subscribe in respect of, or short position in relation to relevant securities of HL; and no such person has dealt in any relevant securities of HL during the Disclosure Period;
- (d) as at the Disclosure Date, neither HL nor any person acting in concert with it had borrowed or lent any relevant securities of HL (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (e) as at the Disclosure Date, neither: (i) HL; or (ii) any director of HL, or any close relative, related trust or connected person of any such director, had any interest in, right to subscribe in respect of, or short position in relation to relevant securities of Bidco; and no such person has dealt in any relevant securities during the Disclosure Period;
- (f) as at the Disclosure Date, save for the irrevocable undertakings and confirmation of intent described in paragraph 6 below, neither Bidco nor any person acting in concert with Bidco has any Note 11 arrangement with any other person;
- (g) as at the Disclosure Date, neither HL nor any person who is acting in concert with HL has any Note 11 arrangement with any other person; and
- (h) HL has not redeemed or purchased any relevant securities of HL in the period commencing on the first day of the Offer Period and ending on the last day of the Disclosure Period.

6. Irrevocable undertakings and statements of intent

6.1 *HL Independent Directors and Adrian Collins*

Bidco has received irrevocable undertakings from the HL Independent Directors who hold HL Shares and from Adrian Collins to vote (or, where applicable, procure the voting) in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept, or procure the acceptance of, the Offer) in respect of, in aggregate, 82,129 HL Shares, representing approximately 0.02 per cent. of HL's issued share capital as at 5 September 2024 being the latest practicable date prior to publication of this Document, comprised as follows:

<u>Name of Director</u>	<u>Total Number of HL Shares</u>	<u>Percentage of issued share capital</u>
Alison Platt	18,696	0.00
Dan Olley	7,242	0.00
Amy Stirling	24,392	0.01
John Troiano	14,400	0.00
Darren Scott Pope	3,999	0.00
Adrian Collins	13,400	0.00
Total	82,129	0.02

The irrevocable undertakings also extend to any HL Shares acquired by the HL Independent Directors as a result of the vesting of awards or the exercise of options under the HL Share Plans.

The irrevocable undertakings referred to above remain binding if a higher competing offer for HL is made but will cease to be binding: (i) if Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time; (ii) if the Scheme lapses or is withdrawn in accordance with its terms and no new, revised or replacement offer or scheme is announced at the same time; (iii) at 11.59 p.m. on the Long Stop Date (or, in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, on the longstop date provided for in the terms of such offer in accordance with Rule 12 of the Takeover Code); or (iv) on the date on which any competing offer for HL becomes or is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

6.2 Other HL Shareholders

In addition to the HL Independent Directors and Adrian Collins, Peter Hargreaves has given an irrevocable undertaking to vote (or, where applicable, procure the voting) in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept, or procure the acceptance of, the Offer) in respect of his own beneficial holdings of HL Shares (or those HL Shares over which he has control), and to elect to receive the Cash Consideration in respect of 50 per cent. of his HL Shares, and the Alternative Offer in respect of the remaining 50 per cent. of his HL Shares:

<u>Name</u>	<u>Total Number of HL Shares</u>	<u>Percentage of issued share capital</u>
Peter Hargreaves	93,838,474	19.8

This irrevocable undertaking remains binding if a higher competing offer for HL is made but ceases to be binding:

- (i) upon the earlier of: (a) the Long Stop Date; and (b) the date on which the Acquisition (whether implemented by way of a Scheme or an Offer) is withdrawn or lapses in accordance with its terms or (if the Acquisition is implemented by way of a Scheme) otherwise becomes incapable of ever becoming effective (as agreed by the Panel (if required)), in each case, other than in circumstances where the Acquisition is withdrawn or lapses as a result of Bidco electing prior to such applicable date, to exercise its right to implement the Acquisition by way of an Offer and announcing the same in accordance with the requirements of paragraph 8 of Appendix 7 of the Takeover Code, and such Offer has not lapsed or been withdrawn;
- (ii) if Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement scheme or takeover offer being announced by Bidco (or any affiliate) pursuant to and in accordance with Rule 2.7 of the Takeover Code at the same time; or
- (iii) if a competing offer for the entire issued and to be issued ordinary share capital of HL is made, and such offer becomes or is declared unconditional (if implemented by way of takeover offer (within the meaning of section 974 of the Companies Act)) or effective (if implemented by way of a scheme of arrangement under Part 26 of the Companies Act).

Stephen Lansdown has also provided a non-binding written confirmation of intent to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of an Offer, to accept such Offer) and to elect to receive the Cash Consideration in respect of all of his HL Shares being a total of 27,087,419 HL Shares, representing approximately 5.7 per cent. of HL's issued share capital on 5 September 2024, being the latest practicable date prior to publication of this Document.

7. Service contracts and letters of appointment of the HL Directors

7.1 HL Executive Directors

The HL Executive Directors have entered into service agreements with the HL Group as summarised below:

Dan Olley's appointment as Chief Executive Officer commenced on 7 August 2023. He is engaged under a service agreement with HL dated 8 December 2022. His current annual base salary is £730,000.

Amy Stirling's appointment as Chief Financial Officer commenced on 21 February 2022. She is engaged under a service agreement with HL dated 2 December 2021. Her current annual base salary is £543,375.

Each HL Executive Director's base salary is reviewed annually, with any increase usually effective from 1 July.

The HL Executive Directors are eligible to participate in an annual discretionary bonus scheme. The maximum potential bonus opportunity is 250% of base salary for the CEO and is 220% of base salary for the CFO. The HL Executive Directors are also eligible to participate in the PSP (with maximum opportunities of 150% of base salary for the CEO and 130% of base salary for the CFO), and the SPP

(with maximum opportunities of 50% of base salary for each of the CEO and CFO). The HL Executive Directors may also participate in all employee HL Share Plans such as the Sharesave.

The HL Executive Directors are entitled to reimbursement of reasonable expenses incurred by them in the performance of their duties. The HL Executive Directors are also entitled to various additional benefits, including permanent health insurance and life insurance. The HL Executive Directors are also entitled to employer pension contributions of up to 11% of base salary, in line with the wider workforce rate. Alternatively, the HL Executive Directors can elect to benefit from a pension redirection mechanism where they can contribute to a Fund & Share Account and receive up to a maximum 11% employer matching contribution.

Each HL Executive Director's service agreement is terminable on 12 months' notice either by the HL Executive Director or HL. HL may also terminate either service agreement with immediate effect in certain specified summary dismissal circumstances, including in the event of the relevant HL Executive Director's gross misconduct. In addition, HL may terminate such HL Executive Director's appointment with immediate effect and make a payment in lieu of notice (base salary and employer pension contributions only) for any unexpired notice period. Any such payment must (in the case of the CEO) or may (in the case of the CFO) be paid in equal monthly instalments, in which case the instalments will be reduced to the extent the HL Executive Director secures alternative paid employment or engagement.

Each HL Executive Director is subject to post-termination restrictions for a period of up to 12 months after termination (less any period spent on garden leave). In summary, the CEO's covenants restrict him from: (i) soliciting HL clients or prospective clients; (ii) dealing with HL clients; (iii) soliciting any director of a member of the HL Group, or any member of the HL executive committee (or a direct report of a member of the HL executive committee); (iv) competing with the business of the HL Group; or (v) being employed or engaged in a business which is or is about to be in competition with the business of the HL Group. In summary, the CFO's covenants restrict her from: (i) soliciting HL clients; (ii) employing, engaging or enticing away senior HL staff; (iii) being involved in any capacity with a competing business; and (iv) dealing with HL clients.

7.2 The Chair and the other HL Non-Executive Directors

The HL Non-Executive Directors have entered into letters of appointment with the HL Group as summarised below. The appointment of each HL Non-Executive Director is subject to their continued satisfactory performance, annual re-election by HL Shareholders, applicable regulatory requirements, and the Articles. If a HL Non-Executive Director is not re-elected, their appointment will terminate immediately without compensation.

Under the letters of appointment, the HL Non-Executive Directors are typically appointed for an initial three-year term, subject to the approval of the HL Board and re-election at annual general meetings of HL.

Each HL Non-Executive Director's letter of appointment is terminable by either party on three months' written notice (or six months' written notice, in the case of the Chair, Alison Platt). Each HL Non-Executive Director's letter of appointment is also terminable by HL with immediate effect in certain circumstances, including for example if the HL Non-Executive Director: (i) commits a serious or repeated breach or non-observance of their obligations to HL; (ii) is guilty of any fraud or dishonesty or has acted in a manner which, in the opinion of HL, brings or is likely to bring the HL Non-Executive Director or HL into disrepute; (iii) is convicted of an arrestable criminal offence; (iv) is declared bankrupt; or (v) is disqualified from acting as a director. As Adrian Collins is appointed as a non-executive director pursuant to the shareholders' agreement between Peter Hargreaves and HL, his appointment may also be terminated if Peter Hargreaves' shareholding requirement entitling him to appoint a director is no longer satisfied.

The HL Non-Executive Directors may be eligible to receive reimbursement of reasonable and properly documented expenses incurred in the proper performance of their duties.

The HL Non-Executive Directors are each subject to post-termination non-competition covenants for a period of three months after termination.

<u>Name</u>	<u>Additional responsibilities</u>	<u>Commencement of appointment</u>	<u>Original letter of appointment date</u>	<u>Fees (per annum)</u>
Alison Platt (Chair)	Non-executive Chair; Nomination and Governance Committee Chair	6 February 2024	28 November 2023	£340,000
John Troiano	—	1 January 2020	1 January 2020	£114,150
Andrea Blance . . .	Risk Committee Chair	1 September 2020	17 August 2020	£ 95,250
Moni Mannings . . .	Remuneration Committee Chair	1 September 2020	17 August 2020	£ 95,250
Adrian Collins	—	2 November 2020	20 October 2020	£ 74,150
Penny James	Senior Independent Director	1 September 2021	25 June 2021	£ 90,000
Darren Pope	Audit Committee Chair	1 September 2022	16 June 2022	£ 95,250
Michael Morley . . .	—	1 August 2023	7 July 2023	£ 74,150

HL also maintains directors' and officers' liability insurance for the benefit of each HL Director and the HL Directors are entitled to the benefit of a qualifying third party indemnity provision (as defined by Section 234 of the Companies Act 2006) pursuant to the Articles.

The HL Non-Executive Directors are not permitted to participate in the HL Share Plans, bonus or pension schemes.

7.3 *Other service contracts*

Save as disclosed above, there are no service contracts between any HL Director or proposed Director of HL and any member of the HL Group and no such contract has been entered into or amended within the six months preceding the date of this Document.

8. **Material contracts and offer-related arrangements**

8.1 *HL material contracts*

Save for the offer-related arrangements described in paragraph 12 of Part II (*Explanatory Statement*) of this Document, no member of the HL Group has, during the period commencing on 22 May 2022 (being the date that is two years before the commencement of the Offer Period) and ending on 5 September 2024 (being the latest practicable date prior to publication of this Document), entered into any material contract otherwise than in the ordinary course of business.

8.2 *Bidco material contracts*

Save as disclosed below and save for the offer-related arrangements described in paragraph 12 of Part II (*Explanatory Statement*) of this Document, no member of the Topco Group has, during the period commencing on 22 May 2022 (being the date that is two years before the commencement of the Offer Period) and ending on 5 September 2024 (being the latest practicable date prior to publication of this Document), entered into any material contract otherwise than in the ordinary course of business.

(a) *Consortium JVCo Term Sheet*

The term sheet sets out the key principles pursuant to which the Consortium Members will each hold their investment in the Consortium JVCo and sets out the agreement on certain other matters relating to the governance, shareholding structure and activities of Consortium JVCo and the Topco Group. The principal terms included in this term sheet will be documented in a separate long-form shareholders' agreement between the Consortium Members.

