PROSPECTUS DATED 26 FEBRUARY 2024

INVESTEC plc

(incorporated with limited liability in England and Wales with registered number 03633621)

£350,000,000

Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities
Issue Price 100.00 per cent.

The £350,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities (the "**Securities**") will be issued by Investec plc (the "**Issuer**") and constituted by a trust deed to be dated on or about 28 February 2024 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer and the Trustee (as defined in "*Terms and Conditions of the Securities*" (the "**Conditions**"), and references herein to a numbered "**Condition**" shall be construed accordingly)). References herein to the "**Issuer Group**" shall mean the Issuer and each entity which is part of the United Kingdom ("**UK**") prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements, as defined in the Conditions) of which the Issuer is part from time to time.

The Securities will bear interest for the period from, and including, 28 February 2024 (the "**Issue Date**") to, but excluding, 28 February 2030 (the "**First Reset Date**") at 10.500 per cent. per annum (the "**Initial Fixed Interest Rate**"). The Interest Rate (as defined in the Conditions) will be reset on each Reset Date (each as defined in the Conditions) for the period to (but excluding) the next succeeding Reset Date thereafter, and the Reset Rate of Interest (as defined in the Conditions) shall be the aggregate of 6.566 per cent. per annum and the Reset Reference Rate on the relevant Reset Determination Date (each as defined in the Conditions). Subject to cancellation (in whole or in part) as provided herein, interest will be payable semi-annually in arrear on 28 February and 28 August in each year (each an "**Interest Payment Date**") commencing on 28 August 2024.

The Issuer may at any time in its sole and full discretion cancel (in whole or in part) the interest amount otherwise scheduled to be paid on any date. To the extent required under then prevailing Regulatory Capital Requirements, interest otherwise due to be paid on any date will not become due or payable (in whole or in part) and the relevant payment will be deemed cancelled and will not be made if and to the extent that the amount of such interest payment: (i) when (subject as described in the Conditions) aggregated with any interest payments or other distributions on the Securities and on all other own funds instruments paid or made or required to be paid or made in the then current financial year of the Issuer exceeds the amount of the Issuer's Distributable Items (as defined in the Conditions) as at such date; or (ii) when aggregated with other distributions of the kind referred to in rule 4.3(2) of Chapter 4 of the Capital Buffers Chapter of the PRA Rulebook exceeds any Maximum Distributable Amount (as defined in the Conditions) then applicable to the Issuer or the Group. Furthermore, interest otherwise due to be paid on any date will not become due (in whole or in part) and the relevant payment will be deemed cancelled and will not be made to the extent that the Competent Authority (as defined in the Conditions) orders the Issuer to cancel such payment. The cancellation of any interest payment (in whole or in part) shall not constitute a default for any purpose on the part of the Issuer and any interest amount(s) which are cancelled do not become due and are non-cumulative. Subject as provided herein, all payments in respect of or arising from the Securities are conditional upon the Issuer being solvent (as set out in the Conditions) at the time for payment and immediately following payment.

The Securities are perpetual securities with no fixed redemption date and the holders of the Securities (the "**Holders**") have no right to require the Issuer to redeem or purchase the Securities at any time. Subject to the Issuer having obtained Supervisory Permission (as defined in the Conditions) and to compliance with the Regulatory Capital Requirements, the Securities may be redeemed at the option of the Issuer (i) on any day falling in the period from (and including) 28 August 2029 to (and including) the First Reset Date or any day falling in the period of six months prior to (and including) any Reset Date thereafter, (ii) at any time upon the occurrence of a Tax Event or a Capital Disqualification Event (each as defined in the Conditions), or (iii) if 75 per cent. or more of the aggregate principal amount of the Securities originally issued (and, for these purposes, any Further Securities (as defined in the Conditions) will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, in each case, at their principal amount together with any accrued and unpaid interest to (but excluding) the date of redemption (but excluding any interest amounts which have been cancelled in accordance with the Conditions).

The entire principal amount of the Securities will automatically and irrevocably be reduced to zero and the Securities shall be cancelled, and all accrued and unpaid interests shall be automatically and irrevocably cancelled, if a Trigger Event (as defined in the Conditions) occurs. The Securities will also be subject to write-down and conversion powers exercisable under, and in the circumstances set out in, the Banking Act 2009, as amended. On the occurrence of a Trigger Event and/or the exercise of such write-down and conversion powers, Holders could lose their entire investment in the Securities.

Application has been made to the Financial Conduct Authority (the "**FCA**") under Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**") for the Securities to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Securities to be admitted to trading on the Main Market of the London Stock Exchange (the "**Market**"). References in this Prospectus to the Securities being "listed" (and all related references) shall mean that the Securities have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated market situated or operating within the UK for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**"). This Prospectus comprises a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK Prospectus Regulation**"). This Prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Securities.

The Securities will be issued in the form of a global certificate in registered form (the "**Global Certificate**"). The Global Certificate will be deposited with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), and registered in the name of the nominee of the common depositary, on the Issue Date. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through records maintained by, Euroclear or Clearstream, Luxembourg. Interests in the global certificate will be exchangeable for the relevant definitive securities only in certain limited circumstances. See "*Summary of Provisions Relating to the Securities while represented by the Global Certificate*". The denominations of the Securities shall be £200,000 and integral multiples of £1,000 in excess thereof.

UK MiFIR professionals/ECPs-only/No UK/EU PRIIPs KID/FCA CoCo Restriction – Manufacturer target market under UK MiFIR is eligible counterparties and professional clients only (all distribution channels). No key information document ("KID") under Regulation (EU) No 1286/2014 (the "EU PRIIPs Regulation") or Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the "UK PRIIPS Regulation") has been prepared as the Securities are not available to retail investors in the European Economic Area ("EEA") or in the UK. In addition to the above, pursuant to the FCA's Conduct of Business Sourcebook ("COBS") the Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available in the UK to retail clients (as defined in COBS 3.4). Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" commencing on page ii.

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the state securities laws of any state of the United States and are subject to United States tax law requirements. The Securities are being offered outside the United States by the Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant

to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Securities are expected, on issue, to be rated Ba1 (hyb) by Moody's Investors Service Ltd. ("**Moody's**"). Moody's is established in the UK and is registered under Regulation (EC) No. 1060/2009 as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK CRA Regulation**"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

Investing in the Securities involves significant risks. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Investors should reach their own investment decision about the Securities only after consultation with their own financial and legal advisers about risks associated with an investment in the Securities and the suitability of investing in the Securities in light of the particular characteristics and terms of the Securities, which are complex in structure and operation, and in light of each investor's particular financial circumstances.

JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS

Citigroup **J.P. Morgan**

Lloyds Bank Corporate Markets

CO-MANAGERS

Mizuho **SMBC Nikko**

IMPORTANT NOTICE

This Prospectus comprises a prospectus for the purposes of the UK Prospectus Regulation and for the purpose of giving information with regard to the Issuer, the Group and the Securities which, according to the particular nature of the Issuer, the Group and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe or purchase, any of the Securities. The distribution of this Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Securities and distribution of this Prospectus, see "*Subscription and Sale*" below.

No person is or has been authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Managers or the Trustee. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of the Managers, Citibank, N.A., London Branch as principal paying agent, agent bank, registrar and transfer agent (the "**Agents**") or the Trustee has separately verified the information contained in this Prospectus. None of the Managers, the Agents or the Trustee make any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained in this Prospectus or any other information provided by the Issuer in connection with the offering of the Securities. None of the Managers, the Agents or the Trustee accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the offering of the Securities or their distribution. Neither this Prospectus nor any other information supplied in connection with the offering of the Securities is intended to constitute, and should not be considered as, a recommendation by any of the Issuer, the Managers, the Agents or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Securities should purchase the Securities. Each potential purchaser of Securities should determine for itself the relevance of the information contained in this Prospectus and its purchase of Securities should be based upon such investigation as it deems necessary. None of the Managers, the Agents and the Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any investor or potential investor in the Securities of any information coming to their attention.

To the fullest extent permitted by law, none of the Managers, the Trustee and the Agents shall have any responsibility whatsoever for the contents of this Prospectus or for any other statement, made or purported to

be made by a Manager or on its behalf in connection with the Issuer or the issue and offering of the Securities. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

In the ordinary course of business, each of the Managers has engaged and may in the future engage in normal banking or investment banking transactions with the Issuer and its affiliates or any of them.

Restrictions on marketing and sales to retail investors

The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities to retail investors. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

In the UK, COBS requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

Each of the Managers is required to comply with COBS.

By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or any Manager, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Managers that:

1. it is not a retail client in the UK; and

2. it will not sell or offer the Securities (or any beneficial interests therein) to retail clients in the UK or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK. In selling or offering the Securities or making or approving communications relating to the Securities, prospective investors may not rely on the limited exemptions set out in COBS.

The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) those described below and any other such laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client(s).

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "**MiFID II**"); or (ii) a customer within the meaning of the Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**EU**

PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS - The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Canadian Investors: This document constitutes an "exempt offering document" as defined in and for the purposes of applicable Canadian securities laws. No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Securities. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Securities and any representation to the contrary is an offence.

The Securities may be sold in Canada only to purchasers in, resident in or subject to the securities laws of British Columbia, Alberta or Ontario that are purchasing, or deemed to be purchasing, as principal, that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* ("**NI-45-106**") or subsection 73.3(1) of the *Securities Act* (Ontario) and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("**NI 31-103**") and that are not created or used solely to purchase or hold securities as an accredited investor described in paragraph (m) of the definition of "accredited investor".

The offer and sale of the Securities in Canada are being made on a private placement basis only pursuant to an exemption from the requirement that the Issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of the Securities must be made in accordance with applicable Canadian securities laws, which may vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with Canadian prospectus requirements, a statutory exemption from the prospectus requirements, in a transaction exempt from the prospectus requirements or otherwise under a discretionary exemption from the prospectus requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may under certain circumstances apply to resales of the Securities outside of Canada.

Securities legislation in certain provinces or territories of Canada may provide Canadian investors with remedies for rescission or damages if an "offering memorandum" such as this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

The Issuer is not a member institution of the Canada Deposit Insurance Corporation. The liability incurred by the Issuer through the issuance and sale of the Securities is not a deposit. The Issuer is not regulated as a financial institution in Canada.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client(s).

Suitability of Investment

The Securities are complex financial instruments and will not be a suitable investment for all investors. Each potential investor in the Securities should determine the suitability of such investment in light of its own circumstances, either on its own or with the help of its financial and other professional advisers. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

(iii) understand thoroughly the terms of the Securities, such as the provisions governing write down of the principal amount and the cancellation of interest (including, in particular, the Issuer Group's CET1 Ratio (as defined in the Conditions), as well as under what circumstances the Trigger Event (as defined in the Conditions) will occur), and be familiar with the behaviour of any relevant indices and financial markets;

(iv) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where such potential investor's financial activities are principally denominated in a currency other than pounds sterling, and the possibility that the entire principal amount of the Securities could be lost, including following the exercise of any bail-in power by the resolution authorities; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) Securities are legal investments for it; (ii) Securities can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

Presentation of financial and other information

In this Prospectus, unless otherwise specified:

- references to a "**Member State**" are references to a Member State of the EEA;
- references to "**£**", "**sterling**" and "**pounds sterling**" are to the lawful currency for the time being of the UK and to "**Euro**" are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- references to "**Clearstream, Luxembourg**", "**Euroclear**" or the "**Clearing Systems**" shall include any successor clearing systems;
- references to "**Investec Group**" are to the Issuer and Investec Limited operating under a dual listed companies ("**DLC**") structure, as further described in this Prospectus;
- the term "**Issuer Group**" means the Issuer and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements, as defined in the Conditions) of which the Issuer is part from time to time;
- the term "**Group**" means Investec plc (or any successor entity) and its consolidated subsidiaries, unless the context indicates otherwise; and
- the term "**PRA**" means the Prudential Regulation Authority of the UK.

Forward looking statements

Some statements in this Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*" and "*Description of Issuer*" and other sections of this Prospectus. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to maintain its client base and current investment performance;
- the performance of the markets in the UK and the wider region in which the Issuer operates;
- the Issuer's ability to obtain additional financing or maintain sufficient capital to fund its existing and future investments;
- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate; and
- the Issuer's ability to navigate changes in competitive or regulatory environment, including in relation to tax and accounting;
- the occurrence of natural disasters, failing infrastructure systems, terrorist acts or other acts of war or hostility and responses to those acts in the jurisdictions in which the Issuer operates;
- fluctuations in exchange rates, interest rates, stock markets, currencies and UK real estate values; and
- deterioration of customer and counterparty credit quality.

Any forward looking statements contained in this Prospectus speak only as at the date of this Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate, after the date of this Prospectus, any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

Supplementary Prospectus

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Stabilisation

In connection with the issue of the Securities, J.P. Morgan Securities plc (the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot Securities or effect transactions with a view to supporting the price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the Issue Date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

TABLE OF CONTENTS

Page

OVERVIEW OF THE PRINCIPAL FEATURES OF THE SECURITIES

The following overview provides an overview of certain provisions of the Conditions and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalised terms which are defined in the Conditions have the same meaning when used in this overview.

Issuer	Investec plc
Securities	£350,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities.
Risk factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Securities and the Trust Deed. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Securities and certain risks relating to the structure of the Securities. These are set out under "*Risk Factors*".
Status of the Securities	The Securities will constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer and will rank *pari passu*, without any preference, among themselves.
Rights on a Winding-Up	The rights and claims of Holders in the event of a Winding-Up are described in Conditions 3 and 9. In any Winding-Up before the Write Down Date, the claims of Holders will rank junior to the claims of Senior Creditors (including holders of Tier 2 Capital instruments), being creditors who are unsubordinated creditors of the Issuer and those whose claims are subordinated other than those whose claims rank *pari passu* with, or junior to, the claims of Holders.
Solvency Condition	Except in the event of a Winding-Up, all payments in respect of or arising from (including any damages awarded for breach of any obligations under) the Securities (other than payments to the Trustee for its own account under the Trust Deed) are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6, conditional upon the Issuer being solvent at the time of payment by the Issuer and no payments of principal, interest or any other amount shall be due and payable in respect of or arising from the Securities or the Trust Deed except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").
Interest	Subject to Conditions 3*(b)*, 5 and 6, the Securities will bear interest on their principal amount: (a) from (and including) the Issue Date to (but excluding) the First Reset Date, at the rate of 10.500 per cent. per annum; and (b) thereafter, at the relevant Reset Rate of Interest (as described in Condition 4).

	Interest shall be payable semi-annually in arrear on 28 February and 28 August of each year, (each an "**Interest Payment Date**") commencing on 28 August 2024. If paid in full, each payment of interest in respect of each Interest Period ending prior to the First Reset Date shall amount to £52.50 per £1,000 principal amount of the Securities.
Optional Cancellation of Interest	The Issuer may in its sole and absolute discretion at any time elect to cancel (in whole or in part) the interest otherwise scheduled to be paid on any date. See Condition 5*(a)* for further information.
Mandatory Cancellation of Interest	To the extent required under then prevailing Regulatory Capital Requirements, interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, if and to the extent that the amount of such interest payment otherwise due (together with any Additional Amounts payable thereon pursuant to Condition 10, if applicable), together with any interest payments or other distributions which have been paid or made or which are required to be paid or made during the then current Financial Year on the Securities and on all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate would exceed the amount of Distributable Items of the Issuer as at such date. To the extent required under then prevailing Regulatory Capital Requirements, interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, to the extent that the amount of such interest payment otherwise due (together with any Additional Amounts payable thereon pursuant to Condition 10, if applicable), together with other distributions of the kind referred to in rule 4.3(2) of Chapter 4 (*Capital Conservation Measures*) of the Capital Buffers chapter of the PRA Rulebook, as amended or replaced or referred to in any other applicable provisions of the Regulatory Capital Requirements which require a maximum distributable amount to be calculated and which are required under prevailing Regulatory Capital Requirements to be taken into account for this purpose, in aggregate would cause the Maximum Distributable Amount (if any) then applicable to the Issuer or the Group to be exceeded. Interest otherwise due on any date will not be due (in whole or, as the case may be, in part), and the relevant payment will be

	deemed cancelled and will not be made, to the extent the Competent Authority orders the Issuer to cancel such payment. Payments of interest are also subject to the Solvency Condition (see "*Solvency Condition*" above). Following the occurrence of a Trigger Event, any interest which is accrued and unpaid shall be automatically and irrevocably cancelled (see "*Write Down following a Trigger Event*" below).
Non-Cumulative Interest	Any interest payment (or, as the case may be, part thereof) not paid on any scheduled payment date by reason of Condition 3*(b)*, 5*(a)*, 5*(b)*, 5*(c)*, 5*(d)* or 6 shall be cancelled, shall not accumulate and will not become due or payable at any time thereafter, whether in a Winding-Up or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations. The failure to pay such amount of interest or part thereof shall not constitute a default of the Issuer for any purpose. Any such interest will not accumulate or be payable at any time thereafter and holders of the Securities shall have no right thereto whether in a Winding-Up or otherwise, or to receive any additional interest or other compensation as a result of any such cancelled payment of interest.
Write Down following a Trigger Event	If, at any time, it is determined (as provided below) that a Trigger Event has occurred: (a) the Issuer shall (unless the determination was made by the Competent Authority) immediately inform the Competent Authority of the occurrence of the Trigger Event; (b) the Issuer shall, without delay, give the Trigger Event Notice, which notice shall be irrevocable; (c) any interest which is accrued and unpaid shall be automatically and irrevocably cancelled; and (d) the full principal amount of each Security shall be automatically and irrevocably reduced to zero and the Securities shall be cancelled, such reduction and cancellation being referred to as the "**Automatic Write Down**". On the Business Day following the determination that a Trigger Event has occurred (the "**Write Down Date**"), an Automatic Write Down shall occur. "**Trigger Event**" means that the CET1 Ratio of the Issuer Group has fallen below 7.00 per cent. Effective upon, and following, the Automatic Write Down, Holders shall not have any rights against the Issuer with respect

	to (i) repayment of the principal amount of the Securities or any part thereof, (ii) the payment of any interest for any period or (iii) any other amounts arising under or in connection with the Securities and/or the Trust Deed. See Condition 6 for further information.
Maturity	The Securities are perpetual securities with no fixed redemption date. The Securities may only be redeemed or repurchased by the Issuer in the circumstances below (as more fully described in Condition 7).
Optional Redemption	The Issuer may elect, subject to the conditions set out under "*Conditions to redemption, substitution or variation etc.*" below, to redeem all (but not some only) of the Securities on any day falling in the period from (and including) 28 August 2029 to (and including) the First Reset Date or any day falling in the period of six months prior to (and including) any Reset Date thereafter at their principal amount together with interest accrued and unpaid (excluding interest that has been cancelled in accordance with the Conditions) to (but excluding) the date fixed for redemption.
Redemption, Substitution or Variation following a Tax Event or a Capital Disqualification Event	The Issuer may elect, subject to the conditions set out under *"Conditions to redemption, substitution or variation etc."* below, to redeem all (but not some only) of the Securities at any time if a Tax Event or a Capital Disqualification Event has occurred, in each case, at their principal amount together with interest accrued and unpaid (excluding interest that has been cancelled in accordance with the Conditions) to (but excluding) the date fixed for redemption. If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to the conditions set out under *"Conditions to redemption, substitution or variation, etc."* but without any requirement for the consent or approval of the Holders, at any time (whether before or following the First Reset Date) either substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain or, as appropriate, become Compliant Securities.
Issuer's Clean-up Call Option	The Issuer may elect, subject to the conditions set out under *"Conditions to redemption, substitution or variation etc."* below, to redeem all (but not some only) of the Securities if 75 per cent. or more of the aggregate principal amount of the Securities originally issued (and, for these purposes, any Further Securities will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, at their principal amount together with interest accrued and unpaid (excluding interest that has been cancelled in accordance with the Conditions) to (but excluding) the date fixed for redemption.

Conditions to Redemption, Substitution or Variation etc.	The Securities may only be redeemed, substituted, varied or purchased pursuant to Condition 7 if: (a) the Issuer has obtained prior Supervisory Permission therefor and is complying with any prevailing Regulatory Capital Requirements relating to the event then required; (b) in the case of any redemption or purchase of the Securities other than prior to the fifth anniversary of the Reference Date, if and to the extent then required under prevailing Regulatory Capital Requirements, either: (A) the Issuer has replaced (or, on or before the relevant redemption or purchase date, replaces) the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer has demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum applicable requirements (including any applicable capital buffer requirements) by a margin that the Competent Authority considers necessary at such time; (c) in the case of any redemption of the Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Tax Event, the Issuer has demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date; (d) in the case of any redemption of the Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Capital Disqualification Event, the Issuer has demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Securities was not reasonably foreseeable as at the Reference Date; and (e) in the case of any redemption or purchase of the Securities prior to the fifth anniversary of the Reference Date pursuant to Conditions 7*(f)* or 7*(h)*, either (A) the Issuer has replaced (or, on or before the relevant purchase date, replaces) the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority has permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) in the case of any purchase pursuant to Condition 7*(h)*, the relevant Securities are being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements.

Purchase of the Securities	The Issuer may, at its option, purchase or otherwise acquire any of the outstanding Securities at any price, in any manner and at any time in accordance with applicable laws and regulations (including, for the avoidance of doubt, the Regulatory Capital Requirements) and Condition 7*(h)*.
Withholding tax and Additional Amounts	All payments of principal, interest and any other amount in respect of the Securities shall (subject always to Conditions 3*(b)*, 5, 6 and 7*(b)*) be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction or any political subdivision thereof, unless such withholding and/or deduction is required by law. In that event, the Issuer shall (subject to certain exemptions) account to the relevant authorities for the amount required to be withheld or deducted and will in respect of payments of interest (but not principal or any other amount) (subject as aforesaid), subject to certain limitations and exceptions, pay such Additional Amounts as will result (after such withholding and/or deduction) in the receipt by the Holders of such sums as would have been received in respect of their Securities had no such withholding been required. Notwithstanding any other provisions of the Conditions, any amounts to be paid on the Securities shall be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code (as defined in the Conditions), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of any FATCA Withholding.
Enforcement	If the Issuer has not made payment of any amount in respect of the Securities for a period of seven days or more after the date on which such payment is (without prejudice to Condition 3*(b)*, 5 and 6) due, the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, in its discretion or, if so requested by an Extraordinary Resolution or in writing by the Holders of at least one-quarter in principal amount of the Securities then outstanding shall, institute proceedings for a winding-up of the Issuer in England (but not elsewhere). The Trustee may prove and/or claim in any winding-

	up of the Issuer (whether or not instituted by the Trustee) and shall have such claim as is set out in Condition 3. The Trustee may, at its discretion and without notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Securities (other than any payment obligation), provided that in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been due and payable by it pursuant to the Conditions and the Trust Deed. No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for a Winding-Up unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing. See Condition 9 for further information.
Modification	The Trust Deed will contain provisions for convening meetings of Holders (including in a physical place or by any electronic platform (such as conference call or video conference) or a combination of such methods) to consider any matter affecting their interests, pursuant to which defined majorities of the Holders may consent to the modification or abrogation of any of the Conditions or any of the provisions of the Trust Deed, and any such modification or abrogation shall be binding on all Holders. Subject to receipt of Supervisory Permission from the Competent Authority (if required), the Trustee may agree, without the consent of the Holders, to (i) any modification of the Conditions or of any other provisions of the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error and (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of, the Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 15 as soon as practicable thereafter.
Form	The Securities will be issued in registered form. The Securities will be initially represented by a Global Certificate which is registered in the name of a nominee of a common depositary for the Clearing Systems.
Denomination	£200,000 and integral multiples of £1,000 in excess thereof.
Clearing systems	Euroclear and Clearstream, Luxembourg.

Listing	Application has been made for the Securities to be admitted to the Official List of the FCA and for the Securities to be admitted to trading on the Market.
Governing law	The Securities and the Trust Deed, and any non-contractual obligations arising out of or in connection with the Securities or the Trust Deed, will be governed by, and construed in accordance with, English law.
Submission to jurisdiction	The Issuer will, in the Trust Deed, irrevocably agree for the benefit of the Trustee and the Holders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Securities).
Rating	The Securities are expected to be rated Ba1 (hyb) by Moody's which is a credit rating agency established in the in the UK and registered under UK CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency.
ISIN	XS2774843408
Common Code	277484340
Trustee	Citicorp Trustee Company Limited
Principal Paying Agent and Agent Bank	Citibank, N.A., London Branch
Registrar and Transfer Agent	Citibank, N.A., London Branch

DOCUMENTS INCORPORATED BY REFERENCE

The Issuer (i.e. Investec plc) and Investec Limited are two separate legal entities which together constitute the Investec Group and operate under a DLC structure. The effect of the DLC structure is that the Issuer and its subsidiaries and Investec Limited and its subsidiaries operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under International Financial Reporting Standards ("**IFRS**"). Combined financial statements have been prepared on this basis. These combined financial statements are prepared in accordance with IFRS and are contained in the Investec Group's "integrated" annual reports, together with the unconsolidated balance sheet of the Issuer only, prepared in accordance with Financial Reporting Standard 101 under UK generally accepted accounting principles ("**UK GAAP**").

The Issuer also prepares consolidated financial statements to present the financial position and results of Investec plc and its subsidiaries alone as if the contractual arrangements which create the DLC structure did not exist. These financial statements are referred to below as the consolidated financial statements and accounts "of the Issuer" and are contained in a separate annual report that is called the "Investec plc silo" annual report, in contrast to the Investec Group integrated annual report.

The unaudited consolidated interim financial information of the Issuer for the six months ended 30 September 2023 (the "**Unaudited September 2023 Financial Information**"), unconsolidated financial information contained at pages 182-192 of the Investec plc silo annual report and accounts for the year ended 31 March 2023 and pages 179-187 of the Investec plc silo annual report and accounts for the year ended 31 March 2022 and the unconsolidated financial information of the Issuer contained at pages 152 - 162 of the Investec Group's annual report – annual financial statements for the year ended 31 March 2023 and pages 147 - 156 of the Investec Group's annual report – annual financial statements for the year ended 31 March 2022 are prepared in accordance with UK GAAP.

References in the consolidated financial statements and accounts of the Issuer to the "group", are to Investec plc and its subsidiaries and references in the Investec Group's integrated annual reports to the "group" are to the Investec Group.

Further information about the Investec Group and the DLC structure that the Issuer operates under together with Investec Limited is to be found in the section entitled "Information about the Issuer". It should, however, be noted that the Securities are obligations solely of Investec plc and are not in any way guaranteed by Investec Limited or any other entity.

