OFFERING MEMORANDUM dated 25 January 2022

Utmost Group plc

(incorporated with limited liability in England and Wales with company no. 12268786)

£300,000,000
Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes

Issue price: 100.00 per cent.

The £300,000,000 Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes (the "**Notes**") will be issued by Utmost Group plc (the "**Issuer**") on 27 January 2022 (the "**Issue Date**"). The Notes will constitute direct, unsecured and deeply subordinated obligations of the Issuer. The terms and conditions of the Notes are set out more fully in "*Terms and Conditions of the Notes*" (the "**Conditions**", and references herein to a numbered "**Condition**" should be read accordingly).

The Notes will (subject to cancellation as provided below) bear interest on their outstanding principal amount from (and including) the Issue Date to (but excluding) 15 June 2029 (the "**First Reset Date**") at the rate of 6.125 per cent. per annum and thereafter at a fixed rate of interest which will be reset on the First Reset Date and on each fifth anniversary of the First Reset Date thereafter (each a "**Reset Date**") as provided in the Conditions. Interest will be payable on the Notes semi-annually in arrear (with a short first coupon) on 15 June and 15 December in each year (each an "**Interest Payment Date**") commencing on 15 June 2022, subject to cancellation as provided below and as described in the Conditions.

The Issuer may elect at any time to cancel (in whole or in part) any payment of interest otherwise scheduled to be paid on an Interest Payment Date and shall, save in the limited circumstances otherwise permitted pursuant to the Conditions, cancel in full an interest payment upon the occurrence of a Mandatory Interest Cancellation Event (as defined in the Conditions) with respect to that interest payment. Any interest accrued in respect of an Interest Payment Date which falls on or after the date on which a Trigger Event (as defined in the Conditions) occurs shall also be cancelled (save to the extent permitted by the Relevant Regulator (as defined in the Conditions) if it waives Conversion (as defined in the Conditions) of the Notes in respect of such Trigger Event). The cancellation of any interest payment shall not constitute a default for any purpose on the part of the Issuer. Any interest payment (or part thereof) which is cancelled in accordance with the Conditions shall not become due and payable in any circumstances. Subject as provided in the Conditions, all payments in respect of or arising from the Notes will be conditional upon the Issuer being solvent (as defined in the Conditions) at the time of payment and immediately thereafter.

Payments in respect of the Notes will be made without withholding or deduction for, or on account of, taxes of any Relevant Jurisdiction (as defined in the Conditions, currently being the United Kingdom ("**UK**")), unless such withholding or deduction is required by law. If any such withholding or deduction is made in respect of payments of interest (but not in respect of any payments of principal), additional amounts may be payable by the Issuer, subject to certain exceptions as are more fully described in the Conditions.

The Notes will be perpetual securities with no fixed redemption date. The Issuer shall only have the right to redeem or purchase the Notes in accordance with the Conditions. Holders of the Notes ("Noteholders") will have no right to require the Issuer to redeem or purchase the Notes at any time.

The Issuer may, in its sole discretion, elect to redeem all (but not some only) of the Notes at their principal amount together with accrued and unpaid interest (to the extent not cancelled in accordance with the Conditions) (i) on any day falling in the period commencing on (and including) 15 December 2028 and ending on (and including) the First Reset Date or on any Reset Date thereafter, or (ii) at any time (a) upon the occurrence of a Tax Event (as defined in the Conditions), (b) in the event of (or if there will occur within six months) a Capital Disqualification Event (as defined in the Conditions), (c) in the event of (or if there will occur within six months) a Ratings Methodology Event (as defined in the Conditions), or (d) if 80 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased and cancelled, provided that any such redemption will be subject to compliance with the Regulatory Clearance Condition and the Relevant Rules (as each such term is defined in the Conditions). In the event of non-compliance with such requirements, any scheduled redemption shall be suspended as provided in the Conditions.

The Issuer may, alternatively, in the event of a Tax Event, Capital Disqualification Event or Ratings Methodology Event, and subject to compliance with the Regulatory Clearance Condition and the Relevant

Rules, vary or substitute the Notes so that they remain or become (as applicable) Qualifying Securities or Rating Agency Compliant Securities (as applicable) in the circumstances described in Condition 8.