The terms of the term sheet provide that (amongst other things):

- (1) the boards of Consortium JVCo, Topco, Midco 1, Midco 2 and Finco shall comprise of one director appointed by each Consortium Member, and the board of Bidco shall comprise a chair and independent directors (appointed by the Consortium), two directors appointed by each Consortium Member and one director appointed by any Substantial B Shareholder;

- (2) certain activities of Consortium JVCo and the Topco Group will be subject to customary veto rights in favour of the Consortium Members (or certain of them, depending on ownership levels in Consortium JVCo from time to time). These include, among other things, any return of capital that is not on a pro-rata basis, any amendments to the constitutional documents which would be materially or disproportionately adverse to any Consortium Member, changing the business purpose of Consortium JVCo and the Topco Group and the approval of any budget or business plan;
- (3) each Consortium Member has pro rata pre-emption rights on any proposed issuance of securities in Consortium JVCo (excluding customary issuances), with a catch-up right in the event of emergency issuances;
- (4) transfers of shares in Consortium JVCo, prior to a five-year lock-up period, are only permitted in certain circumstances, including, among others, affiliate transfers, pursuant to the exercise of syndication rights and where the Consortium Members unanimously agree to the transfer. Any proposed transfer following the lock-up period shall be subject to a right of first offer and pro-rata tag along right in favour of the other Consortium Members. The decision to compel an IPO, or sale of, Consortium JVCo or any other member of the Topco Group following the lock-up period is subject to certain investment return thresholds being met and the approval of certain Consortium Members (which depends on ownership levels in Consortium JVCo from time to time and when such sale or IPO is proposed); and
- (5) the term sheet also includes other customary provisions, including: (i) exit and regulatory filings cooperation undertakings; (ii) non-solicitation undertakings; and (iii) information rights.

(b) Interim Facilities Agreement

Under the terms of the Interim Facilities Agreement, the Original Interim Lenders (as defined therein) agree to make available to Finco an interim term loan facility in an aggregate amount of £1,750 million ("**Interim Facility B**").

The proceeds of interim loans drawn by Finco under the Interim Facilities Agreement are to be made available to Bidco, to be applied by Bidco towards, among other things, financing or refinancing the aggregate cash consideration payable by Bidco pursuant to the Acquisition and/or refinancing or otherwise discharging certain existing indebtedness of the HL Group.

Interim Facility B is available to be drawn in sterling.

Under the Interim Facilities Agreements, Interim Facility B is available to be drawn, subject to satisfaction of the conditions precedent set out in the Interim Facilities Agreement, from (and including) the date of the Interim Facilities Agreement to (and including) 11:59 p.m. on the last day of the Certain Funds Period (as defined below).

Under the Interim Facilities Agreement, "Certain Funds Period" is defined as the period from (and including) the date of the applicable Interim Facilities Agreement to (and including) 11:59 p.m. on the earliest to occur of: (a) if the Acquisition is intended to be completed pursuant to a Scheme, the date falling twenty (20) Business Days after (and excluding) the date on which the Scheme lapses (including, subject to exhausting any rights of appeal, if a relevant court refuses to sanction the Scheme), terminates or is withdrawn in writing with the written approval of the Panel, in each case, in accordance with its terms in the Announcement or Scheme Document (other than (i) where such lapse, termination or withdrawal is as a result of the exercise of Bidco's right to effect a switch from the Scheme to an Offer or (ii) it is otherwise to be followed within such twenty (20) Business Days by an Announcement by Bidco to implement the Acquisition by a different offer or scheme (as applicable)); (b) if the Acquisition is intended to be completed pursuant to an Offer, the date falling twenty (20) Business Days after (and excluding) the date on which the Offer lapses, terminates or is withdrawn with the written approval of the Panel, in each case, in accordance with its terms in the Announcement or Offer Document (other than (i) where such lapse, termination or withdrawal is as a result of the exercise of Bidco's right to effect a switch from the Offer to a Scheme or (ii) it is otherwise to be followed within such twenty (20) Business Days by an Announcement by Bidco to implement the Acquisition by a different offer or scheme (as applicable)); (c) (i) if the Acquisition is intended to be completed pursuant to a Scheme, the date which is six (6) weeks after (and excluding) the date falling nine (9) months after (and excluding) the date of the first public announcement; or (ii) if the Acquisition is intended to be completed pursuant to an Offer, the date which is eight

(8) weeks after (and excluding) the date falling nine (9) months after (and excluding) the date of the first public announcement (in each case, the “**Commitment Long Stop Date**”); or (d) the date falling forty (40) Business Days after (and excluding) 2 August 2024, to the extent the first public announcement has not been made on or prior to such date or, in each case, such later time and date as agreed by the Interim Lenders (as defined in the Interim Facilities Agreement) (acting reasonably and in good faith) provided that: (i) a switch from a Scheme to an Offer or from an Offer to a Scheme (or, for the avoidance of doubt, any amendments to the terms or conditions of a Scheme or an Offer) shall not constitute a lapse, termination or withdrawal; and (ii) if an initial drawdown has occurred under the Interim Facilities Agreement, the Commitment Long Stop Date (as defined in the Interim Facilities Agreement) shall automatically be extended to 11:59 p.m. on the Final Repayment Date under the Interim Facilities Agreement, to the extent that the Final Repayment Date would otherwise fall after the Commitment Long Stop Date.

The final maturity date of the Interim Facility B under the Interim Facilities Agreement is ninety (90) days in total following the date on which first payment is made to the shareholders of HL as required by the Offer or Scheme (as applicable) in accordance with the Takeover Code (provided that first drawdown under Interim Facility B has occurred on or prior to such date) (the “**Final Repayment Date**”) (by which date Interim Facility B would need to be replaced and refinanced). Interim Facility B may also be voluntarily prepaid and/or cancelled at any time on one (1) business days’ prior notice.

The Interim Facilities Agreement contains customary representations and warranties, affirmative and negative covenants (including covenants in respect of financial indebtedness, disposals, security, permitted holding company activity, dividends and share redemption, acquisitions and mergers and conduct of the Offer and/or Scheme), indemnities and events of default, each with appropriate carve-outs and materiality thresholds and applicable to Finco and, where applicable, Topco (and with Finco having procurement obligations in respect of Bidco’s conduct of the Offer and/or Scheme).

The rate of interest payable on each loan drawn under Interim Facility B is the aggregate of the applicable margin (being 5.50 per cent. per annum) plus the sterling overnight index average (subject to a zero per cent. floor).

Certain fees are also payable under the terms of the Interim Facilities Agreement and ancillary documentation.

As a condition precedent to the first drawdown of Interim Facility B under the Interim Facilities Agreement, the secured parties under the Interim Facilities Agreement receive the benefit of security including (1) a Jersey law limited recourse security agreement granting third party security in respect of (i) Topco’s shares in the capital of the Finco and (ii) structural intercompany receivables owed to Topco by the Finco, (2) an English law governed security agreement containing: (i) a share pledge in respect of Finco’s shares in the capital of Bidco; (ii) bank account security in respect of Finco’s material bank accounts located in England; and (iii) a security assignment in respect of structural intercompany receivables owed to Finco by Bidco, and (3) a Jersey law governed bank account security in respect of Finco’s material bank accounts located in Jersey.

(c) Equity Commitment Letters

In connection with the financing of the Acquisition: (i) certain of the CVC Private Equity Funds; (ii) Nordic Capital XI Delta; and (iii) Platinum Ivy B 2018 RSC Limited each entered into separate equity commitment letters with Bidco, each dated 9 August 2024, pursuant to which, among other things, each of them agreed to provide equity financing to Bidco, in each case, up to an aggregate amount of £1,033,728,520 in order that Bidco can use the funds to finance the cash consideration payable under the Acquisition.

9. Financing and cash confirmation

- 9.1 The cash consideration payable to HL Shareholders under the terms of the Acquisition will be financed by a combination of: (i) equity to be invested by CVC Private Equity Funds, Nordic Capital Fund XI and Platinum Ivy; and (ii) debt to be provided under an Interim Facilities Agreement provided by certain third party lenders comprising of a £1.75 billion interim senior term loan facility. Certain of the equity commitments described at (i) above will be provided by the Equity Co-Investor in Co-Investment Vehicle(s) (the Equity Co-Investor will be passive and not be granted any governance or control rights over Bidco or any member of the Topco Group or HL Group). Further details of the financing

arrangements relating to the Topco Group are set out in paragraphs 8.2 and 10 of this Part IX (*Additional Information*).

- 9.2 Goldman Sachs, in its capacity as financial adviser to Bidco, confirms that it is satisfied that sufficient cash resources are available to Bidco to satisfy in full the cash consideration payable to HL Shareholders under the terms of the Acquisition.

10. Equity syndication

- 10.1 In connection with the equity financing of Bidco, Nordic Capital has received equity commitments from an investment vehicle managed and controlled by Ottawa Avenue Private Capital (“OAPC”, or the “**Equity Co-Investor**”).
- 10.2 The Equity Co-Investor is expected to hold minority indirect interests in Bidco through one or more passive co-investment vehicles, managed and controlled by Nordic Capital (the “**Co-Investment Vehicles**”). The Equity Co-Investor is expected to be a passive investor who will not be granted any direct governance or control rights over Bidco or any member of the Topco Group or HL Group. For the avoidance of doubt, the equity commitment letter provided by Nordic Capital XI Delta to Bidco, dated 9 August 2024 and referred to in paragraph 8.2(c) of this Part IX (*Additional Information*), does not reflect any amounts proposed to be committed by the Equity Co-Investor.
- 10.3 As at the date of this Document, the Equity Co-Investor’s commitments total, in aggregate, £158,848,447, which would comprise a maximum economic indirect interest in Bidco, assuming that Peter Hargreaves elects to receive the Alternative Offer provided for in his irrevocable undertaking as described in paragraph 6 of Part I (*Letter from the Chair of HL*) of this Document, of approximately 3 per cent.
- 10.4 Details of the maximum potential indirect interests of the Equity Co-Investor in Bidco, and certain further information on the Equity Co-Investor, are set out below. The maximum potential indirect interests set out below reflect a combination of the indirect interest of the Equity Co-Investor in Bidco, in the aggregate, via its participation as a passive investor in one or more Co-Investment Vehicles and through its participation in Nordic Capital Fund XI.

*Equity Co-Investor (or its affiliate(s)
and/or related investing vehicle(s))*

*Equity Co-Investor’s approx. max per cent.
indirect interest in Bidco in accordance
with paragraph 10.2.1 above*

OAPC

3 per cent.

OAPC

- 10.4.1 OAPC is an investment advisory firm that was founded in 2015 and is based in Grand Rapids, Michigan. OAPC manages investments in private assets, including primary fund commitments, co-investments, minority equity investments in fund managers, and other alternative asset classes in the U.S. and Western Europe on behalf of a variety of family offices.

11. Significant change

Save as disclosed in this Document, there has been no significant change in the financial or trading position of the HL Group since 30 June 2024, being the date to which HL’s last published preliminary results were prepared.

12. Sources and bases of selected financial information

In this Document, unless otherwise stated or the context otherwise requires, the following sources and bases have been used.

- 12.1 The fully diluted issued ordinary share capital of 477,572,502 HL Shares is based on:
- (a) 474,318,625 HL Shares in issue as at 5 September 2024 (being the latest practicable date prior to publication of this Document); plus
 - (b) 3,352,313 HL Shares which may be issued pursuant to the HL Share Plans on or after 5 September 2024 (being the latest practicable date prior to publication of this Document), save for share options granted under the CSOP which are expressed by reference to those which may be issued on or after 7 August 2024 (being the latest practicable date before the Rule 2.7 Announcement), less 98,436 HL Shares held by the HL EBT Trustee which can be used to satisfy the exercise of options under

the HL Share Plans, as at 5 September 2024 (being the latest practicable date prior to publication of this Document).