Incorporation by reference

The following documents shall be deemed to be incorporated in, and to form part of, this Prospectus, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Prospectus:

(i) the Unaudited September 2023 Financial Information;

(ii) the annual report (including the auditor's report and audited consolidated annual financial statements) of the Issuer for the year ended 31 March 2023 (i.e. the Investec plc silo annual report and accounts);

(iii) the annual report (including the auditor's report and audited consolidated annual financial statements) of the Issuer for the year ended 31 March 2022 (i.e. the Investec plc silo annual report and accounts);

(iv) the group annual report – annual financial statements (entitled "*Annual Financial Statements*") of the Investec Group's integrated annual report for the year ended 31 March 2023 containing combined

financial statements of the Investec Group, the auditor's report, the unconsolidated balance sheet of Investec plc and shareholder information; and

(v) the group annual report – annual financial statements (entitled "*Annual Financial Statements*") of the Investec Group's integrated annual report for the year ended 31 March 2022 containing combined financial statements of the Investec Group, the auditor's report, the unconsolidated balance sheet of Investec plc and shareholder information.

The documents incorporated by reference in this Prospectus shall not include any documents which are themselves incorporated by reference in such incorporated documents ("**daisy chained documents**"). Such daisy chained documents shall not form part of this Prospectus. Where only part of the documents listed above have been incorporated by reference, only information expressly incorporated by reference herein shall form part of this document and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Prospectus.

Copies of the documents incorporated by reference in this Prospectus are available (i) for inspection or collection during normal business hours by a Holder from the registered office of the Issuer and from the specified offices of the Principal Paying Agent (or may be provided by email to a Holder following their prior written request to the Issuer or the Principal Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issuer or the Principal Paying Agent, as the case may be)) and (ii) in the case of the Investec Group's integrated annual reports, on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html, and, in the case of the Issuer's annual reports and accounts and interim financial statements, https://www.investec.com/en_gb/welcome-to-investec/about-us/investor-relations/financial-information.html

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. The value of the Securities could decline due to any of these risks, and investors may lose some or all of their investment.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Securities are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Securities for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Capitalised terms which are defined in the Conditions have the same meaning when used in the following risk factors.

Risks relating to the Issuer

A decline in the business, operating results, financial condition and prospects of the Group may have an adverse impact on the ability of the Issuer to make payments under the Securities. The key factors which may impact on the performance of the Group are set out below.

1 Risks relating to the macro-environment in which the Group operates

Market risks, business and general macro-economic conditions and fluctuations as well as volatility in the global financial markets.

The Group is subject to risks arising from general macro-economic and geopolitical conditions in the countries in which it operates, including in particular the UK, as well as global economic and geopolitical conditions.

During the global financial crisis that started in mid-2008, the UK economy experienced a significant degree of turbulence and periods of recession, adversely affecting, among other things, market interest rates, levels of unemployment, the cost and availability of credit and the liquidity of the financial markets. Whilst economic indicators in the UK had started to improve, the outlook remains uncertain following Brexit. Indirect impacts resulting from the Russian invasion of Ukraine such as risks of rising inflation compounded by supply chain issues and rising commodity prices may lead to a recession. Since a significant portion of the Group's operating profit is derived from clients based in the UK, it is particularly exposed to the condition of the UK economy, including house prices, interest rates, levels of unemployment and consequential fluctuations in individual clients' disposable income and corporate clients' profits.

In recent years, economic conditions in the other countries in which the Group operates have been negatively impacted by a number of global macroeconomic trends, including increasing international tension and political polarization, wars and terrorist attacks, the Russian invasion of Ukraine, the Israel-Palestine conflict, ongoing concerns surrounding the significant sovereign debts and fiscal deficits of several countries in Europe, a weakening of the Chinese economy, the potential exit of member states from the European Monetary Union and a decline in global commodity prices such as crude oil. The effects of these events have been felt in the global economy and by financial institutions in particular, and have placed strains on funding markets at times

when many financial institutions had material funding needs. Any further adverse developments in the global economy could have an adverse impact on its business, results of operations, financial condition and prospects.

The Group completed an all-share combination of Investec Wealth & Investment Limited ("**Investec W&I UK**") and Rathbones Group plc ("**Rathbones**") on 21 September 2023. As a result, Investec W&I UK now forms part of an enlarged Rathbones group (the "**Enlarged Rathbones Group**"), of which the Group has a 41.25 per cent. economic interest, 29.9 per cent. voting interest and two non-executive director board seats. Rathbones earns fixed fees as a percentage of funds under management, as well as commissions earned for executing transactions for clients. Accordingly, its results of operations are influenced by fluctuations in the market value of funds under management. A large portion of Rathbones' total funds under management comprise equity securities. Therefore, its fee and commission income is vulnerable to fluctuations in equity markets since a reduction in the value of equities would contribute to a reduction in the value of funds under management, and therefore a reduction in fee and commission income. Although the majority of the investment mandates for Rathbones' clients are based on a long term approach to investment through market cycles, significant volatility in securities markets may result in equities and funds becoming less attractive investments for Rathbones' clients. Deterioration in equity or other securities markets may therefore make it harder for Rathbones to attract new clients or could potentially result in clients withdrawing a portion or all of the assets in their portfolios. As a significant shareholder of Rathbones, the Group is exposed to these risks.

Revenues from the Specialist Banking business are also sensitive to market volatility. Deterioration in the financial markets and general economic activity has in the past affected, and will continue to affect levels of private client activity. The Group's investment banking and corporate banking income is directly related to the number and size of the transactions in which it participates and general corporate and institutional activity. Accordingly, any reduction in the number and/or size of such transactions and a slowdown in corporate activity, whether occasioned by market volatility or otherwise, will adversely affect its results of operations. Moreover, some of the Specialist Banking income is derived from direct or principal investments or from the management of private equity portfolios. This income is dependent upon the performance of the underlying investments and the ability to realise value upon exit from the investments and, as such, revenues, returns and profitability may fluctuate, impacting the Group's results of operations. As a result of the foregoing factors, market volatility may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group also maintains trading and investment positions in various financial and other assets, including equity, fixed income, currency and related derivative instruments and real estate. At any point in time these positions could be either long positions, such that the Group will benefit from upward movements in the market prices of these assets, or short positions, such that it will benefit from downward movements in the market prices of these assets. Fluctuations in the value of equities, fixed income, currency and related derivative instruments and real estate, either absolutely or relative to other asset classes, could also adversely affect investor sentiment. These financial markets are sometimes subject to significant stress conditions where steep falls in perceived or actual asset values are accompanied by severe reductions in market liquidity. In dislocated markets, hedging and other risk management strategies may not be as effective as they are in normal market conditions. Market instability of this nature could result in the Group incurring losses.

Social, political and economic risk and other unforeseen events outside of the Group's control.

Unfavourable economic, political, military and diplomatic developments producing social instability or legal uncertainty may affect both the performance and demand for the Group's products and services. The Group's businesses, results of operations and financial condition could be materially adversely affected by changes in government or the economic, regulatory or other policies of the governments of the jurisdictions in which the Group operates. Among others, the actions of such governments in relation to employee relations, salaries, the

setting of interest rates, or in relation to exerting controls on prices, exchange rates or local and foreign investment, may adversely affect the Group's business and results of operations.

The Group faces risks associated with interest rate levels and volatility.

Interest rates, which are impacted by factors outside of the Group's control, including the fiscal and monetary policies of the UK government and central bank, as well as UK and international political and economic conditions, affect its operating results, profitability and return on capital in three principal areas: margins and income, cost and availability of funding and impairment levels.

Until recently, the UK has experienced historically low, sustained interest rates which has resulted in relatively low spreads being realised by the Group between the rate it pays on customer deposits and the rate received on the loans, reducing net interest income and net interest margin. Low interest rates may also reduce incentives for consumers to save and, therefore, could reduce the Group's customer deposits, its principal source of funding. The Group's business and financial performance and net interest income and margin may be adversely affected by a low interest rate environment.

Increases in interest rates could also adversely affect the Group. In an increasing interest rate environment, such as the current UK environment, it may be more exposed to re-pricing of its liabilities than competitors with higher levels of term deposits. In the event of sudden large or frequent increases in interest rates, it also may not be able to re-price its floating rate assets and liabilities at the same time, giving rise to re-pricing gaps in the short term, which, in turn, could negatively affect its net interest margin and income.

Changes in interest rates could also impact the Group's impairment loss levels and customer affordability. A rise in interest rates, without sufficient improvement in customer earnings or employment levels, could, for example, lead to an increase in default rates among customers with variable rate loans who can no longer afford their repayments, in turn leading to increased impairment charges and lower profitability for the Group. A high interest rate environment also reduces demand for loan products generally, as individuals are less likely or less able to borrow when interest rates are high. In addition, there is a risk that a sudden rise in interest rates, or an expectation thereof, could encourage significant demand for fixed rate products. High levels of movement between products in a concentrated time period could put considerable strain on the Group's business and operational capability, and it may not be willing or able to price its fixed rate products as competitively as others in the market. This could lead to high levels of customer attrition and, consequently, a negative impact on the Group's profitability.

If the Group is unable to manage its exposure to interest rate volatility, whether through hedging, product offering or by other means, its business, results of operations, financial condition and prospects could be materially adversely affected.

Government support of the finance and banking industry may have a disproportionate effect on some and an unintended effect on other participants in that industry.

The actions of some governments, providing support to certain participants in the finance and banking industry (whether explicitly or implicitly), have had and will continue to have a fundamental effect on the finance and banking industry. Whether such actions have had a positive effect on the industry as a whole and/or the wider economy, there is a risk that those participants in the industry who have not received such government support, including the Group, may have been and may continue to be disadvantaged. For example, it is possible that those banks which have not received the support of governments may be perceived by potential clients as lacking stability. Such a perception may lead to a loss of clients by smaller participants in the industry, including the Group, if clients, for example, take deposits to an institution perceived to be more secure. If this were to occur, the Group's business, operating results, financial condition and prospects may be adversely affected.

Fluctuations in exchange rates could have an adverse impact on the Group's results of operations.

A proportion of the Group's operations are conducted by the Group's entities outside the UK. The results of operations and the financial position of the Group's individual companies are reported in the local currencies of the countries in which they are domiciled, including Euro, U.S. Dollars, Indian Rupee and Australian Dollars. These results are then translated into pounds sterling at the applicable foreign currency exchange rates for inclusion in the Group's consolidated financial statements.

The Group is also subject to currency risk in respect of its trading activities, which it conducts through its Specialist Banking business, both in relation to client flows and balance sheet management.

Exchange rates between local currencies and pounds sterling have fluctuated, during recent periods. These fluctuations could have an adverse impact on the Group's results of operations.

The response of governments and regulators to instability in the global financial markets may not be effective.

In times of economic instability, governments and regulators are faced with pressure from a variety of sources, including market participants, the media, investor organisations and others, to reform the existing financial and regulatory system. There can be no guarantee that the response of governments and regulators in the jurisdictions in which the Group operates, and the reforms proposed thereby, will be effective or that the timing of responses (which might otherwise have been effective) will be appropriate. In addition, any such measures taken may negatively impact the Group's business even when they achieve their policy goals.

In the past, governments and regulators in some jurisdictions have responded to pressure of the kind referred to above by greatly increasing regulation. Reforms which increase the compliance and reporting burdens of role-players in the financial markets space can have unintended effects on the environment within which such role-players operate. There can be no guarantee that the governments and regulators in the jurisdictions in which the Group operates will not make policy decisions to implement reforms which increase the burdens faced by the Group in relation to compliance and reporting. This could increase the costs the Group has to devote to compliance and reporting and, in turn, could have a negative effect on the Group's financial condition and results of operations.

The Group faces risks related to volatility in the value of UK real estate.

UK house prices influence the value of the Group's mortgage portfolio. A decline in house prices in the UK could lead to a reduction in the recovery value of real estate assets held as collateral in the event of a customer default, and could lead to higher impairment losses, which could reduce the Group's capital and profitability as well as its ability to engage in lending and other income-generating activities. A significant increase in house prices over a short period of time could also have a negative impact on the Group by reducing the affordability of homes for buyers, which could lead to a reduction in demand for new mortgages. Sustained volatility in house prices could also discourage potential homebuyers from committing to a purchase, thereby limiting the Group's ability to grow its mortgage portfolio.

In addition, the Group's mortgage portfolio is concentrated in London and surrounding areas. The Group has benefited from the fact that in London, prime residential property has been regarded as a preferred outlet for international capital, and residential property price growth has been largely sustained in recent years. Residential property prices in the South East of England generally also have been more resilient to macroeconomic pressures compared to other regions of the UK. However, there can be no assurance that real estate price growth will continue in these areas.

The UK government's intervention into the housing market, both directly through, for example buyer assistance schemes and indirectly through the provision of liquidity to the banking sector under, for example, the Bank of England and HM Treasury's Term Funding scheme and Term Funding scheme with additional incentives for SMEs, may also contribute to volatility in house prices. This could occur, for example, as a result of any sudden

end to buyer assistance schemes in the future, which could lead to a decrease in house prices, or due to their continuation, which would maintain excess funding liquidity in the mortgage market which has supported a low mortgage interest rate environment, and which could lead to inflation in house prices. The impact of these and any other initiatives on the UK housing market and other regulatory changes, tax changes or UK Government programme changes is difficult to predict. Volatility in the UK housing market occurring as a result of these changes, or for any other reason, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

2 Risks relating to the Group

(a) Risks relating to the Specialist Banking business

The Group is subject to risks concerning customer and counterparty credit quality.

Credit and counterparty risk is defined as the risk arising from an obligor's (typically a client's or counterparty's) failure to meet the terms of any agreement. Credit and counterparty risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet.

Credit and counterparty risk arises primarily from three types of transactions:

- Lending transactions through loans and advances to clients and counterparties creates the risk that an obligor will be unable or unwilling to repay capital and/or interest on loans and advances granted to them. This category includes bank placements, where the Group has placed funds with other financial institutions;
- Issuer risk on financial instruments (for example, corporate bonds) where payments due from the issuer of a financial instrument may not be received; and
- Trading transactions, giving rise to settlement and replacement risk, which is collectively referred to as counterparty risk. Settlement risk is the risk that the settlement of a transaction does not take place as expected. Replacement risk is the financial cost of having to enter into a replacement contract with an alternative market counterparty following default by the original counterparty.

The Group's credit risk arises primarily in relation to its Specialist Banking business, through which it offers products such as private client mortgages and specialised lending to high net worth individuals and a range of lending products to corporate clients, including corporate loans, asset based lending, fund finance, asset finance, acquisition finance, power and infrastructure finance and corporate debt securities. Within its Wealth & Investment business, the Group is subject to relatively limited settlement risk which can arise due to undertaking transactions in an agency capacity on behalf of clients.

Credit and counterparty risks can be impacted by country risk where cross-border transactions are undertaken. This can include geopolitical risks, transfer and convertibility risks and the impact on the borrower's credit profile due to local and economic political conditions.

In accordance with policies overseen by its Central Credit Management department, the Group makes provision for specific impairments and calculates the appropriate level of portfolio impairments in relation to the credit and counterparty risk to which it is subject. This process requires complex judgements, including forecasts of how changing macro-economic conditions might impair the ability of customers to repay their loans. The Group may fail to adequately identify the relevant factors or accurately estimate the impact and/or magnitude of identified factors. Further, despite the Group having conducted an accurate assessment of customer credit quality, customers may be unable to meet their commitments as they fall due as a result of customer-specific circumstances, macro-economic

disruptions or other external factors. The failure of customers to meet their commitments as they fall due may result in higher impairment losses. Increased credit and counterparty risk could have a material adverse impact on the profitability, financial condition and prospects of the Group's business.

Concentration of credit risk could increase the Group's potential for significant losses.

The Group is subject to concentration risk, which arises when large exposures exist to a single client or counterparty, group of connected counterparties or to a particular geography, asset class or industry. Concentration risk can also exist where a portfolio of loan maturities is clustered within a single period of time. While the Group's loan book remains well diversified, geographical concentration in its loan book may pose risks. In the event of a disruption to the credit markets in the geographies in which the Group operates (particularly the UK) or the emergence of adverse economic conditions in any of those geographies, including in relation to interest rates and unemployment levels, this concentration of credit risk could cause the Group to experience greater losses than its competitors. While the Group regularly monitors its loan book to assess potential concentration risk, efforts to divest, diversify or manage its loan book against concentration risks may not be successful and could result in an adverse effect on its business, results of operations, financial condition and prospects.

The Group is subject to liquidity risk, which may impair its ability to fund its operations.

Liquidity risk is the risk that the Group has insufficient capacity to fund increases in its assets, or that it is unable to meet its payment obligations as they fall due. This includes repaying depositors or maturing of wholesale debt. The risk arises from mismatches in the timing of cash flows, and is inherent in all banking operations and can be impacted by a range of institution-specific and market-wide events. Liquidity risk can be further broken down into:

- Funding liquidity, which relates to the risk that the Group will be unable to meet current and/or future cash flow or collateral requirements in the normal course of its business and periods of stress, without adversely affecting its financial position or reputation; and
- Market liquidity, which relates to the risk that the Group may be unable to trade in specific markets or that it may only be able to do so with difficulty due to market disruptions or a lack of market liquidity.

The Group relies on its retail client base as the principal source of stable and well diversified funding for its risk assets. Its primary source of funding is customer deposits. Growth in the Group's lending activities will therefore depend in part on the availability of customer deposit funding on acceptable terms, for which there may be increased competition, which is dependent on a variety of factors outside the Group's control. These factors include general macro-economic conditions and market volatility and confidence of retail depositors in the economy. Increases in the cost of customer deposit funding will adversely affect its net interest margin and a lack of availability of customer deposit funding could have a material adverse effect on the Group's growth.

While the Group does not currently rely heavily on wholesale funding (i.e. borrowing from other banks and financial institutions), it may need to access wholesale markets where there is a residual funding requirement over and above funds held from customer deposits. If the wholesale funding markets were to be fully or partially closed, it is likely that wholesale funding would prove more difficult to obtain on commercial terms, which could have a material adverse effect on the Group's growth.

The Capital Requirements Directive IV 2013/36/EU ("**CRD**") and the Capital Requirements Regulation 575/2013 ("**CRR**" and together with CRD, "**CRD IV**"), as amended from time-to-time were implemented in the UK by the Prudential Regulation Authority ("**PRA**") and form part of domestic law

in the UK by virtue of the EUWA. CRD IV requires the Group to adhere to Basel III liquidity ratios. These are the liquidity coverage ratio ("**LCR**"), which requires banks to have sufficient high quality liquid assets to withstand a 30-day stress scenario, and the net stable funding ratio ("**NSFR**"), which is a long-term structural ratio designed to address funding mismatches.

Following the UK's departure from the EU, the LCR and NSFR have been onshored and the PRA exercised temporary transitional powers ("**TTP**") with the result that EU regulation in place prior to the end of the transition period largely remained valid in the UK until 31 March 2022. As such, the Group's LCR and NSFR are calculated based on the version published in the EU Official Journal in June 2019 and the Group's own interpretations where the regulation calls for it. Since 31 March 2022, the FCA's and PRA's TTP ceased and only onshored EU legislation has applied. The PRA, using powers granted under the Financial Services Act 2021, is also undergoing a process whereby it is piecemeal replacing the CRR with its own made rules. The PRA has recently revoked several provisions of the CRR and replaced them with its own rules within the PRA Rulebook.

As at 30 September 2023, the Group's regulatory ratios are comfortably above the requirements applicable to the LCR and the NSFR. Any failure to manage its liquidity position or to meet the LCR and NSFR requirements could have a material adverse effect on the Group's business, financial conditions and prospects.

The Group may have insufficient regulatory capital in the future and may be unable to secure additional financing when it is required.

The prudential regulatory capital requirements applicable to banks have increased significantly over the last decade, largely in response to the financial crisis that commenced in 2008 but also as a result of continuing work undertaken by regulatory bodies in the financial sector subject to certain global and national mandates. These prudential requirements are likely to increase further in the short term, not least in connection with ongoing implementation issues, and it is possible that further regulatory changes may be implemented in this area in any event.

The prudential regulatory capital requirements to which the Group is subject are now primarily set out in the CRR as it forms part of domestic law in the UK by virtue of the EUWA (the "**UK CRR**").

The manner in which UK CRR requirements are implemented may change, including as a result of technical standards or guidance and other statements issued by the PRA.

In line with requirements requiring financial holding companies and mixed financial holding companies of PRA-regulated subsidiaries to become approved holding companies, the Issuer applied in June 2021 for approval in accordance with Part 12B of the FSMA. The approval was granted with effect from 14 October 2021. The Issuer is now responsible for ensuring the Group's compliance with consolidated prudential requirements on a consolidated basis.

From 1 January 2022, the Issuer implemented the outstanding CRR II changes to be implemented in the UK, most notably the new standardised approach ("**Standardised Approach**") for measuring Counterparty Credit Risk and changes to the large exposure regime.

The UK CRR includes transitional arrangements (and relevant phase-in periods) that firms may apply to minimise the impact of the IFRS 9 expected credit loss accounting on regulatory capital. The arrangements took effect from 1 April 2018 and were to be phased in over five years. In June 2020, a new transitional arrangement was introduced as part of the EU's response to the COVID-19 crisis, with the phase-in period lasting for a further two years.

In November 2022, the PRA published its consultation paper (CP16/22) on its implementation of the outstanding Basel III measures, referred to in the consultation as the "Basel 3.1 standards". The PRA consultation initially proposed that these changes would be effective from 1 January 2025, however on 27 September 2023 the PRA released a statement confirming that the implementation is to be pushed back six months to 1 July 2025. The Basel 3.1 standards primarily relate to the measurement of risk-weighted assets ("**RWAs**"). The proposed changes include enhancements and increased sensitivity of the Standardised Approaches for calculation of risk weights and introduction of new limits around the use of internal models ("**IMs**") to calculate risk weights, including an "output floor" limiting the benefit that IMs can provide in calculating RWAs. The Basel 3.1 proposals may therefore lead to an increase in the amount of regulatory capital Investec plc is required to hold as a result of changes to RWA calculations. Whilst the PRA are proposing only limited adjustments to the international standards in order to adhere to global reforms, they have proposed removal of several EU directions such as the SME supporting factor. The CP16/22 consultation closed on 31 March 2023. On 12 December 2023, the PRA published a near-final policy statement covering market risk, credit valuation adjustment risk, counterparty credit risk and operational risk, and stated that it intends to publish its second near-final policy statement in Q2 2024, which will cover credit risk, the output floor, and reporting and disclosure requirements. In its near-final policy statement, the PRA also indicated that it intends to review its Pillar 2A methodology after the finalisation of its rules to implement Basel 3.1. Changes to the methodology could result in an increase in capital requirements and costs for the Group.

The Group continues to be subject to substantial and changing prudential regulations, including requirements to maintain adequate capital resources and to satisfy specified capital ratios. Changes to such regulations and requirements could result in increases in the amount, and/or changes in the form, of regulatory capital that the Group is required to hold, which could lead to increased costs for the Group and which may have a material adverse effect on the Group's business, financial condition and prospects.

The Group may face pressure to increase its capital and liquidity ratios.

The Group sets its internal target amount of capital and liquidity based on an assessment of its risk profile, market expectations and regulatory requirements in relation to both capital and liquidity. The Group may experience a depletion of its capital resources through increased costs or liabilities incurred as a result of the crystallisation of any of the other risks described in this document. If, for example, market expectations as to capital levels increase, driven by, for example, the capital levels or targets among peer banks, or if new regulatory requirements are introduced, the Group may experience pressure to increase its capital ratios.

Given the change in the preferred resolution strategy as of June 2023, the Issuer will also be required to issue additional eligible instruments to meet its increased MREL requirements (which may be subject to further changes) by the Bank of England's deadline (see section titled "*Risks relating to the Group's fiscal, legal and regulatory compliance- Applicable Bank Resolution Powers*" for more detail below).

If the Group fails to meet its minimum regulatory capital or liquidity requirements, it may be subject to administrative actions or sanctions. In addition, a shortage of capital or liquidity could affect the Group's ability to pay liabilities as they fall due, pay future dividends and distributions, and could affect the implementation of its business strategy, impacting future growth potential. If, in response to any capital shortage, the Group raises additional capital through the issuance of share capital or capital instruments, shareholders may experience a dilution of their holdings or reduced profitability and returns. Any inability of the Group to maintain its regulatory capital or liquidity requirements, or any legislative changes that limit its ability to manage its capital effectively may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's borrowing costs and access to the debt capital markets depend significantly on its credit ratings.

Rating agencies, which determine the Group's own credit ratings and thereby influence the Group's cost of funds, take into consideration management effectiveness and the success of the Group's risk management processes. Rating agencies have, in the past, altered their ratings of all or a majority of the participants in a given industry as a result of the risks affecting that industry irrespective of an industry participant's individual position. Changes to the Sovereign rating in the countries in which the Group primarily operates could also impact the Group's credit rating.

A reduction in the Group's long- or short-term credit ratings could increase its borrowing costs, limit its access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Any further changes in the credit ratings of entities within the Group could negatively impact the volume and pricing of the Group's funding, which could in turn have a material adverse effect on its business, operating results, financial condition and prospects.

The Group's business performance could be affected if its capital resources and liquidity are not managed effectively.

The Group's capital and liquidity is critical to its ability to operate its businesses, to grow organically and to take advantage of strategic opportunities. The Group mitigates capital and liquidity risk by careful management of its balance sheet through, for example, capital and other fund-raising activities, disciplined capital allocation, maintaining surplus liquidity buffers and diversifying its funding sources. The Group is required by regulators in jurisdictions in which it undertakes regulated activities to maintain adequate capital and liquidity. The maintenance of adequate capital and liquidity is also necessary for the Group's financial flexibility in the face of any turbulence and uncertainty in the global economy.

Extreme and unanticipated market circumstances may cause exceptional changes in the Group's markets, products and other businesses. Any exceptional changes, including, for example, substantial reductions in profits and retained earnings as a result of write-downs or otherwise, delays in the disposal of certain assets or the ability to access sources of liquidity, including customer deposits and wholesale funding, as a result of these circumstances, or otherwise, that limit the Group's ability effectively to manage its capital resources could have a material adverse impact on profitability and results. If such exceptional changes persist, the Group may not have sufficient financing available to it on a timely basis or on terms that are favourable to it to develop or enhance its businesses or services, take advantage of business opportunities or respond to competitive pressures while continuing to comply with its capital and liquidity requirements.

The financial services industry in which the Group operates is intensely competitive.