UPON THE OCCURRENCE OF A TRIGGER EVENT THE NOTES WILL (UNLESS THE RELEVANT REGULATOR WAIVES CONVERSION IN RESPECT OF SUCH TRIGGER EVENT) BE IRREVOCABLY CONVERTED INTO CONVERSION SHARES (AS DEFINED IN THE CONDITIONS) OF THE ISSUER AT THE PREVAILING CONVERSION PRICE.

Although the Noteholders will become beneficial owners of the Conversion Shares upon the issuance of such Conversion Shares to the Conversion Shares Depositary and the Conversion Shares will be registered in the name of the Conversion Shares Depositary (or the relevant recipient in accordance with the terms of the Notes), no Noteholder will be able to sell or otherwise transfer any Conversion Shares until such time as they are finally delivered to such Noteholder and registered in its name.

With effect from the Conversion Date, no Noteholder will have any rights against the Issuer with respect to the repayment of principal or interest in respect of the Notes. The Notes are not convertible at the option of the Noteholders at any time.

UK MiFIR professionals/ECPs-only/No UK/EU PRIIPs KID – Manufacturer target market (Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**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 Notes are not available to retail investors in the European Economic Area ("**EEA**") or in the UK. See pages 3 to 5 of this offering memorandum (the "**Offering Memorandum**") for further information.

FCA CoCo Restriction – In addition, pursuant Financial Conduct Authority's ("**FCA**") Conduct of Business Sourcebook ("**COBS**") the Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK.

Application has been made to The Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the Official List (the "**Official List**") of Euronext Dublin and to trading on the Global Exchange Market ("**GEM**") of Euronext Dublin. This Offering Memorandum constitutes, and has been approved by Euronext Dublin as, "Listing Particulars" for the purposes of the admission of the Notes to the Official List of Euronext Dublin and to trading on the GEM of Euronext Dublin and, for such purposes, does not constitute, and has not been approved, as a prospectus for the purposes of the Prospectus Regulation. When used in this Offering Memorandum, "**Prospectus Regulation**" means Regulation (EU) 2017/1129. This Offering Memorandum has been approved by Euronext Dublin. GEM is not a regulated market within the meaning of Directive 2014/65/EU (as amended,"**MiFID II**"). This Offering Memorandum is available for viewing on the website of Euronext Dublin. Reference in this Offering Memorandum to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on GEM and have been admitted to the Official List of Euronext Dublin.

Potential investors should read the whole of this Offering Memorandum, in particular the section "*Risk Factors*".

The Notes are expected to be assigned a rating of 'BB' by Fitch Ratings Limited ("**Fitch**"). Fitch is established in the UK and registered under Regulation 1060/2009/EC as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Fitch Ratings Limited is not established in the EEA and has not applied for registration under Regulation 1060/2009/EC (as amended) (the "**CRA Regulation**"). The rating issued by Fitch Ratings Limited has been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation. Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As such Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

A 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 rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

Structuring Adviser

NatWest Markets

Joint Lead Managers

Barclays **Lloyds Bank Corporate Markets** **NatWest Markets**

Co-Managers

ABN AMRO **ING**

IMPORTANT OFFER AND DISTRIBUTION INFORMATION

FCA CoCo restriction: prohibition on marketing and sales to retail investors – The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities with similar features to the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, COBS requires, in summary, that the Notes 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 Notes (or a beneficial interest therein) from the Issuer and/or any Manager, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and the Managers that:

1. it is not a retail client (as defined above) in the UK; and

2. it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this document) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (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 Notes or making or approving communications relating to the Notes, a prospective investor 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 Notes (or any beneficial interests therein), whether or not specifically mentioned in this document, including (without limitation) those set out below and any requirements under the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (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 Notes (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).

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 Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in COBS, and professional clients, as defined in UK MiFIR, and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

EU PRIIPS REGULATION – **PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes 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 both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**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 the EU PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

UK PRIIPS REGULATION – **PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes 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 the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**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 the UK PRIIPS Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Together, UK MiFIR, COBS, the EU PRIIPs Regulation and the UK PRIIPs Regulation are referred to as the "**Regulations**". Each of the Managers is required to comply with some or all of the Regulations.