- 12.2 The value of approximately £5,443 million for the entire issued and to be issued share capital of HL is based on:
- (a) Cash Consideration of 1,110 pence per HL Share;
 - (b) HL's fully diluted issued ordinary share capital of 477,572,502 HL Shares, as set out in paragraph 12.1 above; and
 - (c) a dividend of 30 pence per HL Share in respect of the Financial Year ended 30 June 2024 to be received by holders of the 474,318,625 HL Shares in issue as at 5 September 2024 (being the latest practicable date prior to publication of this Document) as set out in paragraph 12.1 above.
- 12.3 Unless otherwise stated, the financial information of HL is extracted (without material adjustment) from the 2023 HL Annual Report, audited accounts of the HL Group for the 12 months ended 30 June 2023 and the unaudited, consolidated financial statements of HL for the six months ended 31 December 2023 and the twelve months ended 30 June 2024.
- 12.4 The volume-weighted average prices have been derived from Bloomberg data based on volumes traded from 21 February 2024 (for three-month) and 21 November 2023 (for six-month) and have been rounded to the nearest whole number.
- 12.5 Certain figures included in this Document have been subject to rounding adjustments.

13. Incorporation by reference

- 13.1 Parts of other documents are incorporated by reference in, and form part of, this Document.
- 13.2 Part VII (*Financial and Ratings Information*) of this Document sets out which sections of such documents are incorporated into this Document.
- 13.3 A person who has received this Document may request a copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA or via the Shareholder Helpline which can be accessed by calling Equiniti on +44 (0)371 384 2050. The Shareholder Helpline cannot provide advice on the merits of the Acquisition or the Scheme (including the Alternative Offer) nor give any financial, legal or tax advice.

14. Other information

- 14.1 Goldman Sachs (as financial adviser to Bidco and the Consortium), Fenchurch, Barclays and Deutsche Numis (as joint financial advisers to HL) and Morgan Stanley (as special financial adviser to the HL Independent Directors) have each given and not withdrawn their consent to the publication of this Document with the inclusion herein of the references to their names in the form and context in which they appear.
- 14.2 Save as disclosed in this Document, there is no agreement, arrangement or understanding (including any compensation arrangement) between Bidco or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of HL, or any person interested or recently interested in HL Shares, having any connection with or dependence on or which is conditional upon the outcome of the Acquisition.
- 14.3 Save as set out in this Document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the HL Shares to be acquired by Bidco will be transferred to any other person, save that Bidco reserves the right to transfer any such shares to any other member of the Topco Group.
- 14.4 Save with the consent of the Panel, settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be, entitled against any such Scheme Shareholder.
- 14.5 Save as disclosed in this Document, the emoluments of the HL Directors and the Bidco Directors will not be affected by the Acquisition or any other associated transaction.

- 14.6 There is no agreement or arrangement to which Bidco is a party which relates to the circumstances in which it may or may not invoke a condition to the Scheme.

15. Fees and expenses

- 15.1 The aggregate fees and expenses which are expected to be incurred by Bidco in connection with the Acquisition are estimated to amount to approximately £123.4 million plus applicable VAT and other taxes. This aggregate number consists of the following categories:

<u>Category</u>	<u>Amount — £m</u>
Financing arrangements	45.4
Financial and corporate broking advice	22.0
Legal advice	13.7
Accounting advice	1.3
Public relations advice	1.9
Other professional services	6.9
Other costs and expenses ⁽²⁾	32.2
Total	123.4

- 15.2 The aggregate fees and expenses which are expected to be incurred by the HL Group in connection with the Acquisition are estimated to amount to approximately £68.6 million - £74.1 million plus applicable VAT and other taxes. This aggregate number consists of the following categories:

<u>Category⁽¹⁾</u>	<u>Amount — £m</u>
Financial and corporate broking advice ⁽²⁾⁽⁴⁾	57.2 - 62.7
Legal advice ⁽²⁾⁽³⁾	10.1
Public relations advice ⁽²⁾	0.8
Other costs and expenses ⁽²⁾	0.5
Total	68.6 - 74.1

(1) Certain of these services are provided on the basis of an estimated range of fees payable. The amounts included here reflect an estimate of the amount payable.

(2) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.

(3) These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to 5 September 2024 (being the latest practicable date prior to publication of this Document) and an estimate of the residual amount of time required until the Effective Date.

(4) An element of the fees for financial and corporate broking advice is discretionary.

16. Documents available for inspection

Until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn) copies of the documents set out below will be available via the link on HL's website at: www.hl.co.uk/investor-relations. Neither the contents of the website referred to in this paragraph, nor any other website accessible from it, is incorporated into or forms part of this Document.

16.1 this Document;

16.2 the announcement of publication of this Document, released on the date hereof;

16.3 the Forms of Proxy;

16.4 the Form of Election;

16.5 the Articles;

16.6 a draft of the Articles as proposed to be amended by the Special Resolution;

16.7 the financial and ratings information referred to in Part VII (*Financial and Ratings Information*) of this Document;

16.8 the financial information relating to HL referred to in paragraph A of Part VII (*Financial Information and Ratings Information*) of this Document;

- 16.9 the written consent from each of Goldman Sachs, Fenchurch, Barclays, Deutsche Numis and Morgan Stanley referred to at paragraph 14.1 of this Part IX (*Additional Information*) of this Document;
- 16.10 a summary of the dealings in HL Shares by Abu Dhabi Investment Authority during the Disclosure Period;
- 16.11 copies of the irrevocable undertakings and the non-binding confirmation of intent referred to at paragraph 6 of this Part IX (*Additional Information*);
- 16.12 the documents relating to the financing of the Acquisition referred to in paragraph 8.2 of this Part IX (*Additional Information*), as well as certain additional documents relating to Bidco's financing arrangements;
- 16.13 the Rule 2.7 Announcement;
- 16.14 the Revised Topco Shareholders' Agreement;
- 16.15 the Revised Topco Articles;
- 16.16 the Bidco Articles;
- 16.17 the Put and Call Deeds;
- 16.18 the instruments that will constitute the Loan Notes;
- 16.19 the Consortium JVCo Term Sheet;
- 16.20 the Confidentiality Agreement;
- 16.21 the Clean Team Agreement; and
- 16.22 the Joint Defence Agreement.

Part X
RULE 24.11 ESTIMATE OF VALUE LETTER

The Directors
Harp Bidco Limited
C/O Tmf Group 13th Floor
One Angel Court
London EC2R 7HJ
United Kingdom

6 September 2024

**Recommended Final* Cash Acquisition of Hargreaves Lansdown plc (“HL”)
by Harp Bidco Limited (“Bidco”)**

(a newly formed company to be indirectly owned by CVC Private Equity Funds (“CVC”), Nordic Capital XI Delta, SCSp (“Nordic Capital”) (acting through its general partner, Nordic Capital XI Delta GP SARL) and Platinum Ivy B 2018 RSC (“Platinum Ivy”), altogether “the Consortium”)

Estimated Value of Rollover Securities

Dear Sirs,

Pursuant to the requirements of Rule 24.11 of the Takeover Code, you have requested our opinion as to the estimated value of the Rollover Securities offered by Bidco to eligible HL Shareholders under the Alternative Offer (the “**Estimated Value**”). Capitalised terms used in this letter will, unless otherwise stated, have the same meanings given to them in the document of which this letter forms part dated 6 September 2024 (being, the “**Scheme Document**”).

Under the terms of the Acquisition, if it becomes Effective, for each HL Share held, HL Shareholders will be entitled to the Cash Offer of 1,140 pence per HL Share which includes the 2024 Full-Year Dividend of 30 pence per HL Share. As an alternative to the Cash Consideration of 1,110 pence per HL Share, eligible HL Shareholders may elect (subject to the terms and conditions set out in the Scheme Document) to participate in the Alternative Offer by exchanging some or all of their HL Shares for Bidco Loan Notes which will, subject to implementation of the Rollover, ultimately be exchanged for B ordinary shares in the capital of Topco having the rights of “B Ordinary Shares” set out in the Topco Articles (as amended from time to time) (the “**Rollover Securities**”). Eligible HL Shareholders will be able to elect for the Alternative Offer in relation to some or all of their holdings of HL Shares and will receive (subject to implementation of the Rollover):

for each HL Share: 1 Rollover Security.

The maximum number of Rollover Securities available to HL Shareholders under the Alternative Offer will be limited to 35 per cent. of the issued ordinary share capital of Topco at completion of the Acquisition (the “**Alternative Offer Maximum**”). References to the issued ordinary share capital of Topco at completion of the Acquisition in this letter shall be calculated by reference to the estimated issued share capital of Topco based on the number of HL Shares in issue at the Effective Date and the maximum number of HL Shares in respect of which options and awards are anticipated to be exercisable if the Court sanctions the Scheme.

If elections are validly received from eligible HL Shareholders in respect of a number of HL Shares that would, subject to implementation of the Rollover, ultimately require the issue of Rollover Securities exceeding the Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of Bidco Loan Notes and, in turn and subject to implementation of the Rollover, the number of Rollover Securities to ultimately be issued to each eligible HL Shareholder who has validly elected for the Alternative Offer will be scaled back on a pro rata basis (being pro rata to the number of HL Shares in respect of which elections have been validly received), and the balance of the consideration due to each such HL Shareholder will be paid in cash in accordance with the terms of the Cash Offer. For the avoidance of doubt, the ratio at which the HL Shares are exchanged for Bidco Loan Notes and, subject to implementation of the Rollover, Rollover Securities will remain unchanged.

* The financial terms of the Cash Offer and the Alternative Offer are final and will not be increased or improved, except that Bidco reserves the right to increase the amount of the Cash Consideration and improve the financial terms of the Alternative Offer if there is an announcement on or after the date of the Rule 2.7 Announcement of an offer or a possible offer for HL by a third party offeror or potential offeror. Bidco reserves the right to elect to implement the Acquisition by way of an Offer as an alternative to the Scheme (with the consent of the Panel (where necessary) and subject to the terms of the Cooperation Agreement (if applicable)).

The availability of the Alternative Offer is conditional upon valid elections being made that would, subject to implementation of the Rollover, ultimately require the issue of such number of Rollover Securities as represent at least 5 per cent. of the issued ordinary share capital of Topco at completion of the Acquisition (the “**Alternative Offer Minimum**”), failing which it will lapse. In these circumstances, no Rollover Securities will be issued and the consideration payable in respect of each HL Share will be settled entirely in cash in accordance with the terms of the Cash Offer. However, given the undertaking to elect to receive the Alternative Offer provided for in the irrevocable undertaking from Peter Hargreaves, as described in paragraph 6 of Part I (*Letter from the Chair of HL*) of the Scheme Document, it is not expected that the Alternative Offer will lapse as a result of this minimum requirement.

The Rollover Securities will comprise securities in a private and unquoted company, they will not be listed or admitted to trading on any exchange or market for the trading of securities, and they will therefore be illiquid. The Rollover Securities do not have a public valuation.

1. Purpose

This Estimated Value has been provided to the directors of Bidco (the “**Bidco Directors**”) solely for the purposes of complying with the requirements of Rule 24.11 of the Takeover Code in connection with the Acquisition and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to, and may not be relied upon by, any third party for any purpose whatsoever and Goldman Sachs International (“**Goldman Sachs**”) expressly disclaims any duty or liability to any third party with respect to the contents of this letter.