The financial services industry is intensely competitive and the Group faces substantial competition in all aspects of its Specialist Banking business. Given that its activities are focused on niche areas within the banking industry, the Specialist Banking business does not have any peers that have a directly comparable business model. However, it faces competition within these areas from large high street banks such as HSBC, Barclays, NatWest, Santander, RBS and Lloyds, as well as providers of private banking for the ultra-high net worth market, including Goldman Sachs, Coutts, JPMorgan, Macquarie, Cater Allen, Credit Suisse and UBS. These banks may have greater resources, broader product offerings and more extensive distribution networks than the Group. The Group also faces competition in the UK from new entrants to the market, including from banking businesses developed by large non-financial companies, such as Tesco and Virgin Money, or from newer entrants such as Aldermore and MetroBank. Increasing pressure faced by the Group from these banks, as well as mainstream banks returning to the

market, can adversely affect the Group's margins. If the Group is unable to manage this competition, its ability to retain its clients and continue to attract deposits may be compromised, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

(b) Risks relating to the Group through its strategic investment in the Enlarged Rathbones Group

Poor investment performance relative to competitors and applicable benchmarks or a deterioration in the Enlarged Rathbones Group's services could lead to a loss of funds under management and a decline in operating profit.

The success of relevant investment strategies ("**investment performance**") is an important factor for the maintenance and growth of funds under management across the Enlarged Rathbones Group. If the Enlarged Rathbones Group was to experience poor investment performance over a prolonged period, affected clients (or clients generally) might decide to reduce their investments or withdraw funds altogether in favour of better performing services or competing investment managers, which would lead to a direct reduction in the level of the Enlarged Rathbones Group funds under management and, as a result, lower fee and commission income. Furthermore, during a period of significant poor investment performance, the Enlarged Rathbones Group's reputation and brand, which have in part been built around its strong investment performance, may deteriorate. As a result, its ability to attract funds from existing and new clients might diminish, particularly given the competitive nature of the wealth management market.

In addition to investment performance, the directors believe that the quality of the services it delivers and the relationships it develops with clients are among the key factors for the maintenance and growth of its funds under management. The Enlarged Rathbones Group's investment managers and financial planners are central to its relationships with its clients and play a key role in enabling the Enlarged Rathbones Group's business to earn the long-term trust of its client base. However, client complaints regarding dissatisfaction with the services they receive from their investment managers or the Enlarged Rathbones Group generally, including in relation to general administration of their investments, could ultimately lead to the withdrawal of client investments and a reduction in the Enlarged Rathbones Group's funds under management.

The occurrence of any of the foregoing could have a material adverse effect on the Group's results of operations, financial condition and prospects through its investment in the Enlarged Rathbones Group.

The Enlarged Rathbones Group may lose clients or may experience withdrawals of funds under management at short or no notice, which would result in the loss of funds under management and lower fee and commission income.

The Enlarged Rathbones Group's arrangements with its wealth & investment clients are generally terminable without cause and at any time without notice. Clients may decide to withdraw a portion, or all, of the funds managed by the Enlarged Rathbones Group, or transfer their investments to another provider of wealth management services, for various reasons. A reduction in the value of funds under management would lead to an immediate impact on the Enlarged Rathbones Group's fee and commission income and therefore on operating profit. Significant withdrawals of funds under management or transfers of client assets could have a material adverse effect on the Group's results of operations, financial condition and prospects through its investment in the Enlarged Rathbones Group.

New products and services introduced by the Enlarged Rathbones Group may not achieve acceptance in the market.

The Enlarged Rathbones Group depends on its ability to develop new products and services that achieve a sufficient level of acceptance in the market to challenge its competitors. There can be no assurance

that it will be able to develop new products or services that will appeal to clients, or that its competitors will not introduce more successful products or services or successfully copy the products and services introduced by the Enlarged Rathbones Group. New product and service launches involve a significant investment and commitment of human resources by the Enlarged Rathbones Group. If the products and services introduced by the Enlarged Rathbones Group do not achieve the anticipated level of acceptance, or it is unsuccessful in any new distribution channel, the Enlarged Rathbones Group could lose customers or be required to incur substantial costs in order to maintain its customer base. Additionally, if the processes to design, develop and launch new products and services are inadequate, it may result in the Enlarged Rathbones Group investing development resources inappropriately, launching products or services that are incapable of achieving their stated goals, or failing to achieve its business objectives. The inability to effectively develop and successfully launch new products and services could have a material adverse effect on the Group's results of operations, financial condition and prospects through its investment in the Enlarged Rathbones Group.

Breaches by the Enlarged Rathbones Group of investment mandates could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Enlarged Rathbones Group is generally required to invest in accordance with specific investment mandates or objectives established for the particular portfolio or product. If investments are made or managed in breach of an investment mandate, including with regard to the use of benchmark indices, the Enlarged Rathbones Group could be required to unwind the relevant transactions, could suffer reputational and brand damage and likely would be liable for any losses suffered by an affected party in doing so. Losses could be significant and exceed amounts recoverable under the Enlarged Rathbones Group's insurance policies, if any. The potential reputational and brand damage and the obligation to compensate for such losses could have a material adverse effect on the Group's results of operations, financial condition and prospects through its investment in the Enlarged Rathbones Group.

Changes in distribution trends, in particular in relation to financial advisers, may have a material adverse effect on the Enlarged Rathbones Group.

Financial intermediaries are one of the distribution channels for the Enlarged Rathbones Group. In particular, it relies on independent financial advisers, who may retain responsibility for specific aspects of the overall service provided to the client, such as the recording of "know your customer" information and the suitability of the investment mandate.

Although the Enlarged Rathbones Group continuously focuses on maintaining its financial adviser relationships and networks, there can be no assurance that its efforts will be successful. In particular, many of Rathbones' competitors are working to expand and deepen their own financial adviser relationships and networks. As competition expands among wealth management firms for business from financial adviser introductions, the Enlarged Rathbones Group may be unable to maintain its key financial adviser relationships or grow the amount of new business it generates from financial adviser introductions.

Changes in distribution trends may also lead to the emergence of new competitors. For example, the increasing popularity of internet investing systems and platforms in recent years has led to the growth of investment managers offering simplified investment management services to the mass affluent investor market, often targeting self-directed investors. In recent years, this trend towards self-directed investments in certain segments of the market has intensified. In many cases, investment managers have focused their services on the development of low-cost, simplified investment models in order to target this segment of the investor market. Although the Enlarged Rathbones Group is investing in a digital distribution channel, as internet platforms and similar distribution channels become more prevalent,

there can be no assurance that the Enlarged Rathbones Group's clients will not transfer their investments to these types of investment management firms, or that the Group will be able to successfully compete with them for new clients.

A loss of Rathbones' relationships with particular intermediaries, or the emergence of competitors through new or developing distribution channels, could result in a reduction in Rathbones' funds under management and could have a material adverse effect on its business and the Group's results of operations, financial condition and prospects through its investment in Rathbones.

The wealth management industry in which the Enlarged Rathbones Group operates is intensely competitive.

The Enlarged Rathbones Group's principal competitors are international and UK based wealth management firms, for example RBC Brewin Dolphin, Quilter plc, Evelyn Partners and Charles Stanley, along with certain private banks. It also competes with trust and fiduciary companies. Some of these competitors have proprietary products and distribution channels that make it more difficult for the Enlarged Rathbones Group to compete with them. In addition, the wealth management industry has experienced periods of significant consolidation as numerous wealth management firms have either been acquired by other financial services firms or ceased operations. Furthermore, a number of entrants, including commercial banks and foreign entities, have made investments in and acquired wealth management firms. If clients and potential clients decide to use the services of competitors, this could result in growth in funds under management slowing or in net client outflows. Any of the foregoing factors could have a material adverse effect on the Group's results of operations, financial condition and prospects through its investment in the Enlarged Rathbones Group.

If there are significant unforeseen difficulties integrating certain business operations of the Rathbones Group and Investec W&I UK, as a result of the Rathbones Combination (as defined below), the Investec W&I UK business, as it forms part of the Enlarged Rathbones Group could be adversely affected.

Rathbones and Investec W&I UK have integrated their operations. To the extent that the Enlarged Rathbones Group is unable to efficiently integrate the Rathbones and Investec W&I UK operations, realise synergies and avoid unforeseen costs or delays in the integration process, there may be a material adverse effect on the business, results of operations, financial condition and/or prospects of the Investec W&I UK business, as it forms part of the Enlarged Rathbones Group.

The integration of Rathbones and Investec W&I UK is being supported by the creation of a "Joint Integration Steering Committee" to manage the integration process following the completion of the Rathbones Combination. However, no assurance can be given that the integration process will deliver all or substantially all of the expected benefit or realise such benefit in a timely manner. Investec W&I UK may encounter difficulties integrating the operations of Rathbones with its own, resulting in a delay or the failure to achieve anticipated synergies and cost savings. Some of the key potential difficulties relating to the integration of the businesses of the two groups could include:

(a) any unexpected loss of key personnel and/or clients (which, in each case, may lead to a material withdrawal of funds under management);

(b) difficulties in integrating the financial, technological and management standards, processes, procedures and controls of the two groups;

(c) attempts by third parties to terminate or alter their existing contracts with Investec W&I UK and/or Rathbones;

(d) conflict between the interests of Investec W&I UK and those of Rathbones; and

(e) failure to mitigate contingent and/or assumed liabilities.

Challenges may also include operating and integrating a large number of different technology platforms and systems, including maintaining the operational resilience and security of legacy platforms, and consolidating services, or developing new services, where underlying assets used to provide those services are subject to contractual commitments with third parties.

Any such difficulties could lead to higher than anticipated integration costs, which would adversely affect the anticipated benefit of integration. If such difficulties are significant this could adversely affect the operational and financial performance of the Investec W&I UK business, as it forms part of the Enlarged Rathbones Group.

The Rathbones Combination could have a disruptive effect on Investec W&I UK personnel.

As an investment and wealth management services organisation, Investec W&I UK, as it forms part of the Enlarged Rathbones Group will rely to a considerable extent, on the quality of key talent and business leaders. The ability of Investec W&I UK, as it forms part of the Enlarged Rathbones Group, to attract and retain key personnel is dependent on a number of factors, including (without limitation), prevailing market conditions, compensation packages offered by previous or competing employers, any regulatory impact thereon and the ability of Investec W&I UK, as it forms part of the Enlarged Rathbones Group, to continue to have appropriate variable remuneration and retention arrangements in place that drive strong business performance and results. Some current and prospective employees and other personnel may experience uncertainty about their future roles and remuneration arrangements within the Enlarged Rathbones Group, which may adversely affect Investec W&I UK's abilities and the Enlarged Rathbones Group's ability to retain and recruit key managers and other employees and personnel. If Investec W&I UK and the Enlarged Rathbones Group fail to manage these risks effectively, they or it may suffer the loss of key managers and other employees and personnel, and/or have difficulties in recruitment, resulting in the business and financial results of Investec W&I UK, Rathbones and Enlarged Rathbones Group being adversely affected.

Investec W&I UK, as it forms part of the Enlarged Rathbones Group may incur higher than expected integration and Rathbones Combination related costs.

The Group expects to incur costs to achieve the expected synergies of the Rathbones Combination. Such costs may be higher than originally anticipated. Although the elimination of certain costs, as well as the realisation of other efficiencies relating to the integration of the businesses, is believed to offset these implementation and acquisition costs over time, this net benefit may not be achieved within the anticipated timetable. In addition, some of these costs may be higher than anticipated which could reduce the net benefit of the Rathbones Combination and the operational and financial performance of Investec W&I UK, as it forms part of the Enlarged Rathbones Group.

Investec W&I UK may require the consent of third parties to continue to receive services, benefit from licences and occupy premises as part of the Rathbones Combination and leaving the Investec Group which may not be forthcoming.

Investec W&I UK receives certain services, benefit from licences and has the right to occupy certain premises as part of the Investec Group. Investec W&I UK may need to obtain third-party consents to use such services, licences and properties. If a third-party consent is declined, withheld or delayed there may be a disruption to the business of the Investec W&I UK and its integration into the Enlarged Rathbones Group whilst an alternative third-party supplier or suitable alternative premises are sought.

Any such delay may also incur additional costs for the Enlarged Rathbones Group which may have an adverse impact on the targeted synergies of the Rathbones Combination.

Sustained investment management underperformance within Investec W&I UK, Rathbones and the Enlarged Rathbones Group could adversely affect profitability and growth.

Any sustained period of actual or perceived investment management underperformance across Investec W&I UK, Rathbones and the Enlarged Rathbones Group, relative to peers, benchmarks or internal targets, could have a material adverse effect on Investec W&I UK, Rathbones and the Enlarged Rathbones Group's business, reputation and brand, financial results, financial condition and growth prospects which could in turn affect the Group's prospects.

Were the Enlarged Rathbones Group to fail on a sustained basis to provide satisfactory investment management returns, customers and clients may decide to reduce their investments or withdraw them altogether. Due to the bespoke discretionary investment management philosophies employed by Rathbones and Investec W&I UK, the performance of portfolios may vary significantly where an underlying asset class or asset underperforms materially, in particular where the relative concentration of that particular asset class or asset is relatively high. Actual or perceived investment underperformance relative to competitors or relevant benchmarks would also make it more difficult for the Investec W&I UK, Rathbones and the Enlarged Rathbones Group to attract new clients and could lead to reputational and brand damage, complaints and/or challenges to the fees charged. Any such investment underperformance could, therefore, have a material adverse effect on the Investec W&I UK's, Rathbones' and the Enlarged Rathbones Group's business, reputation and brand, sales, financial results, financial condition and growth prospects.

Investec W&I UK's, Rathbones and the Enlarged Rathbones Group's change portfolio may not support the delivery of their respective strategies.

Rathbones has adopted a multi-year plan to enhance its digital client experience and provide seamless multi-channel communications to clients in order to achieve its key strategy of operating more efficiently. This includes upgrading its client lifecycle management systems which it is in the midst of implementing. Completion of the implementation of its digital transformation programme will need to be completed ahead of Rathbones being able to fully integrate the business of Investec W&I UK. Any delay or failure to implement the digital transformation programme may have a significant impact on the delivery of the Rathbones strategy and could require significant executive and senior management oversight and therefore, result in decreased revenues and/or increased costs for the Enlarged Rathbones Group.

(c) Additional risks relating to the Group

The Group's risk management policies and procedures may leave it exposed to risks which have not been identified by such policies or procedures.

The Group devotes significant resources to developing its risk management policies and procedures, particularly in connection with credit, liquidity, market and other banking risks, and expects to continue to do so in the future. Nonetheless, its risk management techniques may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. Some of the Group's methods of managing risk are based upon its use of observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be significantly greater than historical measures indicate. Other risk management methods depend upon evaluation of information regarding the markets in which the Group operates, its clients or other matters that are publicly available or otherwise accessible by the Group. This information may not be accurate in all cases, complete, up-to-

date or properly evaluated. Any failure of the Group's risk management techniques may have a material adverse effect on its results of operations and financial condition.

As the Issuer is a holding company, its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary's creditors and preference shareholders.

The Issuer is a holding company that currently has no significant assets other than its investment in its principal subsidiary, Investec Bank plc, which houses the Issuer's specialist banking business and investment in the Enlarged Rathbones Group. As a holder of ordinary shares in such subsidiary, the Issuer's right to participate in the assets of such subsidiary if it is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders (if any), except in the limited circumstance where the Issuer is a creditor with claims that are recognised to be ranked ahead of or *pari passu* with such claims of other of the subsidiary's creditors and/or preference shareholders against such subsidiary. Accordingly, if the Issuer's subsidiary was to be wound up, liquidated or dissolved, (i) the holders of the Securities would have no right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of its creditors, including holders (which may include the Issuer) of preference shares and any other Tier 1 capital instruments, before the Issuer, to the extent it is as an ordinary shareholder of such subsidiary, would be entitled to receive any distributions from such subsidiary.

The Group may be vulnerable to the failure of its systems and breaches of its security systems.

The Group relies on the proper functioning of its information and operating systems which may fail as a result of hardware or software failure or power or telecommunications failure. The occurrence of such a failure may not be adequately covered by its business continuity planning. Any significant degradation, failure or lack of capacity of the Group's information systems or any other systems in the trading process could therefore cause it to fail to complete transactions on a timely basis, could have an adverse effect on its business, results of operations, financial condition and prospects or could give rise to adverse regulatory and reputational consequences for the Group's business.

The secure transmission of confidential information is a critical element of the Group's operations. The Group's networks and systems may be vulnerable to unauthorised access and other security problems. In particular, as a financial institution, the Group is subject to a heightened risk that it will be the target of criminal activity, including fraud, theft or cybercrime. For example, the Group is exposed to potential losses due to breaches of its terms of business by its customers (e.g., through the use of a false identity to open an account) or by customers engaging in fraudulent activities, including the improper use of legitimate customer accounts. There also can be no assurance that the Group's systems will not be subject to attack by cybercriminals, including through denial of service attacks, which could significantly disrupt its operations. The Group cannot be certain that its existing security measures will prevent security breaches, including break-ins, viruses or disruptions. Persons that circumvent the security measures could use the Group or its clients' confidential information wrongfully which could expose it to a risk of loss, adverse regulatory consequences or litigation.

The Group's future success will depend in part on its ability to respond to changing technologies and demands of the market place. The Group's failure to upgrade its information and communications systems on a timely or cost-effective basis could damage its relationships with its clients and counterparties and could have a material adverse effect on its business, results of operations, financial condition and prospects.

Failing infrastructure systems may negatively impact the economy generally and the business and results of operations of the Group.

Events such as electricity supply failures, the shut-down of transport systems due to inclement weather (such as snow, flash floods, cyclones or extreme heat) or postal, transport or other strikes have a negative impact on the ability of most role-players, including the Group, to do business. The regular occurrence of such events or timing of the occurrence of such events could have an adverse effect on the Group's operations.

The Group may be unable to recruit, retain and motivate key personnel.

The Group's performance is largely dependent on the talents and efforts of key personnel, many of whom have been employed by the Group for a substantial period of time and have developed with the business. In addition, while the Group is covered by a general director's and officer's insurance policy, it does not maintain any "key man" insurance in respect of any management employees. Competition in the financial services industry for qualified employees is intense. Further, the Group's ability to implement its strategy depends on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a negative impact on the Group's business.

The Group's continued ability to compete effectively and further develop its businesses depends on its ability to retain, remunerate and motivate its existing employees and to attract new employees and qualified personnel competitively with its peers.

The Group may be adversely affected if its reputation is harmed.

The Group is subject to the risk of loss due to customer or staff misconduct. The Group's ability to attract and retain customers and employees and raise appropriate financing or capital may be adversely affected to the extent its reputation is damaged. If it fails to deal with various issues that may give rise to reputational risk, its reputation and in turn its business prospects may be harmed. These issues include, but are not limited to, appropriately dealing with potential conflicts of interest, legal and regulatory requirements, customer management and communication, discrimination issues, money-laundering, privacy, record-keeping, sales and trading practices, and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its business. Failure to address these issues appropriately could give rise to litigation and regulatory risk to the Group.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years. The Group's reputation could be damaged by an allegation or finding, even where the associated fine or penalty is not material. Misconduct could include hiding unauthorised activities from the Group, improper or unauthorised activities on behalf of customers, improper use of confidential information or use of improper marketing materials. The Group has systems and controls in place to prevent and detect misconduct; however, the risks posed by misconduct may not be entirely eliminated through controls.

The Group faces risks associated with the implementation of its strategy.

The Group's ability to implement its strategy successfully is subject to execution risks, including management of its cost base and limitations in its management or operational capacity. These risks may be exacerbated by a number of external factors, including a downturn in the UK, European or global economy, increased competition in the financial services industry and/or significant or unexpected changes in the regulation of the financial services sector in the UK or Europe. If the Group is unable to implement its business strategy, its business, results of operations, financial condition and prospects could be materially adversely affected.

Operational risk may disrupt the Group's business or result in regulatory action.

Operational losses can result, for example, from fraud, errors by employees, failure to document transactions properly or to obtain proper authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of systems and controls, including those of the Group's suppliers or counterparties. Although the Group has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures, reporting systems and to staff training, it is not possible to be certain that such actions have been or will be effective in controlling each of the operational risks faced by the Group. Notwithstanding anything contained in this risk factor, this risk factor should not be taken as implying that the Group will be unable to comply with its regulatory obligations.

Any operational failure may cause serious reputational or financial harm and could have a material adverse effect on the Group's results of operations, reputation and financial condition.

The inability of the Group to adequately insure against specific risks could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's business entails the risk of liability related to litigation from customers, shareholders, employees or third-party service providers and actions taken by regulatory agencies, which may not be adequately covered by insurance or at all. Specifically, there is a risk that claims may arise in relation to damage resulting from the Group's employees' or service providers' operational errors or negligence, or misconduct or misrepresentation by its employees, agents and other operational personnel, there can be no assurance that a claim or claims will be covered by insurance or, if covered, that any such claim will not exceed the limits of available insurance coverage or that any insurer will meet its obligations to insure. There can also be no assurance that insurance coverage with sufficient limits will continue to be available at a reasonable cost. Renewals of insurance policies or claims under existing policies may expose the Group to additional costs through higher premiums or the assumption of higher deductibles or co-insurance liability. A significant increase in the costs of maintaining insurance cover or the costs of meeting liabilities not covered by insurance could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to conduct risk, including the risk that it treats its customers unfairly and delivers inappropriate outcomes and the risk of conducting itself negatively in the market.

The Group is exposed to conduct risk, including retail conduct risk and wholesale conduct risk. Retail conduct risk is the risk that the Group treats its customers unfairly and delivers inappropriate outcomes. Wholesale conduct risk is the risk of conducting itself negatively in the market. Certain aspects of the Group's business may be determined by regulators in various jurisdictions or by courts not to have been conducted in accordance with applicable local or, potentially, overseas laws and regulations, or in a fair and reasonable manner. If the Group fails to comply with any relevant laws or regulations, it may suffer reputational damage and may become subject to challenges by customers or competitors, or sanctions, fines or other actions imposed by regulatory authorities.

Changes in laws or regulations may also vastly change the requirements applicable to the Group in a short period of time and/or without transitional arrangements. For example, in the UK, the FCA released on 10 June 2014 (and updated in August 2015), policy statement PS14/9: Review of the client assets regime for investment business (the "**Policy Statement**"), which made changes to the rules in the Client Assets sourcebook ("**CASS**") which came into effect in three stages over the 18 months following the release. The changes to the CASS regime included revisions to client money rules for investment firms and substantial amendments to the custody rules. These changes have resulted in additional costs for the Group in order to achieve compliance with the regime. The introduction of the Foreign Account Tax Compliance Act ("**FATCA**") by the US Internal Revenue Service in 2010 also resulted in additional

costs for the Group. If the Group is unable to manage any of the foregoing risks, its business, results of operations, financial condition and prospects could be materially adversely affected.

The Group may fail to detect or prevent money laundering and other financial crime activities.

The Group is required to comply with applicable anti-money laundering, anti-terrorism, sanctions, anti-tax evasion, anti-fraud, anti-bribery and corruption, insider dealing and other laws and regulations in the jurisdictions in which it operates, including the UK Bribery Act 2010, the UK Criminal Finances Act 2017, and the extra-jurisdictional reach of international laws such as the US Foreign Corrupt Practices Act. These laws and regulations require the Group, among other things, to conduct customer due diligence regarding fiscal evasion, anti-money laundering, sanctions and politically exposed persons screening, keep customer and supplier account and transaction information up to date and implement effective financial crime policies and procedures. Where applicable, these laws restrict or prohibit transactions with certain countries and with certain companies and individuals identified on lists maintained by the UK government, the US government, the EU, various EU Member States and other governments. As such, future changes could impact existing investments or limit future investment strategies.

Financial crime has become the subject of enhanced scrutiny and supervision by regulators globally. Anti-money laundering, anti-bribery and anti-corruption, and insider dealing and economic sanctions laws and regulations are increasingly complex and detailed and have become the subject of enhanced regulatory supervision, requiring businesses to invest in improved systems, sophisticated monitoring and skilled compliance personnel. The FCA and other regulatory authorities may from time to time make enquiries of companies within their respective jurisdictions regarding compliance with regulations governing the conduct of business or the operation of a regulated business (including the degree and sufficiency of supervision of the business) and the handling and treatment of customers or conduct investigations when it is alleged that regulations have been breached. Responding to such enquiries may be time-consuming and expensive.

Financial crime is continually evolving, and the expectations of regulators are increasing. This requires similarly proactive and adaptable responses from the Group so that it is able to effectively deter threats and criminality, in particular in certain of the emerging markets jurisdictions where the Group operates and undertakes investment activities. Even known threats can never be fully eliminated, and there may in the future be instances where the Group may be used by other parties to engage in money laundering and other illegal or improper activities. In addition, the Group relies on its employees, external administrators and certain other third-party service providers to identify and report such activities. There is a risk that they will fail to do so or otherwise fail to comply with or implement the Group's policies and procedures relating to financial crime.

Where the Group is unable to comply with applicable laws, regulations and expectations, regulators and relevant law enforcement agencies have the ability and authority to impose significant fines and other penalties, including requiring a complete review of business systems, day-to-day supervision by external consultants and ultimately the revocation of regulatory authorisations and licences. Globally, anti-money laundering and financial crime compliance is expected to remain a key regulatory priority from a supervisory and enforcement perspective.

The Group cannot guarantee that its current policies and procedures are sufficient to completely prevent situations of fiscal evasion, money laundering, bribery, fraud or corruption, including actions by the Group's employees, for which the Group might be held responsible. Any such event may have severe consequences, including sanctions, fines and reputational consequences, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces potential liability in relation to historical involvement in German dividend tax arbitrage transactions.

The Group has previously been notified by the Office of the Public Prosecutor in Cologne, Germany, that it and certain of its current and former employees may be involved in possible charges relating to historical involvement in German dividend tax arbitrage transactions (known as cum-ex transactions). Investigations are ongoing and no formal proceedings have been issued against the Group by the Office of the Public Prosecutor. In addition, the Group received certain enquiries in respect of client tax reclaims for the periods 2010-2011 relating to the historical German dividend arbitrage transactions from the German Federal Tax Office (FTO) in Bonn. The FTO has provided more information in relation to their claims and the Group has sought further information and clarification.

The Group is cooperating with the German authorities and continues to conduct its own internal investigation into the matters in question. A provision is held to reflect the estimate of financial outflows that could arise as a result of this matter. There are factual issues to be resolved which may have legal consequences including financial penalties.

In relation to potential civil claims, whilst the Group is not a claimant nor a defendant to any civil claims in respect of cum-ex transactions, the Group has received third party notices in relation to two civil proceedings in Germany and may elect to join the proceedings as a third party participant. The Group has itself served third party notices on various participants to these historic transactions in order to preserve statute of limitation on any potential future claims that the Group may seek to bring against those parties, should the Group incur any liability in the future. The Group has also entered into standstill agreements with some third parties in order to suspend the limitation period in respect of the potential civil claims. While the Group is not a claimant nor a defendant to any civil claims at this stage, it cannot rule out the possibility of civil claims by or against the Group in future in relation to the relevant transactions.

The Group has not provided further disclosure with respect to these historical dividend arbitrage transactions because it has concluded that such disclosure may be expected to seriously prejudice its outcome.