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

(A) it is not a "**retail client**" (which term, as used in the remainder of this section '*Important Offer and Distribution Information*', means a retail client as defined in each of point (11) of Article 4(1) of MiFID II and point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA);

(B) whether or not it is subject to the Regulations, it will not:

  (i) sell or offer the Notes (or any beneficial interest therein) to retail clients; or

  (ii) communicate (including the distribution of this Offering Memorandum) or approve any invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interest 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;

(C) in selling or offering Notes or making or approving communications relating to the Notes, each prospective investor may not rely on the limited exceptions set out in the Regulations; and

(D) it will at all times comply with all 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 Notes (or any beneficial interests therein), including (without limitation) the Regulations and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor further acknowledges that:

(i) the identified target market for the Notes (for the purpose of the product governance obligations in MiFID II, under UK MiFIR and the FCA Handbook Product Intervention and Product Governance Sourcebook) is eligible counterparties and professional clients only;

(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and

(iii) no key information document ("**KID**") under the EU PRIIPs Regulation or the UK PRIIPs Regulation has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the EU PRIIPs Regulation and/or the PRIIPs Regulation.

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

Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein) including the Regulations.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") - Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) 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).

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any information contained in this Offering Memorandum which has been sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No person is or has been authorised to give any information or to make any representation other than those contained in or consistent with this Offering Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer, any of the Managers (as defined in "*Subscription and Sale*" below) or the Trustee. Neither the delivery of this Offering Memorandum 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 that there has been no adverse change in the financial position of the Issuer since the date hereof or that any other information supplied in connection with the Notes is correct as of any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Managers and the Trustee have not separately verified the information contained in this Offering Memorandum. Neither the Managers nor the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained in this Offering Memorandum or any other information provided by the Issuer in connection with the offering of the Notes. None of the Managers or the Trustee accepts any liability in relation to the information contained in this Offering Memorandum or any other information provided by the Issuer in connection with the offering of the Notes or their distribution. No Manager shall be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Notes, or any other agreement or document relating to the Notes, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

Neither this Offering Memorandum nor any other information supplied in connection with the offering of the Notes is intended to constitute, and should not be considered as, a recommendation by any of the Issuer, the Managers or the Trustee that any recipient of this Offering Memorandum or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Managers or the Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Memorandum nor to advise any investor or potential investor in the Notes of any information coming to their attention.

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 or its affiliates.

Neither this Offering Memorandum nor any other information provided by the Issuer in connection with the offering of the Notes constitutes an offer of, or an invitation by or on behalf of, the Issuer or the Managers or the Trustee or any of them to subscribe for, or purchase, any of the Notes (see "*Subscription and Sale*" below). This Offering Memorandum does not constitute an offer to

sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Trustee and the Managers do not represent that this Offering Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Trustee or the Managers or any of them which is intended to permit a public offering of the Notes or the distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the US, the EEA, the UK, Hong Kong, Japan, Singapore and Switzerland. Persons in receipt of this Offering Memorandum are required by the Issuer, the Trustee and the Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Memorandum, see "*Subscription and Sale*" below.

The Notes and any Conversion Shares which may be delivered upon conversion of the Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Notes and any Conversion Shares which may be delivered upon conversion of the Notes may not be offered, sold or delivered within the US or to US persons, as defined in Regulation S under the Securities Act. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Memorandum, see "*Subscription and Sale*" below.

The investment activities of certain investors are subject to 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 (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Interpretation

In this Offering Memorandum, unless otherwise specified:

- all references to "**pounds**", "**sterling**", "**£**", "**p**" or "**pence**" are to the lawful currency of the UK; and

- "**k**" is used to denote thousands, "**m**" is used to denote millions and "**bn**" is used to denote billions.

In this Offering Memorandum, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Forward-Looking Statements

This Offering Memorandum includes certain "forward-looking statements". Statements that are not historical facts, including statements about the beliefs and expectations of the Issuer and its subsidiaries (the "**Group**") and their respective directors or management, are forward-looking statements. Words such as "believes", "anticipates", "estimates", "expects", "intends", "plans", "aims", "potential", "will", "would", "could", "considered", "likely", "estimate" and variations of these words and similar future or conditional expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur, many of which are beyond