The Estimated Value assumes both a willing buyer and seller of equal bargaining power, neither being under any compulsion to buy or sell, dealing on an arm’s length basis and where each party has knowledge of all relevant information.

Our view as expressed in this letter is limited to an estimate of the net present value of the Rollover Securities being offered to eligible HL Shareholders in connection with the Acquisition as at 6 September 2024 and is given and valid as at such date only. The Estimated Value does not represent the value that a holder of Rollover Securities may realise on any future sale of such Rollover Securities, it being noted that such value realised on any future sale of Rollover Securities may be higher or lower than the figure in this letter. The Estimated Value may also differ substantially from estimates available from other sources. Goldman Sachs assumes no obligation to update or revise the Estimated Value at any date in the future based upon circumstances or events occurring after the date hereof, unless otherwise required to by the Takeover Code.

2. Information

In arriving at the Estimated Value, we have reviewed and considered, among other things:

- a) certain publicly available financial statements as well as certain other publicly available business and financial information relating to HL;
- b) certain information (including information derived from due diligence materials made available to Bidco by HL) provided by Bidco relating to the business, operations, financial condition and prospects of HL;
- c) the financial projections of the Topco Group (the “**Financial Projections**”), including certain financial analyses and forecasts, prepared by or at the direction of the Bidco Directors relating to the business, operations, financial condition and prospects of the Topco Group;
- d) the commercial assessments of the Bidco Directors and investment teams of the shareholders of Bidco with respect to the business, operations, financial condition and prospects of the Topco Group;
- e) the rights and restrictions attached to the Rollover Securities as summarised in the Scheme Document, and contained in the Topco Shareholders’ Agreement and the Topco Articles (as applicable);
- f) the net debt position of HL as at 30 June 2024 of £(349) million comprising nil gross debt and surplus capital above regulatory minimum of £349 million;
- g) the total fully diluted share capital of 478,134,502 million HL Shares;
- h) the terms of the Acquisition and its proposed financing; and
- i) such other financial analyses and such other information as we deemed appropriate for the purposes of this letter.

In addition, we have met with certain Bidco Directors and members of the investment advisory teams of the Consortium to discuss the above, as well as the Acquisition and other matters we believed to be relevant to our enquiry, and we have considered and relied upon their commercial assessments.

In performing our analyses, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or which was furnished to or discussed with us by or on behalf of Bidco or the Consortium or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. We have not conducted any valuation or appraisal of any assets or liabilities of the Topco Group, nor have we been provided with any appraisal of any assets or liabilities of the Topco Group, nor have we evaluated the solvency of the Topco Group under any applicable laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses, projections and forecasts provided to us or derived therefrom, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgements by the Bidco Directors as to the expected future results of operations and financial condition of the Topco Group to which such analyses, projections or forecasts relate. We express no view as to such analyses, projections or forecasts or the assumptions on which they were based.

We have assumed for the purposes of this letter that the Rollover Securities are already in issue, that the Acquisition has become effective in accordance with its terms (with no modification or delay), that the conditions to the issue and allotment of the Rollover Securities and the Alternative Offer have been satisfied or (if applicable) waived (without adverse effect) and that Bidco has acquired the entire issued and (if applicable) to be issued ordinary share capital of HL.

If any of the information or assumptions relied upon prove to be incorrect, the actual value of a Rollover Securities may be different from, including potentially considerably less than or more than, the Estimated Value. Our view as expressed in this letter is necessarily based on economic, market and other conditions, the prospects of the Topco Group and other factors which generally influence the valuation of companies and securities, in each case as they exist at the date hereof and on the information made available to us as of the date of this letter. It should be understood that subsequent developments and/or changes to prevailing financial, economic and market conditions, the financial condition and prospects of the Topco Group (and other factors which generally influence the valuation of companies and securities) may affect the views provided in this letter and that we assume no obligation to update, revise or reaffirm the views expressed in this letter, unless otherwise required to by the Takeover Code.

3. Methodology

In arriving at the Estimated Value, we have, among other things:

- a) undertaken a discounted cash flow analysis based on the Financial Projections as prepared by the Bidco Directors and the Consortium;
- b) referenced the historical trading prices and the implied trading valuations of HL Shares on the London Stock Exchange;
- c) considered a range of other widely accepted valuation methods including, inter alia, comparable company trading multiples;
- d) taken into account the proposed financing structure for the Topco Group and certain estimated transaction expenses expected to be incurred in relation to the Acquisition and the dilution effect of additional shares to be issued from Topco to the Consortium to fund such costs and expenses; and
- e) considered the lack of both a liquid market for the Rollover Securities and the lack of voting rights attached to the Rollover Securities as summarised in the Scheme Document, and contained in the Topco Shareholders' Agreement and the Topco Articles (as applicable).

The Estimated Value is based on theoretical valuation techniques and is sensitive to changes in assumptions about the future financial performance of the Topco Group and the ongoing transformation of HL. This is particularly the case for HL given its sensitivity to macroeconomic conditions impacting both equity market values and levels of interest rates. As a result, there can be no assurance that the actual value of a Rollover Security will not be higher or lower than the Estimated Value.

The taxation position of individual HL Shareholders will vary and so we have not taken account of the effect of any taxation exemptions, allowances or reliefs which may be available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be of significance in the case of certain shareholders.

No account has been taken of any potential transaction costs that a holder of Rollover Securities may incur, including any associated dealing costs, or any potential costs that may be associated with a sale of Topco (or any other member of the Topco Group) to a third party or a liquidation of Topco (or any other member of the Topco Group) and which might be expected to reduce any return to a holder of Rollover Securities upon the occurrence of such an event.

We also note that:

- a) the Rollover Securities are unquoted and they will not be listed or admitted to trading on any exchange or market for the trading of securities;
- b) the Rollover Securities will not carry any right to vote at any general meeting of Topco or pursuant to a written resolution of Topco;
- c) the Rollover Securities will not be transferable (save in very limited circumstances such as: (i) where required or permitted pursuant to an Exit or reorganisation transaction or in accordance with 'drag along' and 'tag along' provisions in the Topco Shareholders' Agreement; or (ii) to close family members, vehicles under their (or their close family's) sole control and/or family trust(s) established for tax planning purposes or to affiliates of corporate shareholders, subject to transfer back requirements; or (iii) otherwise with the prior consent of Consortium JVCo);
- d) the holders of Rollover Securities will not enjoy any minority protections or other rights save for those rights provided for in the Topco Shareholders' Agreement and the Topco Articles and those rights prescribed by applicable law;
- e) the Rollover Securities are of uncertain value and there can be no assurance that they will be capable of being sold in the future or that they will be capable of being sold at the value to be estimated by Goldman Sachs in this letter;
- f) the Rollover Securities will not carry any governance rights (except those associated with any Substantial B Shareholder) other than very limited minority protections prescribed by Jersey law (including in relation to a variation of their class rights) and rights in respect of a very limited number of reserved matters (being those matters set out in paragraph 5 of Part IV (*Summary of Rollover Securities*) of the Scheme Document) which require the consent of the Substantial B Shareholder(s);
- g) upon the Scheme becoming Effective, the Topco Group will be controlled by the Consortium through the Consortium JVCo;
- h) payments in respect of Rollover Securities will not be guaranteed or secured and any return of proceeds, whether in connection with an Exit or otherwise, will be paid net of costs incurred by the Topco Group with respect to such return of proceeds;
- i) holders of Rollover Securities may be required in the future to sell their Rollover Securities on a pro rata basis on the same terms at those agreed to by Consortium JVCo under the terms of a 'drag along' provision set out in the Topco Shareholders' Agreement. There is no requirement for Consortium JVCo or any of its affiliates to proceed with an Exit or to do so at any particular minimum price or, if they do proceed with an Exit, to exercise the 'drag along' right, and certain exceptions to the 'drag along' right apply. In the event of only a partial exit by Consortium JVCo or its affiliates, the drag would not provide a full exit for holders of Rollover Securities. The 'drag along' right described above could be exercised at any time following completion of the Acquisition. Any transfer triggering the 'drag along' right may be at a value that is less than the value of the Cash Consideration and the consideration payable to holders of Rollover Securities in such circumstances may or may not be cash;
- j) an Exit shall occur at the absolute discretion of the Consortium. All holders of Rollover Securities are required to take such reasonable actions as are reasonably requested by the board of Bidco or Consortium JVCo to achieve, and to actively co-operate with the Topco Group and Consortium JVCo to maximise the value for holders of securities in the Topco Group achieved as a result of, any such process. This shall include without limitation: (i) providing customary representations and warranties as to the title to the Rollover Securities held by such holder and its capacity to transfer such Rollover Securities; (ii) giving a customary locked box covenant or a customary covenant in relation to any completion accounts adjustment that Consortium JVCo has agreed to give in connection with such Exit process on a pro rata, several basis; (iii) bearing their pro rata share of costs in relation to such Exit; and (iv) in the case of an IPO, entering into any "lock-up", sell-down or other related arrangements as may be reasonably recommended by the underwriter(s) advising on such IPO and to the same extent and on the same terms as Consortium JVCo; and (v) taking a number of related actions including voting in favour of or consenting

to the relevant process. Equivalent obligations also apply in relation to an Indirect Liquidity Event and any Refinancing;

- k) HL Shareholders who, subject to implementation of the Rollover and the other terms in the Scheme Document, receive Rollover Securities (being unlisted securities in a private company) will not be afforded protections commensurate with those that they currently benefit from as shareholders in HL. Except for information to be provided to persons who qualify as Substantial B Shareholders (but not to other holders of Rollover Securities), neither the Topco Articles nor the Topco Shareholders' Agreement will provide holders of Rollover Securities with information rights, and the default information rights available to minority shareholders in the position of the holders of Rollover Securities under Jersey law are very limited;
- l) Topco is not a company to which the Takeover Code applies and the protections of the Takeover Code will no longer be available to HL Shareholders electing for the Alternative Offer; and
- m) the value of Rollover Securities will be subject to the same trading risks as are faced by HL currently, including risk in the trading performance of HL.

For the avoidance of doubt, while Goldman Sachs has considered the items above in assessing the Estimated Value we have not attempted to apply any discount to reflect paragraphs (d) – (i) as we believe the eligible HL Shareholders may each have a different view of the impact of these factors on their assessment of the value of Rollover Securities.

4. The Estimated Value

On the basis of and subject to the foregoing, it is our view as at the date of this letter that the Estimated Value of each Rollover Security is a range of 745 pence to 995 pence.

This Estimated Value implies for Topco an enterprise value of £5.2 billion to £6.4 billion, assuming HL's financial position and net debt as at 30 June 2024 after adjusting for the £1.75 billion of debt to be provided under the Interim Facility Agreement, capital requirements of Bidco and estimated costs of the Acquisition, and an equity value of £3.6 billion to £4.8 billion at the bottom and top of the range respectively.

The Estimated Value only incorporates an assumed level of discount for trading illiquidity and the non-voting nature of the Rollover Securities. The Estimated Value does not incorporate a discount for other structural features and risk factors pertaining to the Rollover Securities; each eligible HL Shareholder should individually take these factors into account.

Eligible HL Shareholders who may be considering either the Cash Consideration of 1,110 pence per HL Share or a continuing investment in the future of Topco and HL through the Rollover Securities should read carefully all the information relating to the Alternative Offer and the Rollover Securities contained in the Scheme Document, including, without limitation, the section headed "Risk factors and other investment considerations" contained in paragraph 4 of Part II (*Explanatory Statement*) of the Scheme Document.

5. General

Goldman Sachs is acting as financial adviser to the Consortium and Bidco and no one else solely for the purposes of providing this letter in accordance with Rule 24.11 of the Takeover Code in connection with the Acquisition and Goldman Sachs will not be responsible to anyone other than the Consortium and Bidco for providing the protections afforded to clients of Goldman Sachs, nor for providing advice in connection with the Acquisition or any matter referred to in the Scheme Document or this letter.