The Group faces risks arising from compliance with FATCA.

Under sections 1471 through 1474 of the US Internal Revenue Code of 1986, as amended (the "**Revenue Code**"), commonly referred to as the Foreign Account Tax Compliance Act ("**FATCA**", the Group is subject to the FATCA reporting regime, which may lead to a compliance risk. Some countries (including the UK) have entered into, and other countries are expected to enter into, intergovernmental agreements with the United States to facilitate the reporting of information required under FATCA. Intergovernmental agreements often require financial institutions in those countries to report information on their US account-holders to the taxing authorities of those countries, which will then pass the information on to the US Internal Revenue Service. The Group is a financial institution for purposes of FATCA and the intergovernmental agreement between the United States and the UK. While the Directors believe the Group has taken all necessary steps to comply with FATCA and any legislation implementing the intergovernmental agreement between the United States and the UK, if the Group is deemed not to be FATCA compliant, it could face certain withholding penalties, which may lead to reputational damage, regulatory fines, loss of market share, financial losses and legal risk.

The Group must comply with complex data protection and privacy laws.

The Group is subject to regulations and heightened regulatory scrutiny in the jurisdictions in which it operates regarding the use of personal data. As data privacy concerns have increased in recent years, a

number of jurisdictions have implemented, or commenced exploration into the introduction of, new regulations on the treatment and protection of client data. The Group collects and processes personal data (including name, address, age, bank and credit card details and other personal data) from its customers, third party claimants, business contacts and employees as part of the operation of its business, and therefore it must comply with data protection and privacy laws. Those laws generally impose certain requirements on the Group in respect of the collection, retention, deletion, use and processing of such personal data, and they often give individuals rights (for example, rights of access and correction) which they can exercise against the Group. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs as well as result in potential inaccurate rating of policies or overpayment of claims. The Group seeks to ensure that procedures are in place to comply with the relevant data protection regulations by its employees and any third-party service providers, and also implement security measures to help prevent cyber-theft. Notwithstanding such efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection laws. In addition, the Group may not have the appropriate controls in place today and may be unable to invest on an ongoing basis to ensure such controls are current and keep pace with the growing threat.

In the UK, data protection law is based on European Union Regulation (EU) 2016/679, the General Data Protection Regulation, which took effect in May 2018 and now forms part of the domestic law of the United Kingdom by virtue of the EUWA ("**UK GDPR**"). The UK GDPR is supplemented by the Data Protection Act 2018 (the "**DPA18**") and, with regard to privacy in the context of electronic communications (including the use of cookies and the sending of direct marketing communications), the Privacy and Electronic Communications (EC Directive) Regulations 2003 ("**PECR**"). The UK GDPR, DPA18 and PECR impose a strict regulatory burden on the Group in processing personal customer, employee and other data in the conduct of its business, with severe potential sanctions for breach: the UK GDPR, in particular, includes significant financial penalties of up to 4 per cent. of the annual worldwide turnover of company groups. The Group has in place data protection policies and procedures designed to comply with the UK GDPR, the DPA18 and PECR. Although the UK data protection regime was substantially unchanged by Brexit, the UK Government has recently proposed a series of reforms. While these are likely, if implemented, to have the net effect of reducing the overall regulatory burden, they may also create increased uncertainty as to the necessary compliance steps and arrangements.

The Group expects data privacy to remain a focus area for regulators in many of the jurisdictions where it operates and that new data protection requirements will continue to be introduced in the future.

If the Group or any of the third-party service providers on which it relies (including non-subsidiary affiliates of the Group) fails to comply with existing data protection laws or fails to adapt to new or amended data protection laws, including the UK GDPR, DPA18 or PECR, due to any failure to store or transmit customer information in a secure manner, any loss or wrongful processing of personal data or any other failure to take steps and implement measures to ensure that the privacy rights of individuals are fully respected, the Group could be subject to investigative and enforcement action by relevant regulatory authorities, and claims or complaints from the individuals to whom the data relates, and could face liability under data protection laws. Any of these events could also result in the Group suffering reputational damage as well as the loss of new or repeat business, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Regulatory authorities or customers may attempt to seek redress against the Group where it is alleged that products were misrepresented, mis-sold or otherwise failed to meet regulatory requirements or customer expectations.

The Group is exposed to the risk of regulatory action or claims from customers regarding misleading information. For example, regulators or customers could allege that the terms and conditions of relevant products or solutions, the nature of the products or solutions, or the circumstances under which the products or solutions were recommended, were misrepresented or the products otherwise mis-sold to them.

Complaints may also arise if customers feel that they have not been treated reasonably or fairly, or that the duty of care which they are owed has been breached. For example, regulators or clients could allege that investment decisions for discretionary portfolios do not properly match investments to objectives or adequately balance risk against performance, leading to inappropriate risk exposure for customers, financial loss or reputational damage.

These issues or disputes arising in relation to private individuals that cannot be resolved privately may be resolved ultimately by an enforcement action involving the relevant regulatory body, including the Financial Ombudsman Service or the FCA, or by litigation. The relevant regulator may intervene directly where larger groups or matters of public policy are concerned. There have been several industry-wide financial product mis-selling issues in the past in which the regulator in the UK has intervened directly, including the sale of personal pensions, the sale of mortgage-related endowments and investments in split capital investment trusts. Certain designated consumer bodies are also empowered under FSMA to make "super-complaints" to the FCA in relation to issues causing detriment to large numbers of consumers. Additionally, the FCA may carry out reviews from time to time, such as the review announced by the FCA in January 2024 regarding historical motor vehicle finance commission arrangements. Until the conclusion of any FCA reviews, it may not be possible to predict with certainty the outcome of such reviews nor the impact of required remediation, if any. The Group continues to monitor developments across the industry and will co-operate with FCA reviews, as and if required.

The Group may be exposed, in particular, to risks relating to “vulnerable customers”. In the UK, the FCA has defined these customers as persons who, due to their personal circumstances, are especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care. The FCA has noted that vulnerability can affect consumers across all financial products and services. Failure to identify customer vulnerability could lead to poor customer outcomes and detriment, including if a customer is not able to fully understand products or services or if information is not provided in an appropriate format for the customer’s needs. If the Group does not have adequate policies to identify vulnerable customers, or if such policies are not embedded in a way that promotes the fair treatment of all customers, the Group could fall below regulatory expectations in this area, which could result in regulatory action.

Failure to comply with regulatory requirements could lead to enforcement or other actions being brought against the Group, which could have a material adverse effect on its business, financial condition, operating results and prospects.

Negligent or fraudulent actions by the Group’s personnel could lead to regulatory claims or reputational damage.

The Group is exposed to risk from potential non-compliance by its staff with policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of financial institutions have suffered material losses due to the actions of “rogue traders” and other employees. Although the Group takes precautions to prevent and detect misconduct by its employees, such as hiding unauthorised activities, carrying out improper or unauthorised activities on behalf of customers or improper use of confidential information or funds, it is not always possible to deter or prevent employee misconduct, and the precautions the Group takes

to detect and prevent these activities may not always be effective. Given the Group's high volume of transactions, fraud or errors may be repeated or compounded before they are discovered and rectified. Failure by the Group to identify, prevent or manage employee misconduct, or any inadequacy of the Group's internal processes or systems in detecting or containing such risks, could adversely affect the Group's reputation and have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group may be subject to regulatory action or financial penalties if it fails to comply with the CASS rules.

The Group holds and controls client money and safe custody assets, it must comply with the FCA's CASS rules. The CASS requirements help to protect clients' assets and money when a firm is responsible for them and helps to ensure that client assets and money could be returned within a reasonable timeframe in the event of a firm's insolvency. Client money and asset protection remains at the core of the FCA's agenda, and larger firms (such as the Group) are therefore required to submit monthly Client Money and Asset Returns to the FCA to provide key data in relation to CASS processing. This enables the FCA to oversee firms' CASS processing and to discuss any potential areas of concern. Adherence to CASS requirements relies on a number of complex operational processes and systems, both internal and external, resulting in a high inherent risk of non-compliance. Any CASS breaches are reported to the FCA, including as part of the firm's annual external CASS audit, and the FCA would be immediately notified of any material breaches. If any such breaches were not fully remediated, or the FCA considered that the Group does not have sufficient regard for the protection of clients' assets and money, the Group may be subject to regulatory action or financial penalties, which could also result in adverse publicity and reputational damage, and ultimately have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Certain financial instruments are recorded at fair value under relevant accounting rules. To determine fair value, the Group uses financial models which require it to make certain assumptions and judgements and estimates which may change over time.

Under IFRS, the Group is required to carry certain financial instruments on its balance sheet at fair value, through profit and loss, including, among others, trading assets (which include certain retained interests in loans that have been securitised) and assets where the business model is to hold to collect the contractual cash flows but the loan has failed the Solely Payments of Principal and Interest test, and fair value through other comprehensive income, equity and debt instruments. Generally, in order to establish the fair value of these instruments, the Group relies on quoted market prices or internal valuation models that utilise observable market data. Furthermore, in common with other financial institutions, the Group's processes and procedures governing internal valuation models are complex and require Investec to make assumptions, judgements and estimates in relation to matters that are inherently uncertain, such as expected cash flows from a particular asset class, the ability of borrowers to service debt, house price appreciation and depreciation, and relative levels of defaults and deficiencies. Such assumptions, judgements and estimates may need to be updated to reflect changing trends in relation to such matters. To the extent the Group's assumptions, judgements or estimates change over time in response to market conditions or otherwise, the resulting change in the fair value of the financial instruments reported on the Group's balance sheet could have a material adverse effect on the Group's earnings.

Financial instruments are valued differently under relevant applicable accounting rules depending upon how they are classified. For example, assets identified as hold to collect are carried at amortised cost while assets held to sell or to collect and sell are carried at fair value. Similar financial instruments can be classified differently by a financial institution depending upon their business model assessments. In

addition, financial institutions may use different valuation methodologies which may result in different fair values for the same instruments.

Accordingly, the Group's carrying value for an instrument may be materially different from another financial institution's valuation of that instrument or class of similar instruments.

Furthermore, a fair value determination does not necessarily reflect the value that can be realised for a financial instrument on a given date. As a result, assets and liabilities carried at fair value may not actually be able to be sold or settled for that value. If such assets are ultimately sold or settled for a lower or greater value, the difference would be reflected in a write-down or gain. The difference between the fair value determined at a particular point in time and the ultimate sale or settlement value can be more pronounced in volatile market conditions or during periods when there is only limited trading of a particular asset class from which to establish fair value. This can result in a significant negative impact on the Group's financial condition and results of operations due to an obligation arising to revalue assets at a fair value significantly below the value at which the Group believes it could ultimately be realised.

3 Risks relating to the Group's fiscal, legal and regulatory compliance

Legal and regulatory risks are substantial in the Group's business.

Substantial legal liability or a significant regulatory action against the Group could have a material adverse effect or cause significant reputational harm to the Group, which, in turn, could seriously harm the Group's business prospects and have an adverse effect on its results of operations and financial condition.

Legal liability

The Group faces significant legal risks, and the volume and amount of damages claimed in litigation against financial intermediaries generally is increasing. These risks include potential liability under securities or other laws for materially false or misleading statements made in connection with the sale of securities and other transactions, potential liability for advice the Group provides to participants in corporate transactions and disputes over the terms and conditions of complex trading arrangements. The Group also faces the possibility that counterparties in complex or risky trading transactions will claim that the Group improperly failed to inform them of the risks or that they were not authorised or permitted to enter into these transactions with the Group and that their obligations to the Group are not enforceable.

In those parts of the Group's business that are focused on the provision of portfolio management and stockbroking services, the Group is exposed to claims that it has recommended investments that are inconsistent with a client's investment objectives or that it has engaged in unauthorised or excessive trading, including in connection with split capital investment trusts. The Group is also exposed to claims from dissatisfied customers as part of the increased trend of performance-related litigation, for example, in association with its operations relating to the provision of wealth management advice. The Group may also be subject to claims arising from disputes with employees for, among other things, alleged discrimination or harassment. These risks may often be difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time. Liability resulting from any of the foregoing or other claims could have a material adverse effect on the Group's results of operations and financial condition.

These issues require the Group to deal appropriately with, *inter alia*, potential conflicts of interest; legal and regulatory requirements; ethical issues; anti-money laundering laws or regulations; privacy laws; information security policies; sales and trading practices; and conduct by companies with which it is associated. Failure to address these issues appropriately may give rise to additional legal and compliance risk to the Group, with an increase in the number of litigation claims and the amount of damages asserted against the Group, or subject the Group to regulatory enforcement actions, fines, penalties or reputational damage.

Applicable Bank Resolution Powers

The Issuer, as the parent company of a UK bank (Investec Bank plc), is subject to the Banking Act 2009, as amended (the "**Banking Act**") which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the PRA and the FCA (each a "**relevant Authority**") in circumstances where a UK bank has encountered or is likely to encounter financial difficulties.

The powers granted to the relevant Authority under the Banking Act include (but are not limited to) a "write-down and conversion of capital instruments and liabilities" power and a "bail-in" power.

The write-down and conversion of capital instruments and liabilities power may be used where the relevant Authority has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments or (where the institution concerned is not a resolution entity) certain internal non-own funds liabilities ("**relevant internal liabilities**") is required or where the conditions to resolution are met. Where the write-down and conversion of capital instruments and liabilities power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 instruments may be issued to holders of written-down instruments). This power is not subject to the "no creditor worse off" safeguard (unlike the bail-in power described below). The write-down and conversion of capital instruments and liabilities power could be exercised in relation to the Securities.

The bail-in power gives the relevant Authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Securities) of a failing financial institution or its holding company, and/or to convert certain debt claims (which could be amounts payable under the Securities) into another security, including ordinary shares of the surviving entity, if any. The Banking Act requires the relevant Authority to apply the "bail-in" power in accordance with the following preference order which differs from the ordinary insolvency order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) certain senior claims.

In the event that the Issuer enters into resolution and the bail-in power is applied by the relevant Authority, the Securities may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate the Securities to any of the Issuer's other subordinated indebtedness or preference shares that are not included within Additional Tier 1 or Tier 2 Capital (as well as those that do constitute Tier 2 Capital). As a result, the claims of some creditors whose claims would, in ordinary insolvency proceedings, rank equally with those of the Holders may be excluded from bail-in or may be bailed in to a lesser extent. The more of such creditors there are, the greater will be the impact of bail-in on the Holders. The bail-in power is subject to the "no creditor worse off" safeguard, under which any shareholder or creditor which receives less favourable treatment following the exercise of the bail-in power than they would have had the institution entered into insolvency may be entitled to compensation.

Moreover, pursuant to the exercise of the bail-in power, any securities that may be issued to Holders upon conversion of the Securities may not meet the listing requirements of any securities exchange, and the Issuer's outstanding listed securities may be delisted from the securities exchanges on which they are listed. Any securities that Holders receive upon conversion of the Securities (whether debt or equity) may not be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant exchange. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the issuer (which may be an entity other than the Issuer) of any securities issued upon conversion of the Securities, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the bail-in power.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including factors outside the control of the Issuer) which the relevant Authority would consider in deciding whether to exercise such power with respect to the Issuer and its

securities (including the Securities). Moreover, as the relevant Authority may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities. In some circumstances, the relevant Authority may decide to apply a deferred bail-in, where liabilities are not written down at the start of the resolution but are transferred to a depositary to hold during the bail-in period, with the terms of the write-down being determined at a later point in the bail-in period. Accordingly, it is not yet possible to assess the full impact of any exercise of the bail-in power pursuant to the Banking Act or otherwise on the Issuer.

By acquiring any Securities (or any interest therein), each Holder acknowledges, agrees to be bound by and consents to the exercise of the bail-in power by the relevant Authority. Noteholders may have only limited rights to challenge and/or seek a suspension of any decision of the relevant Authority to exercise the bail-in power (or any of its other resolution powers) or to have that decision reviewed by a judicial or administrative process or otherwise.

As well as a "write-down and conversion of capital instruments and liabilities" power and a "bail-in" power, the powers of the relevant Authority under the Banking Act include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant Authority power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinue the listing and admission to trading of debt instruments.

The exercise by the relevant Authority of any of the above powers under the Banking Act (including especially the bail-in power) could lead to the holders of the Securities losing some or all of their investment. Moreover, trading behaviour in relation to the securities of the Issuer (including the Securities), including market prices and volatility, may be affected by the use or any suggestion of the use of these powers and accordingly, in such circumstances, the Securities are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant Authority or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the Securities, the market value of an investment in the Securities and/or the Issuer's ability to satisfy its obligations under the Securities.

Although the Banking Act also makes provision for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant Authority has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Securities will benefit from such support even if it were provided.

Change of Issuer resolution strategy and MREL issuance

In December 2017, the Bank of England informed the Issuer that the preferred resolution strategy was "modified insolvency" via bank insolvency procedure with no "minimum requirement for own funds and eligible liabilities" ("**MREL**") in excess of its minimum capital requirements. However, in June 2023, the Issuer was notified by the Bank of England that the preferred resolution strategy will be changed to bail-in and as a result a revised increased MREL requirement will be imposed with the Issuer becoming the resolution entity in its

UK group. The MREL transition will commence from 1 January 2026 and the end-state MREL requirement will apply from 1 January 2032.

As a result, the Issuer will have to start its transition to meeting its revised MREL requirement by issuing additional equity and eligible debt that can be bailed in by the relevant Authority in case of resolution. If the Issuer fails to meet its MREL requirements it may be subject to administrative actions or sanctions. If the Issuer raises additional MREL through the issuance of share capital or capital instruments, shareholders may experience a dilution of their holdings or reduced profitability and returns. Any inability of the Issuer to maintain its MREL requirements, or any legislative changes that limit its ability to manage its capital effectively may have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

Investec Bank plc is a participating member of the Financial Services Compensation Scheme

The UK Financial Services Compensation Scheme ("**FSCS**"), the UK's statutory fund of last resort, provides compensation to customers of UK authorised financial institutions in the event that an institution which is a participating member of the FSCS is unable, or is likely to be unable, to pay claims against it.

The FSCS raises annual levies from participating members to meet its management expenses and compensation costs. Individual participating members make payments based on their level of participation (in the case of deposits, the proportion that their protected deposits represent of total protected deposits) at 31 December of the year preceding the scheme year.

Following the default of a number of deposit takers in 2008, the FSCS borrowed from HM Treasury to fund the compensation costs for customers of those firms. Although the majority of this loan is expected to be repaid from funds the FSCS receives from asset sales, surplus cash flow or other recoveries in relation to the assets of the firms that defaulted, any shortfall will be funded by deposit-taking participants of the FSCS.

Investec Bank plc is a participating member of the FSCS and the bank accrues for its share of levies that will be raised by the FSCS. The accrual is based on the annual invoice from the FSCS which currently includes the capital repayments for the loan based on the level of the bank's market participation in the relevant periods. Interest will continue to accrue to the FSCS on the HM Treasury loan and will form part of future FSCS levies.

At the date of this Prospectus, it is not possible to estimate whether there will ultimately be additional levies on the industry, the level of the Group's market participation or other factors that may affect the amounts or timing of amounts that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

Other regulatory risks could materially affect the Group

The Group is subject to extensive regulation by governmental and other regulatory organisations in the jurisdictions in which it operates around the world, including, in particular, the PRA and the FCA in the UK.

In addition, the Group is subject to extensive and increasing legislation, regulation, accounting standards and changing interpretations thereof in the various countries in which it operates. The requirements imposed by the Group's regulators, including capital adequacy, are designed to ensure the integrity of financial markets and to protect customers and other third parties who deal with the Group.

In addition, new laws are introduced and existing laws are amended from time to time, including tax, consumer protection, privacy and other legislation, which affect the environment in which the Group operates. Governmental policies and regulatory changes in the other areas which could affect the Group, include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;

- general changes in government or regulatory policy or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which the Group operates or may increase the costs of doing business in those markets;
- other general changes in the regulatory requirements, such as prudential rules relating to the capital adequacy and liquidity framework;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- further developments in the corporate governance, conduct of business and employee compensation environments;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and
- other unfavourable political or diplomatic developments or legal uncertainty which, in turn, may affect demand for the Group's products and services.

Consequently, changes in these governmental policies and regulation may limit the Group's activities, which could have an adverse effect on the Group's results.

It is widely expected that as a result of recent interventions by governments in response to global economic conditions, there will be a substantial increase in government regulation and supervision of the financial services industry, including the imposition of higher capital requirements, heightened disclosure standards and restrictions on certain types of transaction structures. If enacted, such new regulations could significantly impact the profitability and results of firms operating within the financial services industry, including the Group, or could require those affected to enter into business transactions that are not otherwise part of their preferred strategies, prevent the continuation of current lines of operations, restrict the type or volume of transactions which may be entered into or set limits on, or require the modification of, rates or fees that may be charged on certain loan or other products. Such new regulations may also result in increased compliance costs and limitations on the ability of the Group or others within the financial services industry to pursue business opportunities.

Further changes to the regulatory requirements applicable to the Group, in particular in the UK, whether resulting from recent events in the credit markets or otherwise, could materially affect its business, the products and services it offers and the value of its assets.

The Group is subject to the substance and interpretation of tax laws in all countries in which it operates. A number of double taxation agreements entered into between countries also affect the taxation of the Group.

Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of consequences arising from failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to increased tax charges, including financial or operating penalties, for not complying as required with tax laws. Action by governments to increase tax rates or to impose additional taxes would reduce the profitability of the Group. Revisions to tax legislation or to its interpretation might also affect the Group's results in the future.

4 Risks Related to the Securities

The obligations of the Issuer in respect of the Securities are unsecured, unguaranteed and subordinated

The Securities constitute unsecured, unguaranteed and subordinated obligations of the Issuer.

If the Issuer's financial condition deteriorates such that there is an increased risk that the Issuer may be wound up or enter into administration, such circumstances can be expected to have a material adverse effect on the market price of the Securities. Investors in the Securities may find it difficult to sell their Securities in such circumstances, or may only be able to sell their Securities at a price which may be significantly lower than the price at which they purchased their Securities. In such a sale, investors may lose some or substantially all of their investment in the Securities, whether or not the Issuer is wound up or enters into administration. Further, trading behaviour in relation to the securities of the Issuer (including the Securities), including market prices and volatility, is likely to be affected by the use or any suggestion of the use of these powers and accordingly, in such circumstances, the Securities may not follow the trading behaviour associated with other types of securities.

On a Winding-Up at any time prior to the Write Down Date, all claims against the Issuer in respect of, or arising from, the Securities (including any amounts attributable to the Securities and any damages awarded for breach of any obligations) will rank junior to the claims of all Senior Creditors of the Issuer. If, on a Winding-Up, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders will lose their entire investment in the Securities. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Securities and all other claims that rank *pari passu* with the Securities in full, Holders will lose some (which may be substantially all) of their investment in the Securities. See also the risk factor entitled "*The entire principal amount of the Securities will be automatically and irrevocably written off and all accrued and unpaid interest will be cancelled if a Trigger Event occurs*".

For the avoidance of doubt, the holders of the Securities shall, in a Winding-Up, have no claim to share with the ordinary shareholders in respect of the surplus assets (if any) of the Issuer remaining in any Winding-Up following payment of all amounts due in respect of the liabilities of the Issuer including the Securities.

Although the Securities may pay a higher rate of interest than Securities which are not subordinated, there is a substantial risk that investors in the Securities will lose all or some of the value of their investment should the Issuer become insolvent.

No limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities which the Issuer may issue, nor on the amount of any other obligations it may assume, which rank senior to, or *pari passu* with, the Securities. The issue of any such securities and/or the assumption of any such other obligations may reduce the amount recoverable by Holders on a Winding-Up and/or may increase the likelihood of a cancellation of interest amounts under the Securities.

There are no events of default under the Securities and rights of enforcement are limited

The Conditions will not provide for events of default allowing acceleration of the Securities. Accordingly, if the Issuer fails to make a payment that has become due under the Securities, investors will not have the right to accelerate the principal amount of the Securities. Upon a payment default by the Issuer, the sole remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions) any Holder will be to institute proceedings for the winding-up of the Issuer. The Trustee may claim in any Winding-Up (whether or not such Winding-Up is instituted by the Trustee) and claim in such Winding-Up for the amounts provided in Condition 3(c), and may take no other or further action to enforce, prove or claim for such payment. The Issuer (other than in a Winding-Up) will not be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Issuer may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Securities. Cancelled interest payments will not be due and will not accumulate or be

payable at any time thereafter and investors shall have no rights to receive such interest payments or any amount in lieu thereof

The Issuer may at any time elect, in its sole and absolute discretion, to cancel any interest payment (in whole or in part) on the Securities which is otherwise scheduled to be paid on any date. To the extent required under then prevailing Regulatory Capital Requirements, interest otherwise due to be paid on any date will not become due or payable (in whole or in part) and the relevant payment will be deemed cancelled and will not be made if and to the extent that the amount of such interest payment: (i) when (subject as described in the Conditions) aggregated with any interest payments or other distributions on the Securities and on all other own funds instruments paid or made or required to be paid or made in the then current financial year of the Issuer exceeds the amount of the Issuer's Distributable Items as at such date; or (ii) when aggregated with other distributions of the kind referred to in rule 4.3(2) of Chapter 4 of the Capital Buffers Chapter of the PRA Rulebook exceeds any Maximum Distributable Amount applicable to the Issuer or the Group. Furthermore, interest otherwise due to be paid on any date will not become due (in whole or in part) and the relevant payment will be deemed cancelled and will not be made to the extent that the Competent Authority orders the Issuer to cancel such payment.

In addition, if a Trigger Event occurs, the Issuer will cancel all interest accrued up to (and including) the Write Down Date.

With respect to cancellation of interest due to insufficient Distributable Items, see also "*The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Securities*" below.

The current intention of the Issuer is to consider the relative ranking of ordinary shares, preference shares and Additional Tier 1 securities in the capital structure whenever exercising its discretion whether or not to declare dividends or pay interest. The board of directors of the Issuer may depart from this approach at its sole and absolute discretion.

Any interest not so paid on any scheduled payment date shall be cancelled, shall not accumulate and will not become due or payable at any time thereafter, whether in a Winding-Up or otherwise. A cancellation of interest in accordance with the Conditions will not constitute a default of the Issuer under the Securities for any purpose, nor shall it impose any contractual restrictions (such as dividend stoppers) or any other obligation on the Issuer. The Issuer may use any such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

Any actual or anticipated cancellation of interest on the Securities will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest cancellation provisions of the Securities, the market price (if any) of the Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition.

The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Securities

To the extent required under then prevailing Regulatory Capital Requirements, interest which would otherwise fall due to be paid on any date will not become due or payable (in whole or part) if and to the extent that payment of such interest amount would, when aggregated with other stipulated payments or distributions, exceed the Distributable Items of the Issuer.