Goldman Sachs will receive fees from Bidco in respect of its services in connection with the provision of this letter. In addition, a member of the Bidco Group has agreed to indemnify Goldman Sachs for certain liabilities arising out of its engagement. During the two years preceding the date of this letter, we and our affiliates have had commercial or investment banking relationships with portfolio companies managed or advised by affiliates of the Consortium for which we and such of our affiliates have received customary compensation. In the ordinary course of our businesses, we and our affiliates may actively trade the equity securities of HL for our own account or for the accounts of customers and, accordingly, we may at any time hold long or short positions in such securities.

Goldman Sachs has not provided, nor will it provide, legal, tax, regulatory, accounting or other specialist advice, and nothing herein should be taken to reflect any such advice. For the avoidance of doubt, Goldman Sachs expresses no opinion (whether as to the fairness or otherwise) of the financial terms of the Acquisition, the Cash Offer or the Alternative Offer. Any decision to elect for the Alternative Offer should be based on

independent financial, tax and legal advice and a full consideration of the Scheme Document and the other documents in relation to the Acquisition, including the Topco Shareholders' Agreement and the Topco Articles.

Eligible HL Shareholders should ascertain whether acquiring or holding the Loan Notes and Rollover Securities is affected by the laws of the relevant jurisdiction in which they reside and consider whether the Loan Notes and Rollover Securities are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Alternative Offer. In particular, Scheme Shareholders should note that the Rollover Securities are not transferable (save in very limited circumstances such as where required or permitted pursuant to an Exit or reorganisation transaction or in accordance with customary 'drag along' and 'tag along' provisions, or to close family members, vehicles under their (or their close family's) sole control and/or family trust(s) established for tax planning purposes subject to customary transfer back requirements or otherwise with the prior consent of Consortium JVCo), will not be listed and that no market exists or is expected to exist in them.

This letter is provided solely for the benefit and use of the Bidco Directors for the purpose of Rule 24.11 of the Takeover Code in connection with the Acquisition and for no other purpose. This letter is not addressed to, or provided on behalf of, nor shall it confer any rights or remedies upon, any shareholder, creditor or any other person other than the Bidco Directors for the aforesaid purpose. Without prejudice to the generality of the foregoing, this letter does not constitute a recommendation or opinion to, or for the benefit of, any Scheme Shareholder as to whether such Scheme Shareholder should vote in favour of the Scheme at the Court Meeting or the Special Resolution to be proposed at the General Meeting in order to give effect to the Acquisition or whether any such Scheme Shareholder should accept the Cash Offer or make any election pursuant to the Alternative Offer. Other than as required pursuant to the Takeover Code or as the Panel or the Court may otherwise require, this letter may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever except with our prior written approval in each case. This letter may be reproduced in full in the Scheme Document to be sent to HL Shareholders and others on the basis that no duties or responsibilities are accepted by Goldman Sachs to any person, individually or collectively, but this letter may not otherwise be published or reproduced publicly in any manner without our prior written approval.

Yours faithfully,

Goldman Sachs International

Part XI

DEFINITIONS

The following definitions apply throughout this Document (except in Part V (*The Scheme of Arrangement*)), unless the context requires otherwise.

“2023 HL Annual Report”	the annual report and audited accounts of the HL Group for the year ended 30 June 2023
“2024 Full-Year Dividend”	a dividend of 30 pence per HL Share in respect of the Financial Year ended 30 June 2024 payable to HL Shareholders on the register of members of the Company at a record time that falls before the Effective Date
“Acquisition”	the proposed acquisition by Bidco of the entire issued and to be issued share capital of HL, to be implemented by means of the Scheme or should Bidco so elect, and where required, the Panel consent (and subject to the terms of the Cooperation Agreement), by means of an Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof
“ADIA”	Abu Dhabi Investment Authority
“ADIA PED”	the Private Equities investment department of ADIA
“Administrative Agent”	TMF Group (Jersey) Limited, Topco’s administrative agent
“Alternative Offer”	the alternative to the Cash Consideration pursuant to which eligible HL Shareholders may elect, in respect of some or all of their Scheme Shares in lieu of the Cash Consideration to which they would otherwise be entitled under the Scheme, to receive Bidco Loan Notes, which will, subject to implementation of the Rollover and the terms and conditions of this Document, ultimately be exchanged for Rollover Securities, further details of which are set out in Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Alternative Offer Election”	an election by an Eligible Scheme Shareholder (in accordance with clause 3 of Part V (<i>The Scheme of Arrangement</i>) of this Document) for the Alternative Offer made pursuant to a Form of Election or a TTE Instruction (as applicable)
“Alternative Offer Maximum”	the maximum number of Rollover Securities available (subject to implementation of the Rollover) to Eligible Scheme Shareholders under the Alternative Offer, which shall be such number of Rollover Securities as is equivalent to 35.0 per cent. of the aggregate of the total number of HL Shares in issue at the Effective Date and the number of HL Shares in respect of which options and awards are estimated, as at the Election Return Time, to be exercisable if the Court sanctions the Scheme
“Alternative Offer Minimum”	has the meaning given to it in paragraph 3 of Part II (<i>Explanatory Statement</i>) of this Document
“Articles”	the articles of association of HL from time to time
“associated undertaking”	shall be construed in accordance with paragraph 19 of Schedule 6 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
“AuA”	assets under administration
“Authorisations”	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party
“Barclays”	Barclays Bank PLC, acting through its Investment Bank
“Bid Conduct Agreement”	has the meaning given to it in paragraph 12.3 of Part II (<i>Explanatory Statement</i>) of this Document
“Bidco”	Harp Bidco Limited, a private limited company incorporated in England and Wales with registered number 15812199
“Bidco Articles”	the articles of association of Bidco

“Bidco Board” or “Bidco Directors”	the directors of Bidco as at the date of this Document and as set out in paragraph 2.2 of Part IX (<i>Additional Information</i>) of this Document or, where the context so requires, the directors of Bidco from time to time
“Bidco Group”	Bidco and its subsidiary undertakings and where the context permits, each of them
“Bidco Loan Notes”	has the meaning given to it in paragraph 2 of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Bidco Representatives”	the CVC Bidco Representatives, Platinum Ivy Bidco Representatives and Nordic Capital Bidco Representatives
“Business Day”	a day (other than a Saturday, Sunday or a public or bank holiday) on which banks in London are generally open for normal business
“Cash Consideration”	1,110 pence in cash for each Scheme Share
“Cash Offer”	the acquisition by Bidco of HL Shares on the terms described as the “Cash Offer” in the Scheme Document
“certificated” or “in certificated form”	not in uncertificated form (that is, not in CREST)
“CGT”	UK capital gains tax
“China AML”	has the meaning given to it in paragraph 3.1.2 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“China Antitrust Clearance”	has the meaning given to it in paragraph 3.1 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Clean Team Agreement”	the clean team agreement dated 25 June 2024 (and amended and restated on 21 July 2024) between CVC Advisers, Nordic Capital XI Delta, Platinum Ivy and HL entered into in connection with the Acquisition, further details of which are set out in paragraph 12.4 of Part II (<i>Explanatory Statement</i>) of this Document
“Closing Price”	the closing middle market price of a HL Share as derived from the Daily Official List on any particular date
“CMA”	has the meaning given to it in paragraph 3.5.1 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Co-Investment Vehicles”	has the meaning given to it in paragraph 10.2 of Part IX (<i>Additional Information</i>) of this Document
“Commitment Long Stop Date”	has the meaning given to it in paragraph 8.2(b) of Part IX (<i>Additional Information</i>) of this Document
“Companies Act”	the Companies Act 2006 (as amended, modified, consolidated, re-enacted or replaced from time to time)
“Conditions”	the conditions to the implementation of the Acquisition set out in Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document and a “ Condition ” shall mean any one of them
“Confidentiality Agreement”	the confidentiality agreement dated 22 June 2024 between CVC Advisers, Nordic Capital XI Delta, Platinum Ivy and HL entered into in connection with the Acquisition, further details of which are set out in paragraph 12.1 of Part II (<i>Explanatory Statement</i>) of this Document
“Consortium” or “Consortium Members”	CVC, Nordic Cidron and Platinum Ivy (and/or any of its affiliates) and “ Consortium Member ” means any one of them
“Consortium JVCo”	Harp Group Holdings Jersey Limited, a private limited company incorporated in Jersey with registered number 155055
“Consortium JVCo Term Sheet”	the term sheet dated 9 August 2024 between the Consortium Members setting out the key principles of each Consortium Member’s investment in Consortium

	JVCo, further details of which are set out in paragraph 8.2(a) of Part IX (<i>Additional Information</i>) of this Document
“Cooperation Agreement”	the cooperation agreement dated 9 August 2024 between Bidco and HL entered into in connection with the Acquisition, further details of which are set out in paragraph 12.2 of Part II (<i>Explanatory Statement</i>) of this Document
“Costs Issuance Date”	has the meaning given to it in Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Court”	the High Court of Justice in England and Wales
“Court Hearing”	the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act
“Court Meeting”	the meeting of the Scheme Shareholders (including any adjournment thereof) convened with the permission of the Court under Part 26 of the Companies Act to consider and, if thought fit, to approve the Scheme (with or without modification), notice of which is set out in Part XII (<i>Notice of Court Meeting</i>) of this Document
“Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
“Court Sanction Date”	the date on which the Court sanctions the Scheme under section 899 of the Companies Act
“CREST”	the relevant system (as defined in the CREST Regulations) to facilitate the transfer of title to shares in uncertified form in respect of which Euroclear UK & International Limited is the Operator (as defined in the CREST Regulations)
“CREST Application Host”	the system that is operated to receive, manage and control the processing of messages by the CREST system
“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time
“CREST Proxy Instruction”	the appropriate CREST message for a proxy appointment or instruction made using the CREST service
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
“CSOP”	the HL Company Share Option (2010) Scheme, as amended from time to time
“CVC”	Harp Jersey Limited, a company incorporated in Jersey with registered number 155054, which is indirectly wholly owned by a member of the CVC Private Equity Group
“CVC Advisers”	CVC Advisers Limited, a company incorporated under the laws of England and Wales with registered number 04726084, whose registered office is at 111 Strand, London, WC2R 0AG
“CVC Bidco Representatives”	Peter William James Rutland and Pev Hooper
“CVC Group”	CVC Capital Partners plc, Clear Vision Capital Fund SICAV FIS S.A. (formerly known as CVC Capital Partners SICAV-FIS S.A.), each of their respective successors or assigns and any of their respective subsidiary undertakings (as that term is defined in section 1162 and Schedule 7 of the Companies Act) from time to time, together with any investment funds or vehicles advised or managed by any of the foregoing and any portfolio companies of such investment funds or vehicles
“CVC Private Equity Funds”	investment funds or vehicles advised or managed by an entity or entities in the CVC Private Equity Group
“CVC Private Equity Group”	entities within the CVC Group which carry out private equity advisory or management activities from time to time