As at the date of this Prospectus, Distributable Items are defined under Article 4(1)(128) of the UK CRR, when read together with the definition of "Distributable Items" in the Conditions, as follows: "the amount of the

profits at the end of the last financial year plus any profits brought forward and reserves available for that purpose, before distributions by the Issuer to holders of own funds instruments (other than Tier 2 Capital instruments), less any losses brought forward, any profits which are non-distributable pursuant to national law or the institution's by-laws and any sums placed in non-distributable reserves in accordance with the law of the United Kingdom, or any part of it, or of a third country or the statutes of the institution, in each case with respect to the specific category of own funds instruments to which the law of the United Kingdom, or any part of it, or of a third country, institutions' by-laws, or statutes relate; such profits, losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts".

As at 31 March 2023, the Issuer had Distributable Items in the form of retained earnings of £1,365.9 million. The level of the Issuer's Distributable Items is affected by a number of factors. The Issuer's future Distributable Items, and therefore the ability of the Issuer to make interest payments under the Securities, are a function of the Issuer's existing Distributable Items and its future profitability. As a holding company, the level of the Issuer's Distributable Items is principally affected by its ability to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates Distributable Items for the Issuer. The Issuer is also reliant on the receipt of distributions from its subsidiaries for funding the Issuer's payment obligations.

The level of the Issuer's Distributable Items may also be affected by the payment of dividends or capital distributions on, or redemptions and/or purchases of, ordinary or preference shares in the Issuer or by changes to regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Items in the future. In addition, the Issuer's Distributable Items may also be adversely affected by the servicing of more senior instruments or parity ranking instruments, including other Additional Tier 1 Capital instruments.

Further, the Issuer's Distributable Items, and therefore the Issuer's ability to make interest payments under the Securities, may be adversely affected by the performance of the business of the Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control. In addition, adjustments to earnings, as determined by the board of directors of the Issuer, may fluctuate significantly and may materially adversely affect Distributable Items.

The Securities may be traded with accrued interest, but under certain circumstances described above, such interest may be cancelled and not paid on the scheduled payment date

The Securities may trade, and/or the prices for the Securities may appear, on any stock exchange and in other trading systems with accrued interest. If this occurs, purchasers of Securities in the secondary market will pay a price that reflects such accrued interest upon purchase of the Securities. However, if a payment of interest on any scheduled payment date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Securities will not be entitled to that interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant scheduled payment date.

CRD IV includes restrictions on distributions that will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will cancel such interest payments. In addition, the PRA has the power under section 192C of the FSMA restrict or prohibit payments of interest by the Issuer to Holders

In addition to the requirements described under "*The Group is subject to liquidity risk, which may impair its ability to fund its operations*" above, the Issuer Group is required to hold, on a consolidated basis, minimum total regulatory capital of 8 per cent of risk weighted assets, minimum Tier 1 Capital of 6 per cent of risk weighted assets and minimum CET1 Capital of 4.5 per cent of risk weighted assets (the "**Pillar 1 requirements**"), and the Issuer Group is currently subject to an institution-specific additional capital

requirement (the "**Pillar 2A requirement**") of 0.55 per cent of risk weighted assets. The Pillar 2A requirement derives from the Issuer's total capital requirement, which is a point in time and confidential assessment made by the PRA, and is designed to cover risks that the PRA believes are not covered or not sufficiently covered by the Pillar 1 requirements. The Pillar 2A requirement must be met with at least 56.56 per cent. CET1 Capital and no more than 25 per cent. Tier 2 Capital.

PRA rules also provide for capital buffer requirements which apply in addition to the Pillar 1 requirements and the Pillar 2A requirement. The capital buffers are: (i) the capital conservation buffer ("**CCB**"), (ii) the institution-specific countercyclical buffer ("**CCyB**"), (iii) the global systemically important institutions ("**G-SII**") buffer, (iv) the other systemically important institutions ("**O-SII**") buffer and (v) the systemic risk buffer ("**SRB**"). Some or all of these buffers may be applicable to the Issuer Group as determined by the PRA from time to time.

The "combined buffer requirement" is the combination of the CCB, the CCyB and the higher of (depending on the institution) the SRB, the G-SII buffer and the O-SII buffer, in each case as applicable to the institution. The combined buffer requirement must be met with CET1 Capital, and the CET1 Capital used to satisfy the combined buffer requirement cannot also be used to satisfy the Pillar 1, Pillar 2A requirement or MREL requirement, each of which must be met in full before CET1 Capital can be applied to meeting the combined buffer requirement. Accordingly, to the extent that any increases in the Issuer Group's Pillar 2A or MREL requirements are, or are required to be, met with CET1 Capital, the amount of CET1 Capital available to meet the combined buffer requirement may be reduced. See also the risk factor entitled "*Change of Issuer resolution strategy and MREL issuance*".

As at the date of this Prospectus, the Issuer Group is subject to a CCB of 2.5 per cent of risk weighted assets and a CCyB of 1.3 per cent. of risk weighted assets. The G-SII buffer, the O-SII buffer and the SRB do not apply to the Issuer Group. If the Issuer Group fails to meet the combined buffer requirement, it would be required to calculate a maximum distributable amount and would be restricted from making "discretionary payments" such as payments relating to CET1 capital, variable remuneration and payments on Additional Tier 1 Capital instruments such as the Securities.

The Issuer Group's capital requirements, including Pillar 2A requirements, are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. The PRA has also introduced a "PRA buffer" (which replaced the PRA Capital Planning Buffer), which forms part of the Pillar 2B capital buffers and supplements the combined buffer requirement. The PRA buffer must be met fully with CET1 capital. The Pillar 2B requirement is not publicly disclosed and is set for each bank individually. Like Pillar 2A, it is a point in time assessment that, in respect of UK firms, is made by the PRA and is expected to vary over time. A failure to satisfy the PRA buffer, if one were to be imposed on the Issuer Group, could result in the Issuer Group being required to prepare a capital restoration plan. This may, but would not automatically, provide for or result in restrictions on discretionary payments being made by the Issuer.

Future changes in applicable law or regulation could expand the circumstances in which the Issuer and/or the Issuer Group may be required to calculate a maximum distributable amount which could, in turn, result in further restrictions on discretionary payments being made by the Issuer. These circumstances could include, for example, cases where the combined buffer requirement and the minimum requirement for own funds and eligible liabilities are not met, or where any applicable leverage ratio buffer requirements are breached.

In addition, the PRA has the power under section 192C of FSMA to impose requirements on the Issuer to maintain specified levels of capital on a consolidated basis. These requirements could make it impossible for the Issuer to make interest payments on the Securities or to redeem the Securities without placing the Issuer in breach of its regulatory obligations concerning the consolidated capital position of the Issuer. The risk of any

such intervention by the PRA is most likely to materialise if at any time the Issuer is failing, or is expected to fail, to meet its capital requirements.

Any interest cancelled as a result of an applicable maximum distributable amount or as a result of regulatory discretion under Section 192C of the FSMA shall not become due and shall not accumulate or be payable at any time thereafter.

All payments in respect of or arising from the Securities are conditional upon the Issuer being solvent at the time of payment by the Issuer and immediately thereafter

Condition 3(*b*) provides that (except in a Winding-Up) all payments in respect of or arising from (including any damages awarded for breach of any obligations under) the Securities are, in addition to the right or obligation of the Issuer to cancel payment of interest under Condition 5 or 6, conditional upon the Issuer being solvent (as defined in the Conditions) at the time of payment by the Issuer and that no payment shall be due and payable in respect of or arising from the Securities except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. Non-payment of any interest or principal as a result of the solvency condition in Condition 3(*b*) not being satisfied shall not constitute a default on the part of the Issuer for any purpose under the terms of the Securities, and holders of the Securities will not be entitled to accelerate the principal of the Securities or take any other enforcement as a result of any such non-payment.

The entire principal amount of the Securities will be automatically and irrevocably written off and all accrued and unpaid interest will be cancelled if a Trigger Event occurs

Under the terms of the Securities, if at any time a Trigger Event occurs, all accrued and unpaid interest will be, automatically and irrevocably, cancelled and the entire principal amount of the Securities will be reduced to zero and cancelled. In such circumstances, the Holders will have no rights against the Issuer with respect to repayment of the principal amount of the Securities or any part thereof, the payment of any interest for any period or any other amounts arising under or in connection with the Securities and/or the Trust Deed, whether in a Winding-Up or otherwise, and there will be no reinstatement (in whole or in part) of the principal amount of the Securities at any time. Accordingly, if a Trigger Event occurs, holders of the Securities will lose their entire investment in the Securities.

The Automatic Write Down to zero may occur even if ordinary shares of the Issuer remain outstanding, and irrespective of whether the Issuer has sufficient assets available to settle the claims of the Holders of the Securities or other securities subordinated to the same or greater extent as the Securities, in Winding-Up proceedings or otherwise. As a result, Holders of Securities may have no claim for principal in the event of a Winding-Up, even though other securities that rank equally in priority may continue to have such a claim and the Issuer may have sufficient assets to satisfy the claims of holders of other subordinated debt of the Issuer.

A Trigger Event will occur if at any time the CET1 Ratio of the Issuer Group is less than 7.00 per cent. Whether a Trigger Event has occurred at any time shall be determined by the Issuer, the Competent Authority or any agent appointed for such purpose and such determination shall be binding on the Trustee and the Holders. The CET1 Ratio will be calculated on a consolidated basis and without applying any transitional provisions set out in the Regulatory Capital Requirements which are applicable at such time (unless such transitional provisions are permitted by the Competent Authority to be applied for the purposes of determining whether a Trigger Event has occurred). The following two risk factors include discussion of certain risks associated with the determination of the Issuer Group's CET1 Ratio.

In addition, the market price of the Securities is expected to be affected by fluctuations in the Issuer Group's CET1 Ratio. Any reduction in the Issuer Group's CET1 Ratio may have an adverse effect on the market price of the Securities, and such adverse effect may be particularly significant if there is any indication or expectation

that the Issuer Group's CET1 Ratio is or is near to 7.00 per cent. This could also result in reduced liquidity and/or increased volatility of the market price of the Securities.

The circumstances surrounding or triggering an Automatic Write Down are inherently unpredictable and may be caused by factors outside of the Issuer's control. The Issuer has no obligation to operate its businesses in such a way, or take any mitigating actions, to maintain or restore the Issuer Group's CET1 Ratio to avoid a Trigger Event and actions the Issuer Group takes could result in the Issuer Group's CET1 Ratio falling

The occurrence of a Trigger Event and, therefore, an Automatic Write Down, is inherently unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control. A Trigger Event will occur if at any time the CET1 Ratio of the Issuer Group is less than 7.00 per cent. Whether a Trigger Event has occurred at any time shall be determined by the Issuer, the Competent Authority or an agent on its behalf and such determination shall be binding on the Trustee and the Holders. As such, an Automatic Write Down could occur at any time.

The calculation of the CET1 Ratio of the Issuer Group could be affected by, among other things, the growth of the Issuer Group's business and the Issuer Group's future earnings, dividend payments, regulatory changes (including changes to definitions and calculations of regulatory capital, including CET1 capital and risk weighted assets (each of which shall be calculated by the Issuer on an end-point, consolidated basis unless, at the relevant time, transitional provisions are permitted by the Competent Authority to be applied for the purposes of determining whether a Trigger Event has occurred), actions that the Issuer or its regulated subsidiaries are required to take at the direction of the Competent Authority and the Issuer Group's ability to manage Risk Weighted Assets in both its on-going businesses and those which it may seek to exit. In addition, the Issuer Group has capital resources and risk weighted assets denominated in foreign currencies, and changes in relevant foreign exchange rates will result in changes in the sterling equivalent value of capital resources and risk weighted assets in the relevant foreign currency. Actions that the Issuer Group takes could also affect the Issuer Group's CET1 Ratio, including causing it to decline. The Issuer has no contractual obligation to increase the Issuer Group's CET1 Capital, reduce its Risk Weighted Assets or otherwise operate its business in such a way, take mitigating actions in order to prevent the Issuer Group's CET1 Ratio from falling below 7.00 per cent., to maintain or increase the Issuer Group's CET1 Ratio or otherwise to consider the interests of the Holders in connection with any of its business decisions that might affect the Issuer Group's CET1 Ratio. Future changes to the Regulatory Capital Requirements could result in a reduction of the Issuer Group's CET1 Ratio and could increase the risk of a Trigger Event, and accordingly an Automatic Write Down, occurring.

The calculation of the Issuer Group's CET1 Ratio may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as of the relevant calculation date, the Competent Authority could require the Issuer to reflect such changes in any particular calculation of the Issuer Group's CET1 Ratio.

Because of the inherent uncertainty regarding whether a Trigger Event will occur and there being no obligation on the Issuer's part to prevent its occurrence, it will be difficult to predict when, if at all, an Automatic Write Down could occur. Accordingly, the trading behaviour of any Securities may not necessarily follow the trading behaviour of other types of subordinated securities, including any other subordinated debt securities which may be issued by the Issuer in the future. Fluctuations in the CET1 Ratio of the Issuer Group may be caused by changes in the amount of CET1 Capital of the Issuer Group and its Risk Weighted Assets as well as changes to their respective definitions or method of calculation (including as to the application of adjustments and deductions) under the capital rules applicable to the Issuer.

Any indication or expectation that the Issuer Group's CET1 Ratio is moving towards the level which would cause the occurrence of a Trigger Event can be expected to have a material adverse effect on the market price

and liquidity of the Securities. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to other types of subordinated securities, including the Issuer's other subordinated debt securities.

The CET1 Ratio of the Issuer Group will be affected by the Issuer Group's business decisions and, in making such decisions, the Issuer Group's interests may not be aligned with those of the holders of the Securities

As discussed in "*The circumstances surrounding or triggering an Automatic Write Down are inherently unpredictable and may be caused by factors outside of the Issuer's control. The Issuer has no obligation to operate its businesses in such a way, or take any mitigating actions, to maintain or restore the Issuer Group's CET1 Ratio to avoid a Trigger Event and actions the Issuer Group takes could result in the Issuer Group's CET1 Ratio falling*" above, the Issuer Group's CET1 Ratio could be affected by a number of factors. The Issuer Group's CET1 Ratio will also depend on the decisions made by members of the Issuer Group relating to their businesses and operations, as well as the management of their capital positions. Neither the Issuer nor any other member of the Issuer Group will have any obligation to consider the interests of the holders of the Securities in connection with its strategic decisions, including in respect of its capital management. Holders of the Securities will not have any claim against the Issuer or any other member of the Issuer Group relating to decisions that affect the business and operations of the Issuer or the Issuer Group, including the Issuer's or the Issuer Group's capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause holders of the Securities to lose all or part of the value of their investment in the Securities.

The Securities may be subject to statutory bail-in or write down powers under the Banking Act

As described in the risk factor entitled "*Applicable Bank Resolution Powers*" above, the UK bail-in power is an additional power available to the UK resolution authorities under the special resolution regime provided for in the Banking Act to enable them to recapitalise a failed institution by allocating losses to such institution's shareholders and unsecured creditors subject to the rights of such shareholders and unsecured creditors to be compensated under a bail-in compensation order, which is based on the principle that such creditors should receive no less favourable treatment than they would have received had the bank entered into insolvency immediately before the coming into effect of the bail-in power. The bail-in power includes the power to cancel or write down (in whole or in part) certain liabilities or to modify the terms of certain contracts (including changes to the maturity of instruments, call dates of instruments, or the interest rate under such instruments) for the purposes of reducing or deferring the liabilities (including suspension of payments for a certain period) of a relevant institution under resolution and the power to convert certain liabilities into shares (or other instruments of ownership) of the relevant institution.

The Securities are a liability which could be cancelled, written down (in whole or in part) or converted pursuant to the exercise of the bail-in power. The Securities would be amongst the first of the Issuer's obligations to bear losses through write-down or conversion to equity pursuant to the exercise of the bail-in power because in the event of the insolvency of the Issuer, the claims in respect of the Securities would rank behind all other claims other than claims in respect of share capital of the Issuer.

The Banking Act also contains a mandatory write down power which enables (and, in certain circumstances, requires) the UK resolution authority to recapitalise institutions and/or their parent holding companies that are in severe financial difficulty or at the point of non-viability by permanently writing down, *inter alia*, capital instruments such as the Securities, or converting those capital instruments into shares. Before taking any form of resolution action or applying any resolution power set out in the Banking Act, the UK resolution authorities have the power (and are obliged when specified conditions are determined to have been met) to write down, or convert capital instruments such as the Securities into CET1 capital instruments before, or simultaneously with, the entry into resolution of the relevant entity. These measures could be applied to the Securities.

In contrast to the creditor protections afforded in the event of the bail-in powers being exercised, holders of the Securities would not be entitled to the 'no creditor worse off' protections under the Banking Act in the event that the Securities are written down or converted to equity under the mandatory write-down tool (unless the mandatory write-down tool were to be used alongside a bail-in).

Furthermore, if the Securities were to be converted into equity securities by application of the mandatory write-down tool, those equity securities may be subjected to the bail-in powers in resolution, resulting in their cancellation, significant dilution or transfer away from the investors therein.

The Securities are not 'protected liabilities' for the purposes of any government compensation scheme

The FSCS established under the FSMA is the statutory fund of last resort for customers of authorised financial services firms paying compensation to customers if the firm is unable, or likely to be unable, to pay certain claims (including in respect of deposits and insurance policies) made against it (together, "**Protected Liabilities**").

The Securities are not, however, Protected Liabilities under the FSCS and, moreover, are not guaranteed or insured by any government, government agency or compensation scheme of the UK or any other jurisdiction.

There is no scheduled redemption date for the Securities and Holders have no right to require redemption

The Securities are undated securities in respect of which there is no fixed redemption or maturity date. The Issuer is under no obligation to redeem the Securities at any time and the Holders have no right to require the Issuer or any member of the Group to redeem or purchase any Securities at any time. Any redemption of the Securities and any purchase of any Securities by the Issuer or any of its subsidiaries will be subject always to the prior approval of the Competent Authority and to compliance with prevailing prudential requirements, and the Holders may not be able to sell their Securities in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Securities. Accordingly, investors in the Securities should be prepared to hold their Securities for a significant period of time.

The Securities are subject to early redemption at their principal amount upon the occurrence of certain events

Subject to the prior approval of the Competent Authority and to compliance with prevailing prudential requirements, the Issuer may, at its option, redeem all (but not some only) of the Securities at any time at their principal amount plus interest accrued and unpaid (excluding interest that has been cancelled in accordance with the Conditions) up to but excluding the redemption date, upon the occurrence of a Tax Event or a Capital Disqualification Event, as further described in the Conditions. The Issuer may also redeem the Securities on any day falling in the period from (and including) 28 August 2029 to (and including) the First Reset Date or any day falling in the period of six months prior to (and including) any Reset Date thereafter, or if 75 per cent. or more of the aggregate principal amount of the Securities originally issued (and, for these purposes, any Further Securities (as defined in the Conditions) will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled.

An optional redemption feature is likely to limit the market value of the Securities. During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed.

If the Issuer redeems the Securities in any of the circumstances mentioned above, there is a risk that the Securities may be redeemed at times when the redemption proceeds are less than the current market value of the Securities or when prevailing interest rates may be relatively low, in which latter case Holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

The interest rate on the Securities will be reset on each Reset Date, which may affect the market value of the Securities

The Securities will initially earn interest at a fixed rate of interest to, but excluding, the First Reset Date. From, and including, the First Reset Date, however, and every Reset Date thereafter, the interest rate will be reset to the Reset Rate of Interest (as described in Condition 4(d)). This reset rate could be less than the Initial Fixed Interest Rate and/or the interest rate that applies immediately prior to such Reset Date, which could affect the amount of any interest payments under the Securities and consequently the market value of an investment in the Securities.

Because the Securities are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

The Securities will, upon issue, be represented by a Global Certificate that will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Securities are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Securities are in global form, the payment obligations of the Issuer under the Securities will be discharged upon such payments being made by or on behalf of the Issuer to or to the order of the nominee for the Common Depositary. A holder of a beneficial interest in a Security must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the Securities. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Meetings of Holders and modification

The Conditions will contain provisions for calling meetings of Holders (including in a physical place or by any electronic platform (such as conference call or videoconference) or a combination of such methods) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

In addition, the Trustee may agree, without the consent of the Holders, to (i) any modification of the Conditions or of any other provisions of the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification to (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders.

In addition, the Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held.

Further, if a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to certain conditions but without any requirement for the consent or approval of the Holders, at any time (whether before or following the First Reset Date) either substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain or, as appropriate, become Compliant Securities.

Change of law

The Conditions will be governed by the laws of England. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or applicable administrative practice after the date

of this Prospectus. Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss absorption tools which may affect the rights of Holders. Such tools may include the ability to write off sums otherwise payable on the Securities.

Legality of purchase

Neither the Issuer nor any of its affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective investor in the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Potential investors are further referred to the section headed "*Restrictions on marketing and sales to retail investors*" commencing on page ii of this Prospectus for further information.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Investors who hold less than the minimum specified denomination may be unable to sell their Securities and may be adversely affected if definitive Securities are subsequently required to be issued

The Securities are in denominations of £200,000 and integral multiples of £1,000 in excess thereof. Accordingly, it is possible that they may be traded in amounts that are not integral multiples of £200,000. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than £200,000 in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Securities at or in excess of £200,000 such that its holding amounts to at least equal to £200,000. Further, a holder who, as a result of trading such amounts, holds an amount which is less than £200,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Security in respect of such holding (should such Securities be printed) and would need to purchase a principal amount of Securities at or in excess of £200,000 such that its holding amounts to at least equal to £200,000.

A Holder's actual yield on the Securities may be reduced from the stated yield by transaction costs

When Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Securities. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional domestic or foreign parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Holders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Securities before investing in the Securities.

Please refer also to "*The Issuer may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Securities*" above.

5 Risks Related to the Market Generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Securities represent a new security for which no secondary trading market currently exists and there can be no assurance that one will develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Securities.

If a market for the Securities does develop, the trading price of the Securities may be subject to wide fluctuations in response to many factors, including those referred to in this risk factor, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Securities. Publicly traded securities from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them, and such volatility may be increased in an illiquid market. If any market in the Securities does develop, it may become severely restricted, or may disappear, if the financial condition and/or the CET1 Ratio of the Issuer Group deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable, or where the Competent Authority elects to direct the Issuer not, to pay interest on the Securities in full, or of the Securities being written down or otherwise subject to loss absorption under the Conditions or an applicable statutory loss absorption regime. In addition, the market price of the Securities may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer's control, including:

- actual or expected variations in the Issuer Group's operating performance;
- any shortfall in revenue or net profit or any increase in losses from levels expected by market commentators;
- increases in capital expenditure compared with expectations;
- any perception that the Issuer Group's strategy is or may be less effective than previously assumed or that the Issuer Group is not effectively implementing any significant projects;
- changes in financial estimates by securities analysts;
- changes in market valuations of similar entities;
- announcements by the Issuer Group of significant acquisitions, strategic alliances, joint ventures, new initiatives, new services or new service ranges;
- regulatory matters, including changes in regulatory regulations or central bank requirements;
- additions or departures of key personnel; and
- future issues or sales of Securities or other securities.

Any or all of these events could result in material fluctuations in the price of Securities which could lead to investors losing some or all of their investment.

The issue price of the Securities might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Securities at or near the price which it paid for them, or at a price that would provide it with a yield comparable to more conventional investments that have a developed secondary market.

Moreover, although the Issuer and any subsidiary of the Issuer can (subject to regulatory approval and compliance with prevailing prudential requirements) purchase Securities at any time, they have no obligation to do so. Purchases made by the Issuer or any member of the Group could affect the liquidity of the secondary market of the Securities and thus the price and the conditions under which investors can negotiate these Securities on the secondary market.

In addition, Holders should be aware that there may be a lack of liquidity in the secondary market which could result in investors suffering losses on the Securities in secondary resales even if there were no decline in the performance of the Securities or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Securities and instruments similar to the Securities at that time.

Although applications have been made for the Securities to be listed and admitted to trading on the Market, there is no assurance that such application will be accepted or that an active trading market will develop.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in pounds sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than pounds sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of pounds sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or pounds sterling may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to pounds sterling would decrease (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities and (iii) the Investor's Currency-equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

Interest rate risks

An investment in the Securities, which bear interest at a fixed rate (reset every five years), involves the risk that subsequent changes in market interest rates may adversely affect their value. The rate of interest will be reset every five years, and as such reset rates are not pre-defined at the date of issue of the Securities, they may be different from the initial rate of interest and may adversely affect the yield of the Securities.

Credit ratings may not reflect all risks relating to the Securities, and a reduction in credit ratings may adversely affect the market price of Securities

The Securities are expected, on issue, to be rated Ba1 (hyb) by Moody's. Ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the assigning rating agency at any time.

If a credit rating assigned to the Securities is lower than otherwise expected, or any such credit rating is lowered (whether as a result of a change in the financial condition of the Issuer or as a change in the ratings methodology applied by the relevant rating agency), the market price of the Securities may be adversely affected.

The Securities are not investment grade and are subject to the risks associated with non-investment grade securities

The Securities, upon issuance, will not be considered to be investment grade securities, and as such will be subject to a higher risk of price volatility than higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for the Issuer or volatile markets could lead to a significant deterioration in market prices of below-investment grade rated securities such as the Securities.

TERMS AND CONDITIONS OF THE SECURITIES

The following, subject to alteration and completion and save for the wording in italics, are the terms and conditions of the Securities which will be endorsed on each Certificate in definitive form (if issued).

The issue of the £350,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities (the "**Securities**", which expression shall in these Conditions, unless the context otherwise requires, include any Further Securities issued pursuant to Condition 16) of Investec plc (the "**Issuer**") was authorised by resolutions of the Board of Directors of the Issuer passed on 16 February 2024. The Securities are constituted by a trust deed (the "**Trust Deed**") dated 28 February 2024 between the Issuer and Citicorp Trustee Company Limited (the person or persons for the time being the trustee or trustees under the Trust Deed, the "**Trustee**") as trustee for the Holders (as defined below) of the Securities. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Securities. Copies of the Trust Deed and of the agency agreement (the "**Agency Agreement**") dated 28 February 2024 relating to the Securities between the Issuer, Citibank, N.A., London Branch as the initial principal paying agent (the person for the time being the principal paying agent under the Agency Agreement, the "**Principal Paying Agent**"), Citibank, N.A., London Branch as the initial agent bank (the person for the time being the agent bank under the Agency Agreement, the "**Agent Bank**"), Citibank, N.A., London Branch as the initial registrar (the person for the time being the registrar under the Agency Agreement, the "**Registrar**"), and the initial transfer agents named therein (the person(s) for the time being the transfer agent(s) under the Agency Agreement, the "**Transfer Agent(s)**"), and the Trustee, (i) are available for inspection or collection during usual business hours by a Holder at the principal office of the Trustee (presently at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the Principal Paying Agent, the Registrar and each of the Transfer Agents or (ii) may be provided by email to a Holder in each case following prior written request to the Trustee or the Principal Paying Agent therefor and provision of proof of holding and identity (in form satisfactory to the Trustee or the Principal Paying Agent, as the case may be), subject to, in the case of the Trustee and the Principal Paying Agent, the Trustee and the Principal Paying Agent being supplied with electronic copies of the Trust Deed and Agency Agreement. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1 Form, Denomination and Title

(a) Form and Denomination

The Securities are serially numbered in the principal amount of £200,000 and integral multiples of £1,000 in excess thereof.

The Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2*(a)*, each Certificate shall represent the entire holding of Securities by the same Holder.

(b) Title

Title to the Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Security shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

In these Conditions, "**Holder**" means the person in whose name a Security is registered.

2 Transfers of Securities

(a) Transfer

A holding of Securities may, subject to Condition 2*(d)*, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Securities to be transferred, together with the form of transfer endorsed on such Certificate(s), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Securities to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Securities and entries in the Register will be made in accordance with the detailed regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, each Transfer Agent and the Trustee. A copy of the current regulations will be made available for inspection or collection during usual business hours by the Registrar or any Transfer Agent to any Holder upon request.

(b) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2*(a)* shall be available for delivery within three business days of receipt of a duly completed and executed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate(s) shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2*(b)*, "**business day**" means a day (other than a Saturday or Sunday) on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) Transfer Free of Charge

Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to such transfer (or the giving of such indemnity as the Issuer, the Registrar or the relevant Transfer Agent may require).

(d) Closed Periods

No Holder may require the transfer of a Security to be registered (i) during the period of 15 days prior to (and including) any date on which Securities may be called for redemption by the Issuer at its option pursuant to Condition 7*(c)*, (ii) after the Securities have been called for redemption or substitution pursuant to Condition 7, or (iii) during the period of seven days ending on (and including) any Record Date.

3 Status and Subordination

(a) Status

The Securities constitute direct, unsecured and unguaranteed obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of Holders in respect of, or arising under, their Securities (including any damages awarded for breach of obligations in respect thereof) are subordinated as described in this Condition 3.

(b) Solvency Condition

Except in a Winding-Up, all payments in respect of, or arising from (including any damages awarded for breach of any obligations under), the Securities (other than payments to the Trustee (or any Appointee) for its own account under the Trust Deed) are, in addition to the right or obligation of the Issuer to cancel payments of interest under Condition 5 or Condition 6, conditional upon the Issuer being solvent at the time of payment by the Issuer and no principal, interest or any other amount shall be due and payable in respect of, or arising from, the Securities or the Trust Deed except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

For these purposes, the Issuer shall be considered to be solvent if (x) it is able to pay its debts owed to its Senior Creditors as they fall due and (y) its Assets exceed its Liabilities.

A certificate as to whether the Issuer satisfies the Solvency Condition by two Authorised Signatories (or if there is a winding-up or administration of the Issuer, two authorised signatories of the liquidator or, as the case may be, the administrator of the Issuer) shall (in the absence of manifest error) be treated and accepted by the Issuer, the Trustee, the Holders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without further enquiry and without liability to any person.

Any payment of interest not due by reason of this Condition 3*(b)* shall not be or become payable at any time and shall be mandatorily cancelled.

(c) Winding-Up

The rights and claims of the Holders (and the Trustee on their behalf) against the Issuer in respect of, or arising from, their Securities (including any amounts attributable to the Securities and any damages awarded for breach of any obligations) are subordinated to the claims of Senior Creditors in that if at any time prior to the Write Down Date a Winding-Up occurs, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Holder of such Security if, throughout such Winding-Up, such Holder were the holder of one of a class of preference shares in the capital of the Issuer ("**Notional Preference Shares**") having an equal right to a return of assets in the Winding-Up to, and so ranking *pari passu* with, the holders of the most senior class or classes of issued preference shares (if any) in the capital of the Issuer from time to time and which have a preferential right to a return of assets in the Winding-Up over, and so rank ahead of, the holders of all other classes of issued shares for the time being in the capital of the Issuer but ranking junior to the claims of Senior Creditors, on the assumption that the amount that such Holder was entitled to receive in respect of each Notional Preference Share on a return of assets in such Winding-Up were an amount equal to the principal amount of the relevant Security and any accrued but unpaid interest thereon (other than any interest which has been cancelled pursuant to these Conditions) together with any damages awarded for breach of any obligations in respect of such Security, whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that such preference shareholders were

entitled to claim and recover in respect of their preference shares to the same degree as in a winding up or liquidation).

(d) Set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation, counterclaim, netting or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities or the Trust Deed and each Holder shall, by virtue of its holding of any Security (or any beneficial interest therein), be deemed, to the fullest extent permitted under applicable law, to have waived all such rights of set-off, compensation, counterclaim, netting or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

4 Interest Payments

(a) Interest Rate

Subject to Conditions 3*(b)*, 5 and 6, the Securities bear interest on their principal amount at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 4.

Subject to Conditions 3*(b)*, 5 and 6, interest shall be payable on the Securities semi-annually in arrear on each Interest Payment Date in equal instalments (in respect of each Interest Period ending prior to the First Reset Date, of £52.50 per Calculation Amount), in each case as provided in this Condition 4.

Where it is necessary to compute an amount of interest in respect of any Security for any period, the relevant day-count fraction shall be determined on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of two times the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

(b) Interest Accrual

Subject to Conditions 3*(b)*, 5 and 6, the Securities will accrue interest in respect of each Interest Period and cease to bear interest from (and including) the due date for redemption thereof pursuant to Condition 7*(c)*, *(d)*, *(e)* or *(f)* or the date of substitution thereof pursuant to Condition 7*(g)*, as the case may be, unless, upon surrender of the Certificate representing any Security, payment of all amounts due in respect of such Security is not properly and duly made, in which event interest shall continue to accrue on the principal amount of such Security, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date. Interest in respect of any Security shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall, save as provided in Condition 4*(a)* in relation to equal instalments and subject to Conditions 3(*b*), 5 and 6, be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 4*(a)* for the relevant period, rounding the resultant figure to the nearest penny (half a penny being rounded upwards). Where the denomination of a Security is more than the Calculation Amount, the amount of interest payable in respect of each such Security, is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Security.

(c) Initial Fixed Interest Rate

For the Initial Fixed Rate Interest Period, the Securities bear interest, subject to Conditions 3*(b)*, 5 and 6, at the rate of 10.500 per cent. per annum (the "**Initial Fixed Interest Rate**").

(d) Reset Rate of Interest

The Interest Rate will be reset (the "**Reset Rate of Interest**") in accordance with this Condition 4 on each Reset Date. The Reset Rate of Interest in respect of each Reset Period will be determined by the Agent Bank on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the Margin.

(e) Determination of Reset Rate of Interest

The Agent Bank will, as soon as practicable after 11.00 a.m. (London time) on each Reset Determination Date, subject to receipt from the Issuer of the bid and offered yield of the Benchmark Gilt as provided by the Reset Reference Banks and/or as determined by or on behalf of the Issuer, determine the Reset Rate of Interest in respect of the relevant Reset Period. The determination of the Reset Rate of Interest by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(f) Publication of Reset Rate of Interest

The Agent Bank shall cause notice of the Reset Rate of Interest determined in accordance with this Condition 4 in respect of each Reset Period to be given to the Trustee, the Principal Paying Agent, any stock exchange on which the Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

If the Securities become due and payable pursuant to Condition 9*(a)*, the accrued interest per Calculation Amount and the Reset Rate of Interest payable in respect of the Securities shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 4 but no publication of the Reset Rate of Interest need be made unless the Trustee otherwise requires.

(g) Agent Bank

The Issuer will maintain an Agent Bank. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Agent Bank with another leading investment, merchant or commercial bank or financial institution of international repute in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Reset Rate of Interest in respect of any Reset Period as provided in Condition 4*(d)*, the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution of international repute in London approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Determinations of Agent Bank Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4, by the Agent Bank, shall (in the absence of manifest error) be binding on the Issuer, the Agent Bank, the Trustee, the Principal Paying Agent, the Registrar, each Transfer Agent and all Holders and no liability to the Holders or (in the

absence of wilful default or gross negligence) the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

5 Cancellation of Interest

(a) Optional Cancellation of Interest

The Issuer may in its sole and absolute discretion (but subject to the requirement for mandatory cancellation of interest pursuant to Conditions 3*(b)*, 5*(b)*, 5*(c)*, 5*(d)* and 6) at any time elect to cancel any interest payment, in whole or in part, which is scheduled to be paid on any date.

(b) Mandatory Cancellation of Interest – Insufficient Distributable Items

To the extent required under then prevailing Regulatory Capital Requirements, interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, if and to the extent that the amount of such interest payment otherwise due (together with any Additional Amounts payable thereon pursuant to Condition 10, if applicable), together with any interest payments or other distributions which have been paid or made or which are required to be paid or made during the then current Financial Year on the Securities and on all other own funds instruments of the Issuer (excluding any such interest payments or other distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items) in aggregate would exceed the amount of Distributable Items of the Issuer as at such date.

(c) Mandatory Cancellation of Interest – Maximum Distributable Amount

To the extent required under then prevailing Regulatory Capital Requirements, interest otherwise due to be paid on any date will not become due or payable (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, to the extent that the amount of such interest payment otherwise due (together with any Additional Amounts payable thereon pursuant to Condition 10, if applicable), together with other distributions of the kind referred to in rule 4.3(2) of Chapter 4 (*Capital Conservation Measures*) of the Capital Buffers chapter of the PRA Rulebook, as amended or replaced or referred to in any other applicable provisions of the Regulatory Capital Requirements which require a maximum distributable amount to be calculated and which are required under prevailing Regulatory Capital Requirements to be taken into account for this purpose, in aggregate would cause the Maximum Distributable Amount (if any) then applicable to the Issuer or the Group to be exceeded.

(d) Mandatory Cancellation of Interest – Competent Authority Order

Interest otherwise due on any date will not be due (in whole or, as the case may be, in part), and the relevant payment will be deemed cancelled and will not be made, to the extent the Competent Authority orders the Issuer to cancel such payment.

(e) Notice of Cancellation of Interest

Upon the Issuer electing to cancel any interest payment (or part thereof) pursuant to Condition 5*(a)*, or being prohibited from making any interest payment (or part thereof) pursuant to Conditions 3*(b)*, 5*(b)*, 5*(c)* or 5*(d)*, the Issuer shall, as soon as reasonably practicable on or prior to the scheduled payment date (and, in the case of a cancellation pursuant to Condition 5*(a)*, by no later than three business days prior to the scheduled payment date), give notice of such non-payment and the reason therefor to the Holders in accordance with Condition 15, the Trustee and the Principal Paying Agent, provided that any failure to give such notice shall not affect the deemed cancellation of any interest payment (in whole or, as the

case may be, in part) by the Issuer and shall not constitute a default under the Securities for any purpose. Such notice shall specify the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant interest payment that will be paid on the relevant date.

(f) Interest non-cumulative; no default or restrictions

Any interest payment (or, as the case may be, part thereof) not paid on any scheduled payment date by reason of Condition 3*(b)*, 5*(a)*, 5*(b)*, 5*(c)*, 5*(d)* or 6 shall be cancelled, shall not accumulate and will not become due or payable at any time thereafter, whether in a Winding-Up or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

If the Issuer does not pay any interest payment (in whole or, as the case may be, in part) on the relevant scheduled payment date, such non-payment (whether the notice referred to in Condition 5(*e*) or, as appropriate, Condition 6 has been given or not) shall evidence either the non-payment and cancellation of such interest payment (in whole or, as the case may be, in part) by reason of it not being due in accordance with Condition 3*(b)*, the cancellation of such interest payment (in whole or, as the case may be, in part) in accordance with Conditions 5*(b)*, 5*(c)*, 5*(d)* or 6 or, as appropriate, the Issuer's exercise of its discretion to cancel such interest payment (in whole or, as the case may be, in part) in accordance with Condition 5*(a)*. Accordingly, non-payment of any interest (in whole or, as the case may be, in part) in accordance with any of Condition 3*(b)*, 5*(a)*, 5*(b)*, 5*(c)*, 5*(d)* or 6, will not constitute a default by the Issuer for any purpose (whether under the Securities or otherwise) and the Holders shall have no right thereto whether in a Winding-Up or otherwise.

The Trustee and the Agents shall have no responsibility for, or liability or obligations in respect of, any loss, claim or demand incurred as a result of or in connection with any non-payment or cancellation of any interest payment or other amounts or any claims in respect thereof by reason of the application of this Condition 5.

6 Automatic Write Down

If, at any time, it is determined (as provided below) that a Trigger Event has occurred:

(i) the Issuer shall (unless the determination was made by the Competent Authority) immediately inform the Competent Authority of the occurrence of the Trigger Event;

(ii) the Issuer shall, without delay, give the Trigger Event Notice, which notice shall be irrevocable;

(iii) any interest which is accrued and unpaid shall be automatically and irrevocably cancelled; and

(iv) the full principal amount of each Security shall be automatically and irrevocably reduced to zero and the Securities shall be cancelled,

such reduction and cancellation being referred to in these Conditions as the "**Automatic Write Down**".

On the Business Day following the determination that a Trigger Event has occurred (the "**Write Down Date**"), an Automatic Write Down shall occur.

Effective upon, and following, the Automatic Write Down, Holders shall not have any rights against the Issuer with respect to:

(i) repayment of the principal amount of the Securities or any part thereof;

(ii) the payment of any interest for any period; or

(iii) any other amounts arising under or in connection with the Securities and/or the Trust Deed.

Such Automatic Write Down shall take place without the need for the consent of Holders.

For the purposes of determining whether a Trigger Event has occurred, the CET1 Ratio may be calculated at any time based on information (whether or not published) available to management of the Issuer and/or the Competent Authority, including information internally reported within the Issuer pursuant to its procedures for monitoring the CET1 Ratio.

The Issuer intends to publish the CET1 Ratio on at least a semi-annual basis.

The determination as to whether a Trigger Event has occurred shall be made by the Issuer, the Competent Authority or any agent appointed for such purpose by the Competent Authority. Any such determination shall be binding on the Issuer and the Holders.

Any Trigger Event Notice delivered to the Trustee (with a copy to the Principal Paying Agent) shall be accompanied by a certificate signed by two Authorised Signatories certifying the accuracy of the contents of the Trigger Event Notice upon which the Trustee shall rely (without further enquiry and without liability to any person).

Any failure by the Issuer to give a Trigger Event Notice or the aforementioned certificate will not affect the effectiveness of, or otherwise invalidate, any Automatic Write Down, or give Holders, the Trustee or any other person any rights as a result of such failure.

The reduction to zero of the principal amount of the Securities pursuant to this Condition 6 shall not constitute a default by the Issuer for any purpose.

7 Redemption, Substitution, Variation and Purchase

(a) No Fixed Redemption Date

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall, without prejudice to any Automatic Write Down in accordance with Condition 6, only have the right to redeem or purchase them in accordance with the following provisions of this Condition 7.

(b) Conditions to Redemption, Substitution, Variation and Purchase

Any redemption, substitution, variation or purchase of the Securities in accordance with Condition 7*(c)*, *(d)*, *(e)*, *(f)*, *(g)* or *(h)* is subject, as applicable, to:

(i) the Issuer having obtained prior Supervisory Permission therefor and complying with any prevailing Regulatory Capital Requirements relating to the event then required;

(ii) in the case of any redemption or purchase of the Securities other than prior to the fifth anniversary of the Reference Date, if and to the extent then required under prevailing Regulatory Capital Requirements, either: (A) the Issuer having replaced (or, on or before the relevant redemption or purchase date, replacing) the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum applicable requirements (including any applicable capital buffer requirements) by a margin that the Competent Authority considers necessary at such time;

(iii) in the case of any redemption of the Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the

Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date;

(iv) in the case of any redemption of the Securities prior to the fifth anniversary of the Reference Date upon the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Securities was not reasonably foreseeable as at the Reference Date; and

(v) in the case of any redemption or purchase of the Securities prior to the fifth anniversary of the Reference Date pursuant to Conditions 7*(f)* or 7*(h)*, either (A) the Issuer having replaced (or, on or before the relevant purchase date, replacing) the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) in the case of any purchase pursuant to Condition 7*(h)*, the relevant Securities are being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements.

Any refusal by the Competent Authority to give its Supervisory Permission as contemplated above shall not constitute a default for any purpose.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase, the prevailing Regulatory Capital Requirements permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 7*(b)*, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

In addition, if the Issuer has elected to redeem, substitute or vary the terms of the Securities, or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Securities and:

(i) (in the case of a redemption or purchase) the Solvency Condition is not satisfied in respect of the relevant payment on the date scheduled for redemption or purchase; or

(ii) prior to the redemption, purchase, substitution or variation of the Securities, a Trigger Event occurs,

the relevant redemption, substitution or variation notice or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect and the Issuer shall give notice thereof to the Holders in accordance with Condition 15, the Trustee, the Registrar and the Principal Paying Agent, as soon as practicable. Further, no notice of redemption, substitution or variation shall be given in the period following the giving of a Trigger Event Notice.

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 7 (other than redemption pursuant to Condition 7*(c)*), the Issuer shall deliver to the Trustee (with a copy to the Agents) (i) a certificate signed by two Authorised Signatories stating that the relevant requirements or circumstances giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the terms of the relevant Compliant Securities comply with the definition thereof in Condition 20 and (ii) in the case of a redemption pursuant to Condition 7*(d)* only, an opinion from a nationally recognised law firm or other tax adviser in the United Kingdom experienced in such matters to the effect that the relevant requirement or circumstance referred to in any of paragraphs (i) to (vi) (inclusive) of the definition of "Tax Event" applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it) and the Trustee shall accept (and if so treated

and accepted by the Trustee, shall be so treated and accepted by the Holders) such certificate (without further enquiry and without liability to any person) and, where applicable, opinion as sufficient evidence of the satisfaction of the relevant conditions precedent, in which event it shall be conclusive and binding on the Trustee and the Holders.

(c) Issuer's Call Option

Subject to Condition 7*(b)*, the Issuer may, by giving not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15, the Trustee and the Agents (which notice shall, save as provided in Condition 7*(b)*, be irrevocable and shall specify the date fixed for redemption), elect to redeem all, but not some only, of the Securities on any day falling in the period from (and including) 28 August 2029 to (and including) the First Reset Date or any day falling in the period of six months prior to (and including) any Reset Date thereafter at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7*(b)*, redeem the Securities.

(d) Redemption Due to Tax Event

If, prior to the giving of the notice referred to below in this Condition 7*(d)*, a Tax Event has occurred, then the Issuer may, subject to Condition 7*(b)* and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15, the Trustee and the Agents (which notice shall, save as provided in Condition 7*(b)*, be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Securities at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7*(b)*, redeem the Securities.

(e) Redemption Due to Capital Disqualification Event

If, prior to the giving of the notice referred to below in this Condition 7*(e)*, a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 7*(b)* and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15, the Trustee and the Agents (which notice shall, save as provided in Condition 7*(b)*, be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions at any time all, but not some only, of the Securities at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7*(b)*, redeem the Securities.

(f) Issuer's Clean-up Call Option

If, prior to the giving of the notice referred to below in this Condition 7*(f)*, 75 per cent. or more of the aggregate principal amount of the Securities originally issued (and, for these purposes, any Further Securities issued pursuant to Condition 16 will be deemed to have been originally issued) has been purchased by the Issuer or by others for the Issuer's account and cancelled, then the Issuer may, subject to Condition 7*(b)* and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15, the Trustee and the Agents (which notice shall, save as provided in Condition 7*(b)*, be irrevocable and shall specify the date fixed for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Securities at their principal amount, together with any accrued and unpaid interest thereon (excluding interest that has been cancelled in

accordance with these Conditions) to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall, subject to Condition 7*(b)*, redeem the Securities.

(g) Substitution or Variation

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 7*(b)* and having given not less than 15 nor more than 30 days' notice to the Holders in accordance with Condition 15, the Trustee and the Agents (which notice shall be irrevocable and shall specify the date fixed for substitution or, as the case may be, variation of the Securities) but without any requirement for the consent or approval of the Holders, at any time (whether before or following the First Reset Date) either substitute all (but not some only) of the Securities for, or vary the terms of the Securities so that they remain or, as appropriate, become, Compliant Securities, and the Trustee shall (subject to the following provisions of this Condition 7*(g)* and subject to the receipt by it of the certificates of the Authorised Signatories and any applicable opinion referred to in Condition 7*(b)* above and in the definition of Compliant Securities), as applicable, agree to such substitution or variation. Upon the expiry of such notice, the Issuer shall, subject to Condition 7*(b)*, either vary the terms of or substitute the Securities in accordance with this Condition 7*(g)*, as the case may be. The Trustee shall use its reasonable endeavours to assist the Issuer in the substitution of the Securities for, or the variation of the terms of the Securities so that they remain, or as appropriate, become, Compliant Securities, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Compliant Securities or the participation in or assistance with such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or expose it to additional responsibilities or liabilities or reduce or amend (in a manner which is adverse to the Trustee, as determined by the Trustee in its sole discretion) the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (as applicable). If, notwithstanding the above, the Trustee does not participate or assist the Issuer in such substitution or variation as provided above, the Issuer may, subject as provided above, redeem the Securities prior to the First Reset Date as provided in, as appropriate, Condition 7*(d)* or *(e)* or thereafter as provided in Condition 7*(c)* or *(f)*.

In connection with any substitution or variation in accordance with this Condition 7*(g)*, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

(h) Purchases

The Issuer may, subject to Condition 7*(b)*, in those circumstances permitted by Regulatory Capital Requirements, at any time purchase (or otherwise acquire), or procure others to purchase (or otherwise acquire) beneficially for its account, Securities in any manner and at any price. The Securities so purchased (or acquired), while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 9*(c).*

(i) Cancellation

All Securities redeemed or substituted by the Issuer pursuant to this Condition 7 will forthwith be cancelled. All Securities purchased by or on behalf of the Issuer may, subject to obtaining any Supervisory Permission therefor, be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Registrar. Securities so surrendered shall be cancelled forthwith. Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be permanently and irrevocably discharged.

(j) Trustee Not Obliged to Monitor

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 7 and will not be responsible to Holders for any loss arising from any failure by it to do so. Unless and until the Trustee has actual written notice of the occurrence of any event or circumstance within this Condition 7, it shall be entitled to assume that no such event or circumstance exists.

8 Payments

(a) Method of Payment

(i) Payments of principal shall be made in pounds sterling (subject to surrender of the relevant Certificate at the specified office of any Paying Agent or of the Registrar if no further payment falls to be made in respect of the Securities represented by such Certificate) in like manner as is provided for payments of interest in paragraph (ii) below.

(ii) Interest on each Security shall be paid to the person shown in the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Security shall be made in pounds sterling by transfer to an account in the relevant currency maintained by the payee with a bank in London.

(b) Payments Subject to Laws

Without prejudice to Condition 10, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) Payment Initiation

Payment instructions (for value the due date, or if that date is not a business day, for value the first following day which is a business day) will be initiated on a day on which the Principal Paying Agent is open for business and no later than the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business following the date on which the relevant Certificate is surrendered.

(d) Delay in Payment

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Security if the due date is not a business day or if the Holder is late in surrendering or cannot surrender its Certificate (if required to do so).

(e) Non-Business Days

If any date for payment in respect of any Security is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 8, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Principal Paying Agent is located and where payment is to be made by transfer to an account maintained with a bank in pounds sterling, on which foreign exchange transactions may be carried on in pounds sterling in London.

9 Non-Payment When Due and Winding-Up

(a) Non-Payment

If the Issuer shall not make payment in respect of the Securities for a period of seven days or more after the date on which such payment is (without prejudice to Conditions 3*(b)*, 5 and 6) due, the Issuer shall be deemed to be in default (a "**Default**") under the Trust Deed and the Securities and the Trustee, in its discretion, may, or (subject to Condition 9*(c)*) if so requested by an Extraordinary Resolution or in writing by the Holders of at least one-quarter in principal amount of the Securities then outstanding shall, notwithstanding the provisions of Condition 9*(b)*, institute proceedings for the winding-up of the Issuer in England (but not elsewhere).

For the avoidance of doubt, no amounts shall be due in respect of the Securities if payment of the same shall have been cancelled in accordance with Condition 3*(b*), Condition 5, Condition 6 and/or Condition 7*(b)*, and accordingly non-payment of such amounts shall not constitute a Default.

In the event of a Winding-Up (whether or not instituted by the Trustee pursuant to the foregoing), the Trustee in its discretion may, or (subject to Condition 9*(c)*) if so requested by an Extraordinary Resolution or in writing by the Holders of at least one-quarter in principal amount of the Securities then outstanding shall, prove and/or claim in such Winding-Up, such claim being as contemplated in Condition 3*(c)*.

(b) Enforcement

Without prejudice to Condition 9*(a)*, the Trustee may, at its discretion and without notice, institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed or the Securities (other than any payment obligation of the Issuer under or arising from the Securities or the Trust Deed, including, without limitation, payment of any principal or interest in respect of the Securities, including any damages awarded for breach of any obligations), provided that in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been due and payable by it pursuant to these Conditions and the Trust Deed. Nothing in this Condition 9*(b)* shall, however, prevent the Trustee instituting proceedings for the winding-up of the Issuer, and/or proving and/or claiming in any Winding-Up in respect of any payment obligations of the Issuer arising from the Securities or the Trust Deed (including any damages awarded for breach of any obligations) in the circumstances provided in, as appropriate, Conditions 3*(c)* and 9*(a)*.

(c) Entitlement of Trustee

The Trustee shall not be bound to take any of the actions, steps or proceedings referred to in Condition 9*(a)* or (*b*) above against the Issuer to enforce the terms of the Trust Deed or the Securities or any other action, step or proceeding under or pursuant to the Trust Deed unless (i) it shall have been so requested by an Extraordinary Resolution of the Holders or in writing by the holders of at least one-quarter in principal amount of the Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(d) Right of Holders

No Holder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer or prove or claim in any Winding-Up unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails or is unable to do so within a period of 60 days and such failure or inability shall be continuing, in which case the Holder shall, with

respect to the Securities held by it, have only such rights against the Issuer as those which the Trustee is entitled to exercise in respect of such Securities as set out in this Condition 9.

(e) Extent of Holders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Holders, whether for the recovery of amounts owing in respect of the Securities or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities or under the Trust Deed.