“CVC Responsible Persons”	the persons whose names are set out in paragraph 2.3 of Part IX (<i>Additional Information</i>) of this Document
“Daily Official List”	the daily official list of the London Stock Exchange
“Dealing Disclosure”	has the same meaning as in Rule 8 of the Takeover Code
“Deutsche Numis”	Numis Securities Limited
“Disclosed”	the information fairly disclosed by or on behalf of HL: (i) in the 2023 HL Annual Report; (ii) in the half year results announcement for the six month period ended 31 December 2023; (iii) in the Rule 2.7 Announcement; (iv) in any other announcement to a Regulatory Information Service prior to the date of the Rule 2.7 Announcement; and (v) in writing (including via the virtual data room operated by or on behalf of HL in respect of the Acquisition) or orally in meetings and calls by HL management prior to the date of the Rule 2.7 Announcement to Bidco, any Consortium Member or and of its or their (or their affiliates’) respective officers, employees, agents, consultants or advisers (in their capacity as such)
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA
“DPBP”	the HL Deferred Performance Bonus Plan 2012, as amended from time to time
“Effective”	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to and in accordance with its terms; or (ii) if the Acquisition is implemented by way of the Offer, the Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code
“Effective Date”	the date on which the Acquisition becomes Effective in accordance with its terms
“Election Return Time”	1.00 p.m. on the Business Day immediately prior to the date of the Court Hearing
“Eligible Scheme Shareholder”	a Scheme Shareholder (other than a Restricted Shareholder) that satisfies the eligibility requirements set out in of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“EPA”	electronic proxy appointment
“Equiniti”	Equiniti Limited, the Company’s registrar
“Equity Co-Investor”	has the meaning given to it in paragraph 10.1 of Part IX (<i>Additional Information</i>) of this Document
“Escrow Agent”	has the meaning given to it in paragraph 3 of Part VI (<i>Notes on making an election for the Alternative Offer</i>) of this Document
“EU Antitrust Clearance”	has the meaning given to it in paragraph 3.2 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“EU Regulation”	has the meaning given to it in paragraph 3.2 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Euroclear”	Euroclear UK & International Limited
“Excluded Shares”	any HL Shares (i) registered in the name of, or beneficially owned by, Bidco and/or any other member of the Topco Group (and/or any nominee of the foregoing), or (ii) held by the Company in treasury, in each case at the relevant time
“Exit”	has the meaning given to it in paragraph 4 of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“FCA”	the UK Financial Conduct Authority
“Fenchurch”	Fenchurch Advisory Partners LLP

“Final Repayment Date”	has the meaning given to it in paragraph 8.2(b) of Part IX (<i>Additional Information</i>) of this Document
“Finco”	Harp Finco Limited, a private limited company incorporated in Jersey with registered number 155059
“Finco Loan Notes”	has the meaning given to it in paragraph 2 of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Form of Election”	the GREEN form of election for use in respect of the Alternative Offer by Scheme Shareholders (other than Restricted Shareholders) who hold HL Shares in certificated form
“Form(s) of Proxy”	the BLUE Form of Proxy for use at the Court Meeting and the WHITE Form of Proxy for use at the General Meeting (or either of them as the context may require), which are being sent to HL Shareholders
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“FUP”	the HL HLFM Deferred Fund Unit Plan, as amended from time to time
“FY” or “Financial Year”	a financial year, being the 12 month period ending on HL’s accounting reference date in the stated year
“General Meeting”	the general meeting of HL to be convened to consider and, if thought fit, approve the Special Resolution including any adjournments, postponement or reconvening thereof
“Goldman Sachs”	together, Goldman Sachs International and Goldman Sachs & Co. LLC
“HL” or the “Company”	Hargreaves Lansdown plc, a public limited company incorporated in England and Wales with registered number 02122142
“HL Board” or “HL Directors”	the directors of HL
“HL Directors’ Remuneration Policy”	the directors’ remuneration policy approved by the HL Shareholders from time to time
“HL EBT Trustee”	Hargreaves Lansdown EBT Trustees Limited, trustee of the HL employee benefit trust
“HL Executive Directors”	Dan Olley and Amy Stirling
“HLFM”	Hargreaves Lansdown Fund Managers Ltd, a private limited company incorporated in England and Wales with registered number 02707155
“HL Group”	HL and its subsidiary undertakings and where the context permits, each of them
“HL Independent Directors” or “Independent HL Board”	the HL Board from time to time, other than Adrian Collins (or his alternate director) and (to the extent applicable) any other director of HL appointed from time to time following nomination by Peter Hargreaves pursuant to the terms of the shareholder agreement between Peter Hargreaves and HL dated 20 October 2020 (and any alternate director of such director)
“HL Non-Executive Directors”	Alison Platt, John Troiano, Andrea Blance, Moni Mannings, Adrian Collins, Penny James, Darren Pope and Michael Morley
“HL Remuneration Committee”	the remuneration committee of the board of directors of HL from time to time
“HL Share Plans”	each of the: (i) PSP; (ii) Sharesave; (iii) DPBP; (iv) SPP; (v) SPP II; (vi) CSOP; and (vii) SIP, each as amended from time to time
“HL Shareholders”	holders of HL Shares
“HL Shares”	ordinary shares of 0.4 pence each in the capital of the Company
“HMRC”	HM Revenue & Customs
“holder”	a registered holder and includes any person entitled by transmission

“Indirect Liquidity Event”	has the meaning given to it in paragraph 11 of Part IV (<i>Summary of the Rollover Securities</i>)
“Interim Facilities Agreement”	the interim facilities agreement dated 2 August 2024 between Finco as borrower, Global Loan Agency Services Limited as interim facility agent, GLAS Trust Corporation Limited and the Interim Lenders named therein
“Interim Facility B”	has the meaning given to it in paragraph 8.2(b) of Part IX (Additional Information) of this Document
“Intermediate Holding Companies”	Bidco, Finco, Midco 1 and Midco 2
“IPO”	has the meaning given to it in paragraph 4 of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Joint Defence Agreement”	has the meaning given to it in paragraph 12.5 of Part II (<i>Explanatory Statement</i>) of this Document
“KYC Information”	has the meaning given in Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Loan Notes”	together, the Bidco Loan Notes, Finco Loan Notes, Midco 2 Loan Notes and Midco 1 Loan Notes
“London Stock Exchange”	London Stock Exchange plc or its successor
“Long Stop Date”	9 May 2025 or such later date as: (i) as may be agreed between Bidco and HL and, if required, the Panel; or (ii) set at the direction of the Panel under the Note on Section 3 of Appendix 7 to the Takeover Code, and in each case as the Court may approve (if such approval is required)
“Market Abuse Regulation”	assimilated Regulation (EU) 596/2014, as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time
“Meetings”	the Court Meeting and the General Meeting
“Midco 1”	Harp Midco I Limited, a private limited company incorporated in Jersey with registered number 155057
“Midco 1 Loan Notes”	has the meaning given to it in paragraph 2 of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Midco 2”	Harp Midco II Limited, a private limited company incorporated in Jersey with registered number 155058
“Midco 2 Loan Notes”	has the meaning given to it in paragraph 2 of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Morgan Stanley”	Morgan Stanley & Co. International plc
“MRT”	a “material risk taker” as defined in the FCA Handbook
“Nordic Capital”	the general partners and/or delegated portfolio managers (as applicable) of the Nordic Capital Vehicles, and as the context permits or requires the Nordic Capital Advisors (for the avoidance of doubt: (i) this shall not imply from a legal, regulatory or tax perspective, nor should it be inferred, that these entities are not separate and distinct entities, nor that there is any single Nordic Capital entity; and (ii) references to Nordic Capital making investments or acting as an investor should be read as references to the Nordic Capital Vehicles making such investments/acting as investor)
“Nordic Capital Advisors”	any, or all, of the non-discretionary sub-advisory entities exclusively engaged by the general partners and/or delegated portfolio managers of the Nordic Capital Vehicles as the context permits or requires
“Nordic Capital Bidco Representatives”	Richard Adam Riboe, Emil Anderson and Christian Frick
“Nordic Capital Fund XI”	the entities comprising the fund known as “Nordic Capital Fund XI”

“Nordic Capital Responsible Persons”	the persons whose names are set out in paragraph 2.5 of Part IX (<i>Additional Information</i>) of this Document
“Nordic Capital Vehicles”	Nordic Capital branded funds, co-investment arrangements and other entities, vehicles and structures
“Nordic Capital XI Delta”	Nordic Capital XI Delta, SCSp (acting through its general partner, Nordic Capital XI Delta GP S.à r.l.)
“Nordic Cidron”	Cidron Harp 2 Limited, a company incorporated in Jersey with registered number 154991, which is indirectly wholly owned by Nordic Capital XI Delta
“OAPC”	has the meaning given to it in paragraph 10.4 of Part IX (<i>Additional Information</i>) of this Document
“OAPC Responsible Persons”	the persons whose names are set out in paragraph 2.6 of Part IX (<i>Additional Information</i>) of this Document
“Offer”	subject to the consent of the Panel and the terms of the Cooperation Agreement, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued, and to be issued, share capital of HL on the terms and subject to the conditions to be set out in the related Offer Document, and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
“Offer Document”	should the Acquisition be implemented by way of an Offer, the document to be sent to HL Shareholders which will contain, amongst other things, the terms and conditions of the Offer
“Offer Period”	the offer period (as defined by the Takeover Code) relating to HL which commenced on 22 May 2024
“Official List”	the official list of the FCA
“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Takeover Code
“Overseas Shareholders”	holders of HL Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
“Panel”	the Panel on Takeovers and Mergers
“Pensions Regulator”	the Pensions Regulator in the UK
“Platinum Ivy”	Platinum Ivy B 2018 RSC Limited
“Platinum Ivy Bidco Representatives”	Faris Cassim and Nawfal Belhachmi
“Platinum Ivy Group”	Platinum Ivy and its affiliates which are directly or indirectly managed by ADIA PED from time to time and excludes, for the avoidance of doubt: (a) any portfolio company in which Platinum Ivy has, or Platinum Ivy’s associated companies or entities have, an equity or any other interest; (b) persons owned, controlled or managed either directly or indirectly by any other division, part or department of ADIA; and (c) the Government of Abu Dhabi and any other person owned or (if applicable) controlled either directly or indirectly by the Government of Abu Dhabi
“Platinum Ivy Responsible Persons”	the persons whose names are set out in paragraph 2.4 of Part IX (<i>Additional Information</i>) of this Document
“PRA”	the Prudential Regulation Authority or its successor from time to time
“PSP”	the HL Performance Share Plan, as amended from time to time
“Put and Call Deeds”	the separate put and call option deeds to be entered into between each of Finco, Midco 2, Midco 1 and Topco (on the one hand) and Eligible Scheme Shareholders who make a valid Alternative Offer Election (on the other hand)

“Refinancing”	has the meaning given to it in paragraph 11 of Part IV (<i>Summary of the Rollover Securities</i>) of this Document
“Registrar of Companies”	the Registrar of Companies in England and Wales
“Regulation”	Council Regulation (EC) 139/2004 (as amended)
“Regulatory Information Service”	a regulatory information service as defined in the FCA Handbook
“Relevant Pension Plan”	has the meaning given in paragraph 3.11.10 Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“relevant securities”	has the meaning given in the Takeover Code
“Replacement DPBP Awards”	has the meaning given in paragraph 8 of Part II (<i>Explanatory Statement</i>) of this Document
“Replacement FUP Awards”	has the meaning given in paragraph 8 of Part II (<i>Explanatory Statement</i>) of this Document
“Replacement PSP Awards”	has the meaning given in paragraph 8 of Part II (<i>Explanatory Statement</i>) of this Document
“Replacement Share Awards”	has the meaning given in paragraph 8 of Part II (<i>Explanatory Statement</i>) of this Document
“Replacement SPP Awards”	has the meaning given in paragraph 8 of Part II (<i>Explanatory Statement</i>) of this Document
“Replacement SPP II Awards”	has the meaning given in paragraph 8 of Part II (<i>Explanatory Statement</i>) of this Document
“Restricted Jurisdiction”	any (i) jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to HL Shareholders in that jurisdiction, or (ii) sanctioned jurisdictions from time to time
“Restricted Shareholder”	a person in, or resident in, or any person who Bidco reasonably believes to be in, or resident in, any Restricted Jurisdiction and any person deemed by Bidco to be a Restricted Shareholder in accordance with clause 4(b) of the Scheme
“Rollover”	the steps pursuant to which Eligible Scheme Shareholders who have made valid elections for the Alternative Offer receive Bidco Loan Notes and, subject to implementation of all relevant steps, Rollover Securities
“Revised Topco Articles”	has the meaning given in paragraph 3 of the ‘Action to be taken’ section of this Document
“Revised Topco Shareholders’ Agreement”	has the meaning given in paragraph 3 of the ‘Action to be taken’ section of this Document
“Rollover Completion Shareholding Proportion”	a percentage (A) calculated in accordance with the following formula: $A=B \times \frac{2}{3}$, where: B = the proportion of Topco Shares held by such Substantial B Shareholder (together with its permitted transferees, associates and nominees and other Topco B Shareholders who are under common control with such Substantial B Shareholder) as at completion of the Rollover (disregarding, for the purpose of determining such proportion of Topco Shares, (i) any Topco Shares issued to management from time to time; and (ii) the Topco A Ordinary Shares to be issued to Consortium JVCo on the Costs Issuance Date for an aggregate subscription amount equal to the total costs and expenses incurred and to be incurred by or on behalf of the Topco Group and the Consortium Members in connection with the Acquisition)
“Rollover Securities”	B ordinary shares in the capital of Topco having the rights of “B Ordinary Shares” set out in the articles of association of Topco (as amended from time to time)
“Rule 2.7 Announcement”	the joint announcement made by HL and Bidco under Rule 2.7 of the Takeover Code in relation to the Acquisition on 9 August 2024

“Rule 15 Proposals”	has the meaning given to it in paragraph 4 of the ‘Action to be taken’ section of this Document
“SAMR”	has the meaning given to it in paragraph 3.1.1 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court
“Scheme Record Time”	6.00 p.m. (London time) on the Business Day immediately following the date of the Court Hearing
“Scheme Shareholder”	a holder of Scheme Shares
“Scheme Shares”	<p>HL Shares:</p> <ul style="list-style-type: none"> (a) in issue at the date of this Document; (b) (if any) issued after the date of this Document but before the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and at or prior to the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme, <p>in each case excluding any Excluded Shares</p>
“SDRT”	UK stamp duty reserve tax
“Section 3(a)(10)”	Section 3(a)(10) of the US Securities Act, as amended
“Section 431 Election”	an election under section 431(1) of the Income Tax (Earnings and Pensions) Act 2003
“Shareholder Helpline”	the helpline set up by Equiniti, further details of which are provided in paragraph 5 of the section of this Document headed “Action to be taken”
“Shareholding Cap”	9.99 per cent. (or, if applicable, the maximum percentage that will not require approval from the FCA for the relevant person) of the Shareholding Cap Denominator, such percentage to be applied to each electing Eligible Scheme Shareholder (or, as applicable, each of their relevant Underlying Holder(s)) on an individual basis or, if applicable, when aggregated with any other electing Eligible Scheme Shareholder (or, as applicable, each of their relevant Underlying Holder(s)) or any Consortium Member (or affiliate thereof) with whom they might reasonably be deemed by the FCA to be acting in concert
“Shareholding Cap Denominator”	the ordinary share capital of Topco expected to be in issue immediately following settlement of the Cash Consideration and completion of the Rollover based on valid elections for the Alternative Offer received (and not withdrawn) by the Election Return Time
“Share Plan Notices”	has the meaning given in paragraph 8 of Part II (<i>Explanatory Statement</i>) of this Document
“Sharesave”	the HL Savings Related Share Option Scheme 2019, as amended from time to time
“SIP”	the HL Share Incentive Plan, as amended from time to time
“Special Resolution”	the resolution to be proposed at the General Meeting in connection with implementation of the Scheme and certain amendments to be made to the articles of association of HL as set out in the Notice of General Meeting in Part XIII (<i>Notice of General Meeting</i>) of this Document
“SPP”	the HL Sustained Performance Plan 2017, as amended from time to time
“SPP II”	the HL Sustained Performance Plan II, as amended from time to time
“subsidiary”	has the meaning given in section 1159 of the Companies Act
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act

“Substantial B Shareholder”	any Topco B Shareholder that, at completion of the Rollover, holds at least the Substantial B Shareholder Upper Threshold Percentage of the Topco Shares then in issue, such status as a Substantial B Shareholder continuing until the later of: (i) three years following completion of the Rollover; and (ii) the date on which such Substantial B Shareholder ceases to hold at least the Substantial B Shareholder Lower Threshold Percentage of the Topco Shares
“Substantial B Shareholder Lower Threshold Percentage”	the Rollover Completion Shareholding Proportion, or if the Acquisition is implemented by means of an Offer, such lower percentage as may be obtained as a result of the following adjustment: Rollover Completion Shareholding Proportion x (A), where: (A) is the proportion (expressed as a decimal number to two decimal places) that the HL Shares in respect of which HL Shareholders have accepted the Offer bear to the total HL Shares the subject of the Offer
“Substantial B Shareholder Upper Threshold Percentage”	7.5 per cent., or if the Acquisition is implemented by means of an Offer, such lower percentage as may be obtained as a result of the following adjustment: 7.5 x (A), where: (A) is the proportion (expressed as a decimal number to two decimal places) that the HL Shares in respect of which HL Shareholders have accepted the Offer bear to the total HL Shares the subject of the Offer
“Swiss Antitrust Clearance”	has the meaning given to it in paragraph 3.3 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Takeover Code”	the City Code on Takeovers and Mergers, as issued, amended and interpreted from time to time by or on behalf of the Panel
“TCB”	has the meaning given to it in paragraph 3.4.1 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Third Party”	has the meaning given to it in paragraph 3.7 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Topco”	Harp Topco Limited, a private limited company incorporated in Jersey with registered number 155056
“Topco A Ordinary Shares”	the A ordinary shares in the capital of Topco
“Topco Articles”	the articles of association of Topco, in the form uploaded to HL’s website on or around the date of the 2.7 Announcement
“Topco A Shareholders”	the holder(s) of Topco A Ordinary Shares, being (on completion of the Acquisition) Consortium JVCo
“Topco B Ordinary Shares”	the B ordinary shares in the capital of Topco
“Topco B Shareholder Majority”	the holder(s) of a majority of the Rollover Securities in issue at the relevant time
“Topco B Shareholders”	the holder(s) of Topco B Ordinary Shares (i.e. the holders of Rollover Securities)
“Topco Group”	Topco and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them
“Topco Shareholders’ Agreement”	the shareholders’ agreement to be entered into by Harp Group Holdings Jersey Limited, Topco, Midco 1, Midco 2, Finco, Bidco, and, subject to implementation of the Rollover, the holders of Rollover Securities, in the form uploaded to HL’s website on or around the date of the 2.7 Announcement
“Topco Shares”	the Topco A Ordinary Shares and the Topco B Ordinary Shares
“TTE Instruction”	a transfer to escrow instruction given by an Eligible Scheme Shareholder in respect of any Scheme Shares held in uncertificated form

“Turkish Antitrust Clearance”	has the meaning given to it in paragraph 3.4 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Turkish Competition Act”	has the meaning given to it in paragraph 3.4.1 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“Turkish Merger Communiqué”	has the meaning given to it in paragraph 3.4.1 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Antitrust Clearance”	has the meaning given to it in paragraph 3.5 of Part A of Part III (<i>Conditions to and further terms of the Acquisition and the Scheme</i>) of this Document
“UK holders”	has the meaning given to it in Part VIII (<i>UK Taxation</i>) of this Document
“UK Listing Rules”	the rules and regulations made by the FCA under FSMA, and contained in the publication of the same name, as amended from time to time
“uncertificated” or “in uncertificated form”	recorded on the relevant register as being held in uncertificated form and title to which may, by virtue of the CREST Regulations, be transferred by means of CREST
“Underlying Holder”	where legal title to Scheme Shares is held by an Eligible Scheme Shareholder as nominee for and on behalf of a second person, such second person (or, at Bidco’s sole discretion and based on the KYC Information received, any other person with an underlying beneficial interest in the relevant Scheme Shares as Bidco may determine)
“United States” or “US”	United States of America
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended
“US Holders Cap”	has the meaning given to it in paragraph 3 of Part II (<i>Explanatory Statement</i>) of this Document
“US Person”	US persons as defined in Regulation S under the US Securities Act and any nominee thereof
“US Securities Act”	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“Voting Record Time”	6.30 p.m. (London time) on the day which is two days (excluding non-working days) prior to the date of the Court Meeting or any adjournment thereof (as the case may be)
“Wider Bidco Group”	Bidco Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent
“Wider HL Group”	HL and associated undertakings and any other body corporate, joint venture or person in which HL and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, Bidco and all of its associated undertakings which are not members of the HL Group)

All times referred to are London time unless otherwise stated.

References to **“pounds”**, **“pounds sterling”**, **“sterling”**, **“GBP”**, **“£”**, **“pence”**, **“penny”** and **“p”** are to the lawful currency of the United Kingdom.

All references to **“Euro”** or **“€”** are to the lawful currency of the European Union.

All references to **“US dollar”**, **“USD”**, **“US\$”** or **“cents”**, are to the lawful currency of the United States.

A reference to **“includes”** shall mean **“includes without limitation”**, and references to **“including”** and any similar term shall be construed accordingly.

References to a “person” include any individual, an individual’s executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality).

Part XII
NOTICE OF COURT MEETING

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

CR-2024-004849

Insolvency and Companies Court Judge Barber

IN THE MATTER OF HARGREAVES LANSDOWN PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an Order dated 4 September 2024 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Act**”) between Hargreaves Lansdown plc (“**HL**” or the “**Company**”) and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) and that the Court Meeting will be held at The Bristol Hotel, Prince Street, Bristol, United Kingdom, BS1 4QF on Monday 14 October 2024, at 10.30 a.m., at which place and time all holders of Scheme Shares are requested to attend.

Copies of the Scheme of Arrangement and of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the document of which this Notice forms part. Terms defined in the document of which this Notice forms part but not in this Notice shall, except where the context requires, have the same meanings in this Notice.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chair of the Court Meeting may determine.

Right to Appoint a Proxy; Procedure for Appointment

Holders of Scheme Shares entitled to attend and vote at the Court Meeting may vote in person at such meeting or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies, to exercise all or any of their rights to attend, speak and vote at the Court Meeting.

A BLUE Form of Proxy, for use at the Court Meeting, has been provided. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company’s registrar, Equiniti Limited (“Equiniti”), at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA, by post to be received no later than 10.30 a.m. (London time) on 10 October 2024 or, in the case of an adjournment of the Court Meeting, no later than 48 hours (excluding non-working days) before the time appointed for the adjourned meeting. However, if not so lodged, BLUE Forms of Proxy (together with any such authority, if applicable) may be handed to the Chair of the Court Meeting or to Equiniti on behalf of the Chair of the Court Meeting or scanned and emailed to Equiniti at proxyvotes@equiniti.com, before the start of the Court Meeting.

As a member of the Company you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote on your behalf at the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares. A proxy need not be a member of the Company but they must attend the Court Meeting to represent you. If you require additional proxy forms, please contact the Company’s registrar, Equiniti, on +44 (0)371 384 2050.

Members who hold their shares in uncertificated form through CREST 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 available at www.euroclear.com.