10 Taxation

All payments of principal, interest and any other amount by or on behalf of the Issuer in respect of the Securities shall (subject always to Conditions 3*(b)*, 5, 6 and 7*(b)*) be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction or any political subdivision thereof or by any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject as aforesaid) pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders of such amounts as would have been received by them in respect of payments of interest had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Security:

(a) held by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of its having some connection with the Relevant Jurisdiction other than a mere holding of such Security;

(b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Certificate representing the Security is presented for payment; or

(c) in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

References in these Conditions (including, without limitation, for the purposes of cancellation pursuant to Condition 5) to interest shall be deemed to include any Additional Amounts which may be payable under this Condition 10 or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Notwithstanding any other provisions of these Conditions, any amounts to be paid on the Securities by or on behalf of the Issuer shall be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

11 Prescription

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

12 Meetings of Holders, Modification, Waiver and Substitution

(a) Meetings of Holders

The Trust Deed contains provisions for convening meetings of Holders (including in a physical place or by any electronic platform (such as conference call or videoconference) or a combination of such methods) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. in principal amount of the Securities for the time being outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Securities so held or represented, except that at any meeting the business of which includes the modification of certain of these Conditions (including, *inter alia*, the provisions regarding subordination referred to in Condition 3, the terms concerning currency and due dates for payment of principal or interest payments in respect of the Securities and reducing or cancelling the principal amount of, or interest on, any Securities, or the Interest Rate or varying the method of calculating the Interest Rate or the CET1 Ratio below which a Trigger Event occurs) and certain other provisions of the Trust Deed the quorum will be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than 25 per cent., in principal amount of the Securities for the time being outstanding.

The agreement or approval of the Holders shall not be required in the case of cancellation of interest in accordance with Condition 5 or 6, reduction in the principal amount of the Securities to zero in accordance with Condition 6 or any variation of these Conditions and/or the Trust Deed or any substitution of the Securities required to be made in the circumstances described in Condition 7*(g)*.

The Trust Deed provides that (i) a resolution passed, at a meeting duly convened and held, by a majority of at least 75 per cent. of the votes cast, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Securities outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holder(s) of not less than 75 per cent. in principal amount of the Securities outstanding shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

An Extraordinary Resolution passed at any meeting of Holders or in writing or by way of electronic consents will be binding on all Holders, whether or not they are present at the meeting or voting in favour or, as the case may be, whether or not signing the written resolution or providing electronic consents.

(b) Modification of the Trust Deed and Conditions

The Trustee may agree, without the consent of the Holders, to (i) any modification of these Conditions or of any other provisions of the Trust Deed or the Agency Agreement which in its opinion is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification to (except

as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of, any of these Conditions or of the provisions of the Trust Deed or the Agency Agreement which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Holders. The Trustee may, without the consent of the Holders, determine that any Default should not be treated as such, provided that, in the opinion of the Trustee, the interests of Holders are not materially prejudiced thereby.

Any such modification, authorisation or waiver shall be binding on the Holders and such modification shall be notified by the Issuer to the Holders as soon as practicable. No modification to these Conditions or any other provisions of the Trust Deed shall become effective unless the Issuer shall have received any requisite Supervisory Permission therefor from the Competent Authority.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee, subject to the Issuer having obtained any requisite Supervisory Permission therefor from the Competent Authority to agree, subject to the Trustee being satisfied that the interests of the Holders will not be materially prejudiced thereby and to such amendments to the Trust Deed and such other conditions as the Trustee may require but without the consent of the Holders, to the substitution on a subordinated basis equivalent to that referred to in Condition 3 of certain other entities (any such entity, a "**Substitute Obligor**") in place of the Issuer (or any previous Substitute Obligor under this Condition) as a new principal debtor under the Trust Deed and the Securities.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to, any modification, waiver, authorisation, determination or substitution) the Trustee shall have regard to the interests of the Holders as a class and shall not have regard to the consequences of such exercise for individual Holders and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders.

(e) Notices

Any such modification, waiver, authorisation, determination or substitution shall be binding on all Holders and, unless the Trustee agrees otherwise, any such modification or substitution shall be notified by the Issuer to the Holders in accordance with Condition 15 as soon as practicable thereafter.

13 Replacement of the Securities

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Holders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Rights of the Trustee

The Trust Deed contains provisions for the indemnification of, and/or the provision of security and/or prefunding for, the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may rely without liability on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise.

Condition 3 applies only to amounts payable in respect of the Securities and nothing in Conditions 3, 6 or 9 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

The Trustee shall have no responsibility for, or liability or obligations in respect of, any loss, claim or demand incurred as a result of or in connection with any non-payment of interest, principal or other amounts by reason of Conditions 3, 5 or 6. Furthermore, the Trustee shall not be responsible for any calculation or the verification of any calculation in connection with any of the foregoing.

15 Notices

Notices to the Holders shall be mailed to them at their respective addresses in the Register and deemed to have been given on the second weekday (being a day other than a Saturday or Sunday) after the date of mailing. The Issuer shall also ensure that all notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed and/or admitted to trading.

16 Further Issues

The Issuer may from time to time without the consent of the Holders, but subject to any Supervisory Permission required, create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue) and so that such further issue shall be consolidated and form a single series with the Securities ("**Further Securities**"). References in these Conditions to the Securities include (unless the context requires otherwise) any Further Securities issued pursuant to this Condition 16. Any Further Securities shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

17 Agents

The initial Principal Paying Agent, the Registrar, the Agent Bank and each Transfer Agent and their initial specified offices are listed below. They act solely as agents of the Issuer and do not assume any fiduciary duties or any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Agent Bank and each Transfer Agent and to appoint replacement agents as additional or other Transfer Agents, provided that it will:

(a) at all times maintain a Principal Paying Agent, a Registrar and a Transfer Agent; and

(b) whenever a function expressed in these Conditions to be performed by the Agent Bank falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank.

Notice of any such termination or appointment and of any change in the specified offices of the Agents will be given to the Holders in accordance with Condition 15. If any of the Agent Bank, Registrar or the Principal Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or

otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint, on terms acceptable to the Trustee, an independent financial institution to act as such in its place. All calculations and determinations made by the Agent Bank, Registrar or the Principal Paying Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Trustee, the Agent Bank, the Registrar, the Principal Paying Agent and the Holders.

18 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.

(b) Jurisdiction

Subject as provided below, the courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Securities and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Securities (including any legal action or proceedings relating to non-contractual obligations arising out of or in connection with them) ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of the courts of England in respect of any such Proceedings.

Nothing in this Condition 18 prevents the Trustee or any Holder from taking Proceedings in any other courts with jurisdiction. To the extent allowed by law, Holders may take concurrent Proceedings in any number of jurisdictions.

(c) Agreement with Respect to the Exercise of the UK Bail-in Power

Notwithstanding and to the exclusion of any other term of the Securities or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 18*(c)*, includes each holder of a beneficial interest in the Securities) or the Trustee on their behalf, by its acquisition of any Securities (or any interest therein), each Holder acknowledges and accepts that the Amounts Due arising under any Securities may be subject to the exercise of the UK Bail-in Power by the Relevant UK Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(i) the effect of the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Securities;

(C) the cancellation of any Securities or the Amounts Due in respect of the Securities; and

(D) the amendment or alteration of the perpetual nature of the Securities or amendment of the amount of interest payable on the Securities, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Securities, as deemed necessary by the Relevant UK Resolution Authority, to give effect to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority.

No repayment or payment of Amounts Due in respect of the Securities will become due and payable or be paid after the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority, if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Powers by the Relevant UK Resolution Authority with respect to the Issuer, nor the exercise of the UK Bail-in Powers by the Relevant UK Resolution Authority with respect to the Securities, will constitute a default for any purpose.

Upon the exercise of the UK Bail-in Powers by the Relevant UK Resolution Authority with respect to the Securities, the Issuer shall notify the Trustee and the Agents as soon as practicable regarding such exercise and will provide a written notice to the Holders in accordance with Condition 15 as soon as practicable regarding such exercise of the UK Bail-in Powers. The Issuer will also deliver a copy of such notice to the Trustee, the Principal Paying Agent and the Registrar for information purposes. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 18 shall neither affect the validity and enforceability of the UK Bail-in Powers nor constitute a default by the Issuer for any purpose.

In this Condition 18:

"**Amounts Due**" means the principal amount of, and any accrued but unpaid interest (including any Additional Amounts payable pursuant to Condition 10, but excluding interest that has been cancelled in accordance with these Conditions) on, the Securities. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any UK Bail-in Power by the Relevant UK Resolution Authority;

"**Bail-In Legislation**" means any law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings), including, without limitation, Part I of the Banking Act 2009, as amended;

"**Relevant UK Resolution Authority**" means any authority with the ability to exercise a UK Bail-in Power; and

"**UK Bail-in Power**" means the powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or affiliate of a bank or investment firm, to cancel, reduce, transfer, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Securities by virtue of the Contracts (Rights of Third Parties) Act 1999.

20 Definitions

In these Conditions:

"**Additional Amounts**" has the meaning given to it in Condition 10;

"**Additional Tier 1 Capital**" has the meaning given to it (or any successor term) from time to time by the Competent Authority;

"**Agency Agreement**" has the meaning given to it in the preamble to these Conditions;

"**Agent Bank**" has the meaning given to it in the preamble to these Conditions;

"**Agents**" means the Registrar, the Transfer Agent(s), the Agent Bank and the Principal Paying Agent or any of them and includes any successor appointed from time to time;

"**Assets**" means the unconsolidated gross assets of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for subsequent events in such manner as the directors of the Issuer may determine;

"**Authorised Signatory**" means any person who is represented by the Issuer as being for the time being authorised to sign (whether alone or with another person or other persons) on behalf of the Issuer and so as to bind it;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London;

"**Calculation Amount**" means £1,000 in principal amount;

A "**Capital Disqualification Event**" is deemed to have occurred if there is a change (which has occurred or which the Competent Authority considers to be sufficiently certain) in the regulatory classification of the Securities which becomes effective after the Reference Date and that results, or would be likely to result, in some of or the entire principal amount of the Securities being excluded from the Additional Tier 1 Capital of the Issuer Group (other than by reason of any applicable limit on the amount of Additional Tier 1 Capital);

"**Certificate**" has the meaning given to it in Condition 1*(a)*;

"**CET1 Capital**", at any time, means the sum, expressed in pounds sterling, of all amounts that constitute Common Equity Tier 1 Capital at such time of the Issuer Group less any deductions therefrom required to be made at such time, as calculated on a consolidated basis, in accordance with the Regulatory Capital Requirements but without applying any transitional provisions set out in the Regulatory Capital Requirements which are applicable at such time (unless such transitional provisions are permitted by the Competent Authority to be applied for the purposes of determining whether a Trigger Event has occurred);

"**CET1 Ratio**" means, at any time, the ratio of the aggregate amount of the CET1 Capital of the Issuer Group at such time to the Risk Weighted Assets of the Issuer Group at such time, calculated on a consolidated basis and expressed as a percentage;

"**Common Equity Tier 1 Capital**" means common equity tier 1 capital as contemplated by the Regulatory Capital Requirements then applicable, or an equivalent or successor term;

"**Competent Authority**" means the Prudential Regulation Authority or such other or successor authority having primary supervisory authority with respect to prudential matters concerning the Issuer Group;

"**Compliant Securities**" means securities issued directly or indirectly by the Issuer that:

(a) have terms which are not materially less favourable to an investor than the terms of the Securities (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer), and provided that a certification to such effect (including as to such consultation) of two Authorised Signatories shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without further enquiry and without liability to any person) prior to the issue or, as appropriate, variation of the relevant securities), and, subject to the foregoing, which (1) contain terms which comply with the then current requirements of the Competent Authority in relation to Additional Tier 1 Capital; (2) provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Securities; (3) rank *pari passu* with the ranking of the Securities; (4) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been either paid or cancelled (but subject always to the right of the Issuer subsequently to cancel such accrued and unpaid interest in accordance with the terms of the securities); (5) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption; (6) have the same principal amount as the Securities; and (7) qualify as "hybrid capital instruments" as defined in section 475C of the Corporation Tax Act 2009 (or in any equivalent provision in any applicable successor legislation);

(b) are (i) listed on the Official List and admitted to trading on the Market or (ii) listed on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer and approved by the Trustee, such approval not to be unreasonably withheld or delayed; and

(c) where the Securities which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation and such rating was solicited by the Issuer, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Compliant Securities;

"**Conditions**" has the meaning given to it in the preamble to these Conditions;

"**Directors**" means the directors of the Issuer;

"**Distributable Items**" has the meaning given to it in the Regulatory Capital Requirements at the relevant time, but, to the extent applicable and permitted by the Competent Authority, amended so that any reference therein to "before distributions to holders of own funds instruments" shall be read as a reference to "before distributions by the Issuer to holders of own funds instruments (other than Tier 2 Capital instruments)";

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed;

"**Financial Year**" means the financial year of the Issuer (being the one-year period in respect of which it prepares annual audited financial statements) from time to time, which as at the Issue Date runs from (and including) 1 April in one calendar year to (but excluding) the same date in the immediately following calendar year;

"**First Reset Date**" means 28 February 2030;

"**Holder**" has the meaning given to it in Condition 1(*b*);

"**Initial Fixed Interest Rate**" has the meaning given to it in Condition 4*(c)*;

"**Initial Fixed Rate Interest Period**" means the period from (and including) the Issue Date to (but excluding) the First Reset Date;

"**Interest Payment Date**" means 28 February and 28 August in each year, starting on (and including) 28 August 2024;

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"**Interest Rate**" means the Initial Fixed Interest Rate and/or the Reset Rate of Interest, as the case may be;

"**Issue Date**" means 28 February 2024, being the date of the initial issue of the Securities;

"**Issuer**" has the meaning given to it in the preamble to these Conditions;

"**Issuer Group**" means the Issuer and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements) of which the Issuer is part from time to time;

"**Liabilities**" means the unconsolidated gross liabilities of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingent and prospective liabilities and for subsequent events in such manner as the directors of the Issuer may determine;

"**London Stock Exchange**" means the London Stock Exchange plc;

"**Margin**" means 6.566 per cent.;

"**Market**" means the Main Market of the London Stock Exchange;

"**Maximum Distributable Amount**" means any applicable maximum distributable amount relating to the Issuer Group required to be calculated in accordance with Chapter 4 (*Capital Conservation Measures*) of the Capital Buffers chapter of the PRA Rulebook, as amended or replaced or in accordance with any other applicable provisions of the Regulatory Capital Requirements which require a maximum distributable amount to be calculated if the Issuer Group is failing to meet any applicable requirement or any buffers relating to such requirement;

"**Official List**" means the official list of the UK Financial Conduct Authority;

"**own funds instruments**" has the meaning given to it in the Regulatory Capital Requirements;

"**pounds sterling**" means the lawful currency of the United Kingdom;

"**PRA Rulebook**" means the applicable rules made and/or enforced by the Prudential Regulation Authority under powers conferred by the Financial Services and Markets Act 2000, as amended or replaced from time to time;

"**Principal Paying Agent**" has the meaning given to it in the preamble to these Conditions;

"**Rating Agency**" means Moody's Investors Service Ltd., Fitch Ratings Ltd. and/or Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc., and/or or their respective successors and affiliates;

"**Recognised Stock Exchange**" means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

"**Record Date"** has the meaning given to it in Condition 8*(a)*;

"**Reference Date**" means the later of (i) the Issue Date and (ii) the latest date (if any) on which any Further Securities have been issued pursuant to Condition 16;

"**Register**" has the meaning given to it in Condition 1(*b*);

"**Registrar**" has the meaning given to it in the preamble to these Conditions;

"**Regulatory Capital Requirements**" means, at any time, any requirement contained in the laws, regulations, requirements, guidelines and policies of the Competent Authority (whether or not having the force of law) or of the United Kingdom relating to capital adequacy (whether on a risk-weighted, leverage or other basis), prudential supervision (including the requisite features of own funds instruments) and/or resolution, and applicable to the Issuer Group;

"**Relevant Date**" means (i) in respect of any payment other than a sum to be paid by the Issuer in a Winding-Up, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holders that, upon further surrender of the Certificate representing such Security being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender, and (ii) in respect of a sum to be paid by the Issuer in a Winding-Up, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up (or, in the case of an administration, one day prior to the date on which any dividend is distributed);

"**Relevant Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments of principal and/or interest on the Securities become generally subject to tax;

"**Reset Date**" means the First Reset Date and each fifth anniversary of the First Reset Date thereafter;

"**Reset Determination Date**" means, in respect of a Reset Period, the second Business Day prior to the first day of such Reset Period unless such day is not a Business Day, in which case it shall mean the immediately preceding Business Day;

"**Reset Period**" means the period from and including the First Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

"**Reset Rate of Interest**" has the meaning given to it in Condition 4*(d)*;

"**Reset Reference Banks**" means five leading gilt dealers in the principal interbank market relating to pounds sterling selected by the Issuer;

"**Reset Reference Rate**" means in respect of a Reset Period, the percentage rate (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) determined by the Agent Bank on the basis of the Gilt Yield Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks to the Issuer at 11.00 a.m. (London time) on the Reset Determination Date in respect of such Reset Period. The Issuer shall provide any such Gilt Yield Quotations so obtained to the Agent Bank. If at least four quotations are provided, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Rate will be determined by reference to the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Rate will be determined by reference to the rounded quotation provided. If no quotations are provided, the Reset Reference Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the Reset Reference Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, an amount equal to 3.934 per cent., where:

"**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security customarily used in the pricing of new issues denominated in pounds sterling and with a tenor of 5 years and having a maturity date on or about the last day of such Reset Period, as selected by the Issuer on the advice of an investment bank of international repute; and

"**Gilt Yield Quotations**" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean (rounded (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) as determined by the Agent Bank of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank;

"**Risk Weighted Assets**" means, at any time, the aggregate amount, expressed in pounds sterling, of the total risk exposure amount of the Issuer Group, as calculated on a consolidated basis in accordance with the Regulatory Capital Requirements at such time and without applying any transitional arrangements under the Regulatory Capital Requirements which are applicable at such time (unless such transitional provisions are permitted by the Competent Authority to be applied for the purposes of determining whether a Trigger Event has occurred);

"**Securities**" has the meaning given to it in the preamble to these Conditions;

"**Senior Creditors**" means creditors of the Issuer: (a) who are unsubordinated creditors of the Issuer; (b) whose claims are, or are expressed to be, subordinated to the claims of unsubordinated creditors of the Issuer but not further or otherwise; or (c) whose claims are, or are expressed to be, junior to the claims of other creditors of the Issuer, whether subordinated or unsubordinated, other than those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders in a winding-up in respect of the Securities (and, for the avoidance of doubt, Senior Creditors shall include holders of Tier 2 Capital instruments);

"**Solvency Condition**" has the meaning given to it in Condition 3*(b)*;

"**Substitute Obligor**" has the meaning given to it in Condition 12*(c)*;

"**Supervisory Permission**" means, in relation to any action, such notice, permission, consent, approval, non-objection and/or waiver as is required therefor (if any) under prevailing Regulatory Capital Requirements;

A "**Tax Event**" is deemed to have occurred if as a result of a Tax Law Change:

(i) in making any payments on the Securities, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts; or

(ii) the Issuer is no longer entitled or will no longer be entitled to claim a deduction in respect of any payments in respect of the Securities in computing its taxation liabilities or the amount of such deduction is reduced; or

(iii) the Securities are prevented or will be prevented from being treated as loan relationships for United Kingdom tax purposes; or

(iv) the Issuer would not, as a result of the Securities being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which it is or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Securities or any similar system or systems having like effect as may from time to time exist); or

(v) the Securities or any part thereof are treated as a derivative or an embedded derivative for United Kingdom tax purposes; or

(vi) the Issuer will or would, in the future, have to bring into account a taxable credit, taxable profit or the receipt of taxable income if the principal amount of the Securities were written down,

and, in any such case the Issuer could not avoid the foregoing by taking measures reasonably available to it;

"**Tax Law Change**" means a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, including any treaty to which such Relevant Jurisdiction is a party, or any change in the application of official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions, which change or amendment (x) (subject to (y)) becomes, or would become, effective on or after the Reference Date, or (y) in the case of a change in law, is enacted on or after the Reference Date;

"**Tier 2 Capital**" has the meaning given to it (or any successor term) from time to time by the Competent Authority;

"**Transfer Agent**" has the meaning given to it in the preamble to these Conditions;

"**Trigger Event**" means that the CET1 Ratio of the Issuer Group has fallen below 7.00 per cent.;

"**Trigger Event Notice**" means the notice referred to as such in Condition 6 which shall be given by the Issuer to the Holders, in accordance with Condition 15, the Trustee, the Registrar, the Principal Paying Agent and the Competent Authority, and which shall state with reasonable detail the nature of the relevant Trigger Event, the basis of its calculation and the relevant Write Down Date (which may be a date prior to or following the date of the Trigger Event Notice);

"**Trust Deed**" has the meaning given to it in the preamble to these Conditions;

"**Trustee**" has the meaning given to it in the preamble to these Conditions;

"**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland;

"**Winding-Up**" means:

(i) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation, the terms of which reorganisation, reconstruction or amalgamation have previously been approved in writing by the Trustee or an Extraordinary Resolution and do not provide that the Securities thereby become redeemable or repayable in accordance with these Conditions);

(ii) following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend; or

(iii) liquidation or dissolution of the Issuer or any procedure similar to that described in paragraph (i) or (ii) of this definition is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to the Banking Act 2009; and

"**Write Down Date**" has the meaning given to it in Condition 6.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE REPRESENTED BY THE GLOBAL CERTIFICATE

The following is a summary of the provisions to be contained in the Trust Deed and in the Global Certificate which will apply to, and in some cases modify the effect of, the Conditions while the Securities are represented by the Global Certificate.

Words and expressions defined in the "Terms and Conditions of the Securities" above or elsewhere in this Prospectus have the same meanings in this section. The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System.

Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") and may be delivered on or prior to the original Issue Date of the Securities.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") as the holder of a Security represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Security for so long as the Securities are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

Exchange of the Global Certificate

The following will apply in respect of transfers of Securities held in Euroclear or Clearstream, Luxembourg or any Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of Securities represented by the Global Certificate pursuant to Condition 2*(a)* may only be made in part:

(i) if the Securities represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and each such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) upon or following any failure to pay principal in respect of any Securities when it is due and payable; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to the above, the holder of the Securities represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer.

Calculation of Interest

For so long as all of the Securities are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, interest shall be calculated on the basis of the aggregate principal amount of the Securities represented by the Global Certificate, and not per Calculation Amount as provided in Condition 4.

Automatic Write Down

In the event of an Automatic Write Down pursuant to Condition 6, the principal amount of the Global Certificate will be reduced to zero and cancelled in full accordance with the procedures of Euroclear or Clearstream, Luxembourg as applicable and will not be restored in any circumstances thereafter.

Payments

All payments in respect of Securities represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the register of holders of the Securities maintained by the Registrar at the close of business on the record date which (notwithstanding Condition 7) shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

Notices

For so long as the Securities are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg, notices may be given to the Holders by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to their respective accountholders in substitution for publication as required by the Conditions provided that, for so long as the Securities are listed on the regulated market of the London Stock Exchange or on any other stock exchange, notices will also be given in accordance with any applicable requirements of such stock exchange. Any such notice shall be deemed to be given on the date that it is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be).

Prescription

Claims against the Issuer in respect of any amounts payable in respect of the Securities represented by the Global Certificate will be prescribed and become void unless made within 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 20) relating thereto.

Meetings

For the purposes of any meeting of the Holders, the holder of the Securities represented by the Global Certificate shall be treated as being entitled to one vote in respect of each £1.00 in principal amount of the Securities.

Written Resolution and Electronic Consent

For so long as the Securities are in the form of a Global Certificate registered in the name of any nominee for one or more of Euroclear and Clearstream, Luxembourg or another clearing system, then, in respect of any resolution proposed by the Issuer or the Trustee:

(i) where the terms of the proposed resolution have been notified to the Holders through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Securities outstanding ("**Electronic Consent**"). None of the Issuer or the Trustee shall be liable or responsible to anyone for such reliance; and

(ii) where Electronic Consent is not being sought, for the purpose of determining whether a written resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system(s) with entitlements to such Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant Alternative Clearing System (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or EasyWay systems or Clearstream, Luxembourg's CreationOnline or Xact Web Portal systems) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Securities is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Euroclear and Clearstream, Luxembourg

References in the Global Certificate and this summary to Euroclear and Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved for the purposes of the Securities by the Trustee and the Agents.

DESCRIPTION OF ISSUER

Introduction

Investec plc and Investec Limited (together, the "**Investec Group**") partner with private, institutional and corporate clients, offering international banking, investments and wealth management services in two principal markets, South Africa and the UK, as well as certain other countries. The Investec Group's two core areas of activity are Specialist Banking and Wealth & Investment.

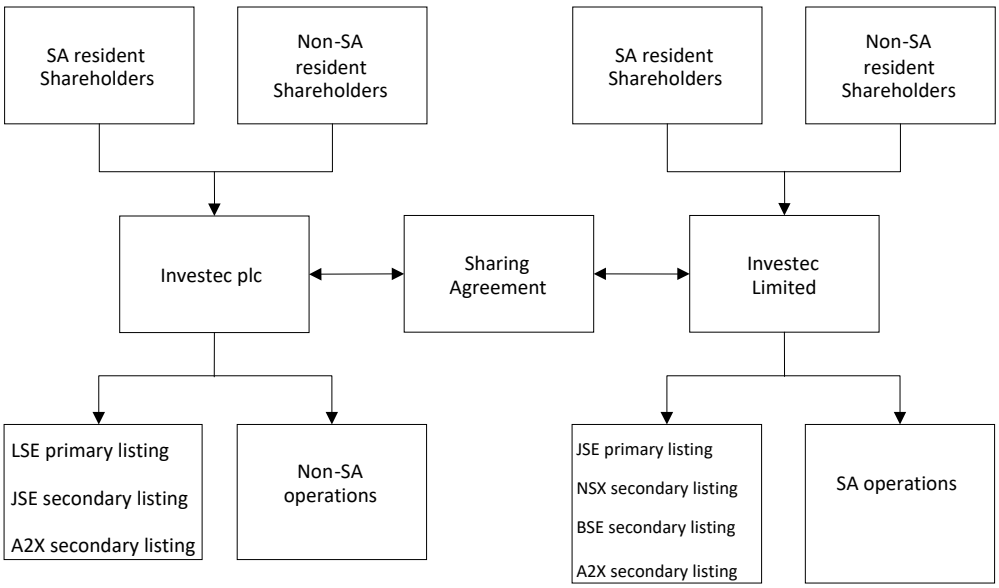
The Investec Group was founded as a leasing company in Johannesburg, South Africa, in 1974, and currently has approximately 8,700 employees. It acquired a banking licence in 1980 and was listed on the JSE Limited South Africa ("**JSE**") in 1986. In 1992 the Investec Group made its first international acquisition, in the United Kingdom, when it acquired Allied Trust Bank, which has since been renamed Investec Bank plc. In March 2020, the Investec Group completed the demerger and separate listing of Ninety One (formerly known as Investec Asset Management). The Investec Group retains a c.10 per cent. shareholding in the Ninety One group, held through Investec plc. In September 2023, the Investec Group completed the combination of Investec W&I UK with Rathbones (the "**Rathbones Combination**"). Under the terms of the Rathbones Combination, in exchange for 100 per cent. of Investec W&I UK's share capital, Rathbones issued new shares to Investec plc and as a result, the Investec Group (i) owns 41.25 per cent of the economic interest in Rathbones' enlarged share capital, (ii) has 29.9 per cent. voting rights in Rathbones and (iii) two seats on the Rathbones board of directors.