In order for a proxy appointment or instruction made using CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear’s specifications, and must contain the

information required for such instruction, as described in the CREST Manual. 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 RA19) by 10.30 a.m. (London time) on 10 October 2024 (or, if the Court Meeting is adjourned, no later than 48 hours (excluding non-working days) before the time fixed for the adjourned Court Meeting). 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 Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Forms of Proxy may alternatively be submitted electronically by logging on to the following website www.sharevote.co.uk where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on the Form of Proxy will be required to complete the procedure. If you have already registered at Shareview, you may complete the electronic proxy appointment via your portfolio at www.shareview.co.uk. For an electronic proxy appointment to be valid, the appointment must be received by Registrar no later than 10.30 a.m. (London time) on 10 October 2024 (or if the Court Meeting is adjourned, no later than 48 hours (excluding non-working days) before the time fixed for the adjourned Court Meeting).

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described on pages 9 to 14 of the document of which this Notice forms part), will not prevent a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting, or any adjournment thereof, if such holder of Scheme Shares wishes and is entitled to do so.

Voting Record Time

Entitlement to attend, speak and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting, will be determined by reference to the register of members of the Company at 6.30 p.m. (London time) on 10 October 2024 or, if the Court Meeting is adjourned, 6.30 p.m. (London time) on the date which is two days (excluding non-working days) prior to the date set for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote at the Court Meeting.

Joint Holders

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding (the first being the most senior).

Corporate Representatives

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said Order, the Court has appointed Alison Platt or, failing her, any other director of the Company to act as Chair of the Court Meeting and has directed the Chair of the Court Meeting to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 6 September 2024
Freshfields Bruckhaus Deringer LLP
100 Bishopsgate
London EC2P 2SR
Solicitors for the Company

Nominated Persons

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**”) does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under agreement with the shareholder who nominated them, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting.

Part XIII
NOTICE OF GENERAL MEETING

NOTICE OF GENERAL MEETING OF HARGREAVES LANSDOWN PLC

NOTICE IS HEREBY GIVEN that a General Meeting of Hargreaves Lansdown plc (the “**Company**” or “**HL**”) will be held at The Bristol Hotel, Prince Street, Bristol, United Kingdom, BS1 4QF on Monday 14 October 2024 at 10.45 a.m. (London time) (or as soon thereafter as the Court Meeting (as defined in the document of which this Notice forms part) shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution:

SPECIAL RESOLUTION

THAT:

- (a) for the purpose of giving effect to the scheme of arrangement dated 6 September 2024 between the Company and the holders of the Scheme Shares (as defined in the said scheme), a print of which has been produced to this meeting and for the purpose of identification signed by the Chair hereof, in its original form or subject to any modification, addition or condition agreed between the Company and Bidco (as defined in the said scheme) and approved or imposed by the Court (the “**Scheme**”), the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (b) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 162:

“162 SCHEME OF ARRANGEMENT

162.1 For the purposes of this Article 162:

- “**HL Scheme**” means the scheme of arrangement dated 6 September 2024 under Part 26 of CA 2006 between the Company and the Scheme Shareholders (as defined in the said scheme), in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court of Justice of England and Wales; and
- “**Bidco**” means Harp Bidco Limited, a private limited company incorporated in England and Wales with registered number 15812199.

162.2 Notwithstanding any other provision of these Articles, if the Company issues any shares (other than to Bidco, any subsidiary of Bidco or any nominee(s) of Bidco) after the adoption of this Article and at or prior to the Scheme Record Time (as defined in the HL Scheme), such shares shall be issued subject to the terms of the HL Scheme and the holders of such shares shall be bound by the HL Scheme accordingly.

162.3 Notwithstanding any other provision of these Articles, subject to the HL Scheme becoming effective, any shares issued to any person (other than to Bidco, any subsidiary of Bidco or any nominee(s) of Bidco) after the Scheme Record Time (a “**New Member**”) (each a “**Post-Scheme Share**”) shall be issued on terms that they shall (on the Effective Date (as defined in the HL Scheme) or, if later, on issue (but subject to the terms of Article 162.4 below), subject to that person first being permitted to transfer all or some of those shares to their spouse or civil partner, be immediately transferred to Bidco (or as it may direct) (the “**Purchaser**”), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment by or on behalf of Bidco to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration to which a New Member would have been entitled to under the Scheme had such Post-Scheme Share been a Scheme Share (as defined in the HL Scheme).

162.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date, the value of the consideration per Post-Scheme Share to be paid under Article 162.2 shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to such shares shall, following such adjustment, be construed accordingly.

162.5 To give effect to any transfer of Post-Scheme Shares required pursuant to this Article 162, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-

Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to Article 162.2 above by sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares as soon as practicable and in any event within 14 days of the date on which the Post-Scheme Shares are issued to the New Member.

- 162.6 If the HL Scheme shall not have become effective by the applicable date referred to in (or otherwise set in accordance with) clause 8(b) of the HL Scheme, this Article 162 shall cease to be of any effect.
- 162.7 Notwithstanding any other provision of these Articles, both the Company and the Board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date, other than to Bidco, any subsidiary of Bidco or any nominee(s) of Bidco pursuant to the HL Scheme.”

By order of the Board

Claire Chapman
Company Secretary

6 September 2024

Registered Office: One College Square South, Anchor Road, Bristol, BS1 5HL
Registered in England & Wales No. 2122142

Notes

1. Capitalised but undefined terms in this Notice and these Notes shall have the same meanings as set out in the document of which this Notice forms part.
2. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only holders of HL Shares whose names appear on the register of members of HL at the Voting Record Time, or, if the General Meeting is adjourned, on the register of members at 6.30 p.m. (London time) on the date which is two days (excluding non-working days) before the date set for such adjourned meeting, will be entitled to attend and vote at the General Meeting in respect of the HL Shares registered in their name at the relevant time. Changes to the entries in the register of members after any such time shall be disregarded in determining the rights of any person to participate in and vote at the General Meeting.
3. A member of the Company entitled to attend and vote at the General Meeting may appoint one or more proxies, who need not be members, to exercise all or any of their rights to attend, speak and vote on their behalf.
4. A WHITE Form of Proxy for use in connection with the General Meeting is enclosed with this Notice. The WHITE Form of Proxy gives your proxy(ies) full rights to attend, speak and vote at the General Meeting. If you wish to restrict the rights of your proxy(ies), please cross out either or both of the words ‘speak’ or ‘vote’ (as appropriate) in the WHITE Form of Proxy.
5. To be effective, the WHITE Form of Proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be sent to the Company’s

registrar, Equiniti Limited (“**Equiniti**”), at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA so as to arrive no later than 10.45 a.m. on Thursday 10 October 2024, or, if the General Meeting is adjourned, no later than 48 hours (excluding non-working days) before the time fixed for the adjourned meeting.

6. Alternatively, electronic proxy appointment (“**EPA**”) is available for the General Meeting whereby you can lodge your votes electronically. If you have not registered with the Equiniti online portfolio service, Shareview, and would prefer to use the EPA system, please visit www.sharevote.co.uk where details of the procedure are shown. The Voting ID, Task ID and Shareholder Reference Number shown on the Form of Proxy will be required to complete the procedure. If you have already registered with Shareview, you may complete the EPA via your portfolio at www.shareview.co.uk. EPA will not be valid if received after 10.45 a.m. on Thursday 10 October 2024 (or, if the General Meeting is adjourned, 48 hours (excluding non-working days) before the time fixed for the adjourned meeting) and will not be accepted if found to contain a computer virus.
7. The CREST electronic proxy appointment service is available for the General Meeting. To use this service, CREST members should transmit a CREST Proxy Instruction (as defined below) using the procedures described in the CREST Manual, so as to reach Equiniti (CREST participant ID RA19), by no later than 10.45 a.m. on Thursday 10 October 2024 (or, if the General Meeting is adjourned, no later than 48 hours (excluding non-working days) before the time fixed for the adjourned General Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which Equiniti is able to retrieve the message. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. A proxy appointment sent by CREST may be treated as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST Manual can be viewed at www.euroclear.com.
8. HL Shareholders who wish to appoint a proxy through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual which can be viewed at www.euroclear.com. CREST personal shareholders or other CREST sponsored shareholders, and those HL Shareholders who have appointed a voting 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.
9. In order for the appointment of a proxy or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy, the revocation in appointment of a proxy or 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 RA19) by the latest time(s) for receipt of appointments of proxy specified in Note 7 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications 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 a proxy appointed through CREST should be communicated to the appointed proxy by other means.
10. HL Shareholders (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the HL Shareholder concerned to take (or, if the HL Shareholder is a CREST personal shareholder or sponsored shareholder or has appointed a voting service provider, to procure that its CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In connection with this, HL Shareholders (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. 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.
12. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (“**Nominated persons**”). Nominated persons may have a right

under an agreement with the HL Shareholder on whose behalf they hold the shares to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

13. To appoint more than one proxy for the General Meeting, you should either photocopy the WHITE Form of Proxy or request additional WHITE Form(s) of Proxy and indicate next to each proxy's name the number of HL Shares in relation to which you authorise them to act as your proxy. If you have appointed multiple proxies, please also mark the box where indicated. To obtain additional WHITE Forms of Proxy, please contact Equiniti by writing to Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, United Kingdom, BN99 6DA or by telephone in accordance with Note 23.
14. If the WHITE Form of Proxy is signed by someone else on your behalf, their authority to sign must be returned with the WHITE Form of Proxy. In the case of a joint holding, the signature of any one of the holders will be valid. If the appointing shareholder is a corporation, the WHITE Form of Proxy must be executed under its common seal or signed by an officer, attorney or other person duly authorised by the corporation.
15. Any corporation which is a shareholder can appoint one or more corporate representatives who may execute on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
16. Completion and return of the WHITE Form of Proxy or appointing a proxy in accordance with the other methods described in these Notes will not prevent you from attending, speaking or voting in person at the General Meeting or at any adjournment thereof.
17. In the case of joint holders, only the vote of the senior holder who tenders, whether in person or by proxy, will be accepted. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding (with most senior listed first).
18. Where two or more WHITE Forms of Proxy are delivered for use in respect of the same HL Shares, the one which has been delivered last (regardless of when it was signed or by what means it was delivered) shall be treated as replacing and revoking the other(s) which have been delivered. If it cannot be determined which Form of Proxy was delivered last, none of the forms shall be treated as valid.
19. As at 5 September 2024 (which is the last practicable date before the publication of this Notice), the Company's issued share capital consists of 474,318,625 ordinary shares of 0.4 pence each, carrying one vote each on a poll. No ordinary shares were held in treasury. Therefore, the total voting rights in the Company as at 5 September 2024 were 474,318,625.
20. You may not use any electronic address provided either on the WHITE Form of Proxy, in these Notes, in the Notice of General Meeting or in any related documents to communicate with HL for any purposes other than those expressly stated.
21. Information regarding the General Meeting, including information required by section 311A of the Companies Act 2006 and a copy of this Notice of General Meeting may be found on the Company's website at www.hl.co.uk/investor-relations.
22. All HL Shareholders and their duly appointed proxies attending the General Meeting in person have the right to, and will have the opportunity to, ask questions at the General Meeting. Questions may not be answered at the General Meeting if they are deemed not to be in the interests of the Company or the good order of the General Meeting, would interfere unduly with the preparation of the General Meeting or involve the disclosure of confidential information, or the answer has already been given on the Company's website. The Chair of the General Meeting may also nominate a Company representative to answer a specific question after the General Meeting or refer to the relevant response on the Company's website.
23. If you have any questions relating to the General Meeting or the WHITE Form of Proxy, please telephone Equiniti on 0371 384 2050 if calling from within the UK or on +44 371 384 2050 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales. For deaf and speech impaired shareholders, calls are welcomed via Relay UK. Please see www.relayuk.bt.com for more information. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline cannot provide advice on the merits of the Acquisition or the Scheme nor give any financial, legal or tax advice.

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