Group Structure

During July 2002, Investec Group Limited (since renamed Investec Limited) implemented a dual listed companies ("**DLC**") structure and listed its offshore business on the London Stock Exchange. In terms of the DLC structure, Investec Limited is the controlling company of the businesses in Southern Africa, and Investec plc is the controlling company of the majority of Investec Group's non-Southern African businesses. Investec Limited is listed on the Johannesburg Stock Exchange Limited ("**JSE**") South Africa (since 1986) and Investec plc on the London Stock Exchange (since 2002) with a secondary listing on the JSE. As a result of the DLC structure, Investec plc and Investec Limited form a single economic enterprise.

Shareholders have common economic and voting rights as if Investec plc and Investec Limited were a single company. Creditors, however, are ring fenced to either Investec plc or Investec Limited as there are no cross guarantees between the companies.

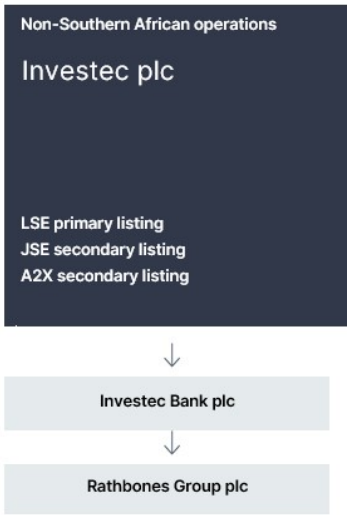
The Investec Group has since expanded through a combination of organic growth and a series of strategic acquisitions. Focus today is on growth in the Investec Group's chosen markets.



DLC Structure

Investec plc is the holding company of the majority of the Investec Group's non-Southern African operations, including Investec Bank plc, the main operating subsidiary (which houses the Specialist Banking activities). As a result of the Rathbones Combination, the UK Wealth & Investment activities of the Investec Group are operated through Investec plc's 41.25 per cent. economic interest in Rathbones. As Investec plc is the parent company of the group of which it is a member, Investec plc is dependent upon receipt of funds from its principal subsidiaries for its income and it has no significant assets other than its investment in its principal subsidiaries. The following diagram is a simplified group structure for Investec plc.

Investec plc: organisational*



*Investec Bank plc directly owns a 41.25 per cent. economic interest in Rathbones Group plc.

Ratings

Investec plc has been assigned the following long-term credit rating:

- Baa1 by Moody's Investor Service Limited ("**Moody's**"). This means that Moody's is of the opinion that Investec plc is subject to moderate credit risk, is considered medium-grade and as such may possess certain speculative characteristics.

Investec plc has also been assigned the following short-term credit rating:

- P-2 by Moody's. This means that Moody's is of the opinion that Investec plc has a strong ability to repay short-term debt obligations.

Moody's is established in the UK and is registered under the UK CRA Regulation.

Activities of Investec plc

The activities of Investec plc, conducted through its subsidiary undertakings and minority shareholding in Rathbones, are Wealth & Investment and Specialist Banking.

Specialist Banking

Specialist Banking focuses on providing clients with private client banking and corporate and investment banking activities.

Private Banking activities

Private client offering providing high-touch and high-tech transactional banking, lending, private capital, savings and foreign exchange tailored to suit the clients' needs.

The target market includes high net worth active wealth creators (with > £300k annual income and £3 million NAV). The savings offering targets primarily UK retail savers.

Corporate and Institutional Banking activities

This client-centric, solution-driven offering provides Corporate Banking and Investment Banking services to private companies, private equity and sponsor-backed companies and publicly listed companies.

Recent Developments

On 21 September 2023, the Rathbones Combination (as described under section *"Description of the Issuer – Introduction*") completed and as a result, the Investec Group deconsolidated its 100 per cent investment in Investec W&I UK. Going forward Investec plc's investment in the Enlarged Rathbones Group will be equity accounted in accordance with IFRS. The financial effect of deconsolidation which was dependent on the net asset value of the UK Wealth & Investment business and the fair value of the Rathbones shares on the date of completion of the Rathbones Combination has been a gain of £360.9 million on the combination with Rathbones Group net of taxation and implementation costs.

Regulation and Risk Management

Regulation

The FCA (formerly the Financial Services Authority), the PRA and the South African Prudential Authority previously known as the Bank Supervision Division of the South African Reserve Bank ("**SARB**") entered into a Memorandum of Understanding in 2002 which sets out the basis upon which the Investec Group as a whole will be regulated and how these two main regulators will co-operate. The SARB undertakes consolidated supervision of Investec Limited and its subsidiaries as well as acting as lead regulator of the Investec Group as a whole. The FCA and PRA undertake consolidated supervision of Investec plc and its subsidiaries.

Accordingly, Investec plc is authorised by the PRA and regulated by the FCA and the PRA. Investec plc is therefore subject to PRA limits and capital adequacy requirements. In addition Investec plc, through its operating subsidiaries, operates in a variety of other extensively regulated jurisdictions including the Channel Islands, India, the United States of America, Switzerland and Ireland, where it has obtained the necessary regulatory authorisations.

Risk Management

The Investec Group recognises that an effective risk management function is fundamental to its business. Taking international best practice into account, its comprehensive risk management process involves identifying, understanding and managing the risks associated with each of the businesses.

Risk Awareness, Control and Compliance

Group Risk Management monitors, manages and reports on risks to ensure it is within the stated risk appetite as mandated by the board of directors through the Board Risk and Capital Committee. Business units are ultimately responsible for managing risks that arise.

The Group monitors and controls risk exposure through credit, market, liquidity, operational, legal risk reporting, internal audit and compliance teams. This approach is core to assuming a tolerable risk and reward profile, helping to pursue growth across the business.

Group Risk Management operates within an integrated geographical and divisional structure, in line with management approach, ensuring that the appropriate processes are used to address all risks across the Group. There are specialist divisions in the UK and smaller risk divisions in other regions, to promote sound risk management practices.

Risk Management units are locally responsive yet globally aware. This helps to ensure that all initiatives and businesses operate within defined risk parameters and objectives, continually seeking new ways to enhance techniques.

In the ordinary course of business, the business is exposed to various risks, including credit, market, interest rate and liquidity, operational, legal and reputational risks.

Loan Administration and Loan Loss Provisioning

The majority of the Issuer's loan exposures arise through Investec Bank plc, its main subsidiary undertaking.

The Issuer's loan administration and loan loss provisioning addresses the risk that counterparties will be unable or unwilling to meet their obligations to the Issuer as they fall due or that the credit quality of third parties to whom the Issuer is exposed deteriorates. Credit risk arises when funds are extended, committed, invested, or otherwise exposed through contractual agreements, whether reflected on- or off-balance sheet. The Issuer's risk management policies include geographical, product, market and individual counterparty concentrations. All exposures are checked frequently against approved limits, independently of each business unit. Excesses are reported or escalated to credit, management, Executive Risk Committee and Board Risk and Capital Committee as required (amongst other things).

A tiered system of credit committees has been created in order to attempt to ensure that credit exposures are authorised at an appropriate level of seniority. The main UK Group Credit Committee includes executive directors and senior management independent of the line managerial function. All credit committees have to reach a unanimous consensus before authorising a credit exposure and each approval is signed by a valid quorum.

Credit limits on all lending, including treasury and interbank lines, are reviewed at least annually. The arrears policy is strictly controlled and regular reviews are held to evaluate the necessity and adequacy of specific provisions and whether the suspension of interest charged to the customer is required. Arrears Committees regularly review delinquent facilities. They ensure that an agreed strategy for remedial action is implemented and that specific provisions are made where necessary.

The Issuer has a focused business strategy and considers itself to have considerable expertise in its chosen sectors. The majority of the Issuer's lending, excluding interbank placements, are predominantly to UK clients and is secured on assets and is amortising. On a geographical basis, approximately 83 per cent. of the core loan of the Issuer is to the UK domestic market. Risk limits permit only modest exposure to South Africa and minimal exposure to other emerging markets.

Capital Adequacy and Liquidity

Information on the Issuer's capital, leverage and liquidity ratios and requirements is set out in the Unaudited September 2023 Financial Information in the sections entitled "*Balance Sheet Risk and Liquidity*" and "*Capital Adequacy*". See, in particular, pages 47 to 52 of that sub-section.

Dividend policy of Investec Group and the Issuer

The Investec Group's dividend policy is to maintain a payout ratio of 30 per cent. to 50 per cent. based on earnings per share of the combined Investec Group (incorporating the results of Investec plc and Investec Limited) before goodwill impairment, amortisation of acquired intangibles and strategic actions and after earnings attributable to non-controlling interests and earnings attributable to perpetual preference shareholders and Other Additional Tier 1 security holders. The current intention of the Issuer is to consider the relative ranking of ordinary shares, preference shares and Additional Tier 1 securities in the capital structure whenever exercising its discretion whether or not to declare dividends or pay interest. The board of directors of the Issuer may depart from this approach at its sole discretion. See also the risk factor entitled *"The Issuer may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Securities"*.

In determining the level of dividend to be paid in respect of any financial period, the board of the Investec Group has regard to, among other factors, its capital position and requirements, the profits generated in respect of such period in relation to the general profits trend of the Investec Group, its strategy and certain regulatory and tax considerations.

The holders of shares in the Issuer and Investec Limited will share proportionately on a per share basis all dividends declared by the Investec Group. Where possible, each of the Issuer and Investec Limited will pay such dividends to their respective shareholders. However, the DLC structure makes provision through dividend access trusts for either company to pay a dividend directly to the shareholders of the other. As at 31 March 2023, Investec plc had issued 70 per cent. of the combined issued ordinary share capital of Investec plc and Investec Limited.

The Issuer will require sufficient dividends from its subsidiaries to establish sufficient distributable funds to pay its share of the DLC dividend.

Directors

The names of the directors of the Issuer, the business address of each of whom, in their capacity as directors of Investec plc, is 30 Gresham Street, London EC2V 7QP, and their respective principal outside activities are as follows:

Name	***Role***	***Principal outside activities***
Fani Titi	Chief Executive Officer	Chief Executive Officer of Investec Limited. Executive Director of Investec Bank plc and Investec Bank Limited. Director of IEP Group (Pty) Limited
Zarina Bassa	Senior Independent Non-Executive director	Director of JSE Limited. Non-Executive Director of Investec Limited. Independent Non-Executive Director of Investec Bank plc and Investec Bank Limited.
Philip Hourquebie	Independent Non-Executive director and Chair	Independent Non-Executive Director and Chair of Investec Limited, Independent Non-Executive Director of Aveng Limited and Non-Executive Director of Investec Bank Limited. Director of Investec Property Fund Limited.
Henrietta Baldock	Independent Non-Executive director	Independent Non-Executive Director of Investec Limited, Investec Wealth & Investment Limited and Investec Bank plc; Non-Executive Director of Legal & General Group plc, Non-Executive Director and Chair of Legal & General Assurance Society Limited. Non-Executive Director of Rathbones Group plc.
Nishlan Samujh	Executive director and Chief Financial Officer	Executive Director and Chief Financial Officer of Investec Limited.
Philisiwe Sibiya	Independent Non-Executive director	Independent Non-Executive Director of Investec Limited. Non-Executive Director of AECI Limited. Founder and Chief Executive Officer of Shingai group of companies. Independent Non-Executive Director of Goldfields Limited.
Stephen Koseff	Non-Executive Director	Non- Executive Director of Investec Limited. Director of Bid Corporation Limited, Bud Group (Pty) Limited, IEP Group (Pty) Limited, Arrowpoint Capital and Bravo Transport Holdings Limited.

Jasandra Nyker	Independent Non-Executive Director	Independent Non-Executive Director of Investec Limited. Director of Emira Property Fund Limited.
Nicola Newton-King	Independent Non-Executive Director	Independent Non-Executive Director of Investec Limited. Director of MTN Group Limited. Council Member of the Stellenbosch University
Brian Stevenson	Independent Non-Executive Director	Independent Non-Executive Director of Investec Limited. Director of Westpac Europe Limited.
Vanessa Olver	Independent Non-Executive Director	Independent Non-Executive Director of Investec Limited. Non-Executive Director of Investec Bank Limited

No potential conflicts of interest exist between the duties that the directors of the Issuer owe to the Issuer and their private interests or other duties.

Additional Information

The Issuer was a private limited company with limited liability incorporated on 17 September 1998 under the Companies Act 1985 and registered in England and Wales under registered number 03633621 with the name Regatta Services Limited. Since then it has undergone a change of name to Investec Limited on 24 November 2000, and re-registered as a public limited company under the name of Investec plc on 7 December 2000. It is currently incorporated under the name Investec plc.

The objects of the Issuer are set out in paragraph 4 of its Memorandum of Association and, in summary, are to carry on the business of banking and to carry on the business of a holding and investment company. The Memorandum and Articles of Association of the Issuer have been filed with the Registrar of Companies in England and Wales and are available for inspection as provided in "*General Information*" below.

Audit Information

Audit Report

The audited consolidated financial statements of Investec plc for the financial years ended 31 March 2022 and 31 March 2023 have been audited without qualification by Ernst & Young LLP.

Emphasis of Matter

Ernst & Young LLP have included the following "Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use" in its independent audit report relating to the 2023 Annual Report:

We draw attention to the accounting policies set out on pages 64 to 75 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the board of Investec plc in complying with the financial reporting provisions of the contract referred to above. As a result, the financial statements may not be suitable for another purpose. Our *report is intended solely for the members of Investec plc in accordance with our engagement letter dated 9 April 2021, and should not be distributed to or used by parties other than the members of Investec plc. Our opinion is not modified in respect of this matter.*

Ernst & Young LLP have included the following "Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use" in its independent audit report relating to the 2022 Annual Report:

We draw attention to the accounting policies set out on pages 104 to 115 of the financial statements, which describes the basis of accounting. The financial *statements are prepared to assist the board of Investec plc in complying with the financial reporting provisions of the contractual agreements referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the members of Investec plc in accordance with our engagement letter dated 9 April 2021, and should not be distributed to or used by parties other than the members of Investec plc. Our opinion is not modified in respect of this matter.*

The reason for the inclusion of this emphasis of matter in each audit report is the DLC structure described above. The "contractual arrangements referred to above" and the "contract referred to above" referred to in each emphasis of matter are to the contractual arrangements implementing the DLC structure. Under such contractual arrangements, Investec plc and Investec Limited effectively form a single economic enterprise, in which the economic and voting rights of shareholders are equalised. In accordance with this structure the appropriate presentation under International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union (EU) is achieved by combining the results and the financial position of both companies using merger accounting principles (for the year to 31 March 2023 the basis of preparation was IFRS as adopted by the EU). Those combined consolidated financial statements are prepared separately so as to show a true and fair view in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union. The 2023 Annual Report and 2022 Annual Report have been prepared to present the financial position, results and cash flows of Investec plc and its subsidiaries. For the avoidance of doubt, they exclude Investec Limited and its subsidiaries.

USE OF PROCEEDS

The net proceeds of the issue of the Securities will be used for general corporate purposes of the Group (which may include, without limitation, financing the repurchase via a tender offer of some or all of the Issuer's outstanding £250,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Write Down Capital Securities (ISIN: XS1692045864)) and to strengthen further the regulatory capital base of the Issuer and/or the Issuer Group.

TAXATION

United Kingdom Taxation

General

The comments set out below are a general description of certain United Kingdom tax considerations relating to the Securities and are not intended to be exhaustive. They do not constitute legal or tax advice. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Securities). They are based on current United Kingdom tax law in force as applied in England and Wales and the current published practice of HM Revenue & Customs (which may not be binding on HM Revenue & Customs), in each case, as at the latest practicable date before the date of this Prospectus, and each of which may change at any time, possibly with retrospective effect. They only relate to the position of persons who are the absolute beneficial owners of the Securities and who hold the Securities as investments. Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Holders. Any Holders who are in doubt as to their own tax position should consult their professional advisers. In particular, Holders should be aware that the tax legislation of any jurisdiction where a Holder is resident or otherwise subject to taxation may have an impact on the tax consequences of an investment in the Securities including in respect of any income received from the Securities.

Interest on the Securities

The Securities will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**")). Whilst the Securities are and continue to be quoted Eurobonds, payments of interest on the Securities may be made without withholding or deduction for or on account of United Kingdom income tax. The Main Market of the London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the Main Market of the London Stock Exchange if they are included in the Official List of the Financial Conduct Authority and are admitted to trading on the Main Market of the London Stock Exchange.

Under current United Kingdom legislation, if the exemption referred to above does not apply, interest on the Securities may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs under domestic law or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Conditions or any related documentation.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax ("**SDRT**") should be payable on the issue of the Securities, on the basis that an exemption from United Kingdom stamp duty and SDRT applies to the transfer of securities which constitute "hybrid capital instruments" within the meaning of section 475C of the Corporation Tax Act 2009 where there are no arrangements the main purpose, or one of the main purposes, of which is to secure a tax advantage (the "**HCI Rules**").

The Securities should constitute "hybrid capital instruments" for the purposes of the HCI rules provided that:

- the Issuer is entitled to defer or cancel a payment of interest under the Securities (which is the case as the Issuer has the right to cancel payments of interest under the Securities);

- the Securities "have no other significant equity features" (which should be the case); and
- the Issuer has made an election in respect of the Securities.

The Issuer will make a hybrid capital instrument election in respect of the Securities and the Securities are not being issued in consequence of, or otherwise in connection with, any arrangements, the main purpose, or one of the main purposes of which, is to secure a tax advantage. Consequently, the Issuer expects that the exemption from stamp duty and SDRT should apply.

No liability to United Kingdom stamp duty or SDRT will generally arise on a cash redemption of Securities, provided no issue or transfer of shares or other Securities is effected upon or in connection with such redemption.

SUBSCRIPTION AND SALE

Citigroup Global Markets Limited, J.P. Morgan Securities plc and Lloyds Bank Corporate Markets plc (the "**Joint Lead Managers**") and Mizuho International plc and SMBC Nikko Capital Markets Limited (the "**Co-Managers**" and together with the Joint Lead Managers, the "**Managers**") have, pursuant to a Subscription Agreement dated 26 February 2024, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Securities at an issue price of 100.00 per cent. of their principal amount. The Issuer has agreed to pay to the Managers a combined management and underwriting commission. The Issuer has agreed to reimburse the Managers for certain of their expenses and to indemnify the Managers against certain of their liabilities in connection with the issue of the Securities. The Subscription Agreement entitles the Joint Lead Managers (on behalf of the Managers) to terminate it in certain circumstances prior to payment being made to the Issuer.

Some of the Managers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

Certain of the Managers or their respective affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Securities. Any such short positions could adversely affect future trading prices of the Securities.

In addition, in the ordinary course of their business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

Neither the Issuer nor any Manager has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer that would permit a public offering of the Securities, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Securities (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers the Securities or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Manager in any such jurisdiction as a result of any of the foregoing actions.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt

from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the EEA. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client, as defined in retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Direction, where that customer would not qualify as a professional client, as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the UK. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

United Kingdom

Each Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the UK.

South Africa

Each Manager has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, any Securities, or distribute any copy of this Prospectus (in preliminary, proof or final form) or any other document relating to the Securities, in South Africa, in contravention of the South African Companies Act, 2008 ("**Companies Act**"), the Exchange Control Regulations, 1961 promulgated pursuant to the South

African Currency and Exchanges Act, 1933 ("**Exchange Control Regulations**"), the South African Banks Act, 1990 ("**Banks Act**") and/or any other applicable laws and regulations of South Africa in force from time to time.

In particular:

this Prospectus does not, nor is it intended to, constitute a "*prospectus*" (as contemplated in the Companies Act) and each Manager has represented and agreed that it will not make an "*offer to the public*" (as such expression is defined in the Companies Act) of Securities (whether for subscription, purchase or sale) in South Africa;

in terms of the Exchange Control Regulations (i) the issue of Securities which are to be subscribed for and/or purchased directly by South African resident investors on the primary market and (ii) the purchase of Securities by South African resident investors on the secondary market require the prior written approval of the Financial Surveillance Department of the South African Reserve Bank ("**Exchange Control Authorities**"). An approval under the Exchange Control Regulations may take the form of (i) a "specific" approval granted pursuant to a specific individually motivated application to the Exchange Control Authorities or (ii) a "general pre-approval" which, subject to the terms of the approval, applies generically to certain classes of transactions or all transactions of a particular kind; and

the acceptance of the proceeds of the issue of Securities which are subscribed for and/or purchased directly by South African resident investors on the primary market may, under certain circumstances, comprise "*the business of a bank*" for purposes of the Banks Act.

Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Securities described herein. The Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the "**FinSA**") and no application has or will be made to admit the Securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus (in preliminary, proof or final form) nor any other offering or marketing material relating to the Securities constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Canada

Each Manager has acknowledged that no prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Securities, the Securities have not been, and will not be, qualified for sale under the securities laws of Canada or any province or territory thereof and no securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Securities and any representation to the contrary is an offence.

Each Manager has represented, warranted and agreed that it has not offered, sold or distributed and will not offer, sell or distribute any Securities, directly or indirectly, in Canada or to or for the benefit of any resident of Canada, other than in compliance with applicable securities laws and, without limiting the generality of the foregoing:

(a) any offer, sale or distribution of the Securities in Canada will be made only to only to purchasers that (i) are in, resident in or subject to the securities laws of British Columbia, Alberta or Ontario, (ii) are "accredited investors" (as such term is defined in section 1.1 of NI 45-106 or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario)), (iii) are "permitted clients" (as such term is defined in section 1.1 of NI 31-103), (iv) are purchasing as principal, or are deemed to be purchasing as principal in accordance with applicable Canadian securities laws and (v) are not a person created or used

solely to purchase or hold the Notes as an "accredited investor" as described in"paragraph (m) of th" definition of "accredited investor" in section 1.1 of NI 45-106;

(b) either (i) it is appropriately registered under applicable Canadian securities laws in each relevant province to sell and deliver the Securities, (ii) such sale and delivery will be made through an affiliate of it that is so registered if the affiliate is registered in a category that permits such sale and delivery and has agreed to make such sale and delivery in compliance with the representations, warranties and agreements set out herein or (iii) it is relying on an exemption from the dealer registration requirements under applicable Canadian securities laws and has complied with the requirements of that exemption; and

(c) it has not and will not distribute or deliver any offering memorandum (as such term is defined in applicable Canadian securities laws) other than this Prospectus in connection with any offering of the Securities in Canada or to a resident of Canada or to any person subject to the securities laws of any province or territory of Canada, except in compliance with applicable Canadian securities laws.

Hong Kong

Each Manager has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Manager has acknowledged that the Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA, as modified or amended from time to time) pursuant to and in accordance with the conditions specified in Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

GENERAL INFORMATION

1. It is expected that the applications for the Securities to be admitted to the Official List and to trading on the Market will be granted on or about 29 February 2024 and that such admission will become effective, and that dealings in the Securities on the London Stock Exchange will commence, on or about 29 February 2024. The Issuer estimates that the total expenses related to the admission to trading will be £6,850.

2. Subject to cancellation of interest as provided herein, and provided the Securities are not redeemed or cancelled earlier as provided herein, the yield of the Securities from 28 February 2024 to the First Reset Date is 10.500 per cent., on a semi-annual basis. The yield is calculated as at the Issue Date on the basis of the issue price and the Initial Fixed Interest Rate of 10.500 per cent. per annum. It is not an indication of future yield.

3. The Issuer has obtained all necessary consents, approvals and authorisations in the UK in connection with the issue and performance of the Securities. The issue of the Securities was authorised by the board of directors of the Issuer at a meeting held on 16 February 2024.

4. There has been no significant change in the financial position or financial performance of the Issuer or of the Group since 30 September 2023, being the end of the most recent financial period for which it has published financial statements.

5. There has been no material adverse change in the prospects of the Issuer since the financial year ended 31 March 2023, the most recent financial year for which it has published audited financial statements.

6. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

7. The Global Certificate has been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 277484340 and an ISIN of XS2774843408.

   The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

8. The Legal Entity Identifier (LEI) of the Issuer is 2138007Z3U5GWDN3MY22.

9. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Holders in respect of the Securities being issued.

10. So long as any of the Securities are outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer or at www.investec.com/investorcentre, the principal office of the Trustee, and at the specified offices of the Agents (or may be provided by email to a Holder in each case following their prior written request to the Trustee, the Issuer or an Agent and provision of proof of holding and identity (in a form satisfactory to the Issuer, the Trustee or the relevant Agent, as the case may be), subject to, in the case of the Trustee and the Agents, the Trustee and the Agents being supplied by the Issuer with electronic copies):

    (a) the Agency Agreement and the Trust Deed (which includes the form of the Global Certificate);

(b) the Memorandum and Articles of Association of the Issuer;

(c) a copy of this Prospectus; and

(d) all documents incorporated by reference into this Prospectus.

This Prospectus will be published on the website of the Regulatory News Service operated by the London Stock Exchange at *http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html*

11. Ernst & Young LLP of 25 Churchill Place, London E14 5EY, have audited the accounts of the Issuer for the financial years ended 31 March 2022 and 31 March 2023. Ernst & Young LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

12. Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, and/or its affiliates in the ordinary course of business.

REGISTERED OFFICE OF THE ISSUER

Investec plc
30 Gresham Street
London EC2V 7QP
United Kingdom

TRUSTEE

Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PRINCIPAL PAYING AGENT AND AGENT BANK

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR AND TRANSFER AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

JOINT LEAD MANAGERS

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Lloyds Bank Corporate Markets plc
10 Gresham Street
London EC2V 7AE
United Kingdom

CO-MANAGERS

Mizuho International plc
30 Old Bailey
London EC4M 7AU
United Kingdom

SMBC Nikko Capital Markets Limited
100 Liverpool Street
London EC2M 2AT
United Kingdom

AUDITORS OF THE ISSUER

Ernst & Young LLP
1 More London Place
London SE1 2AF
United Kingdom

LEGAL ADVISERS

To the Issuer as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

To the Managers and the Trustee as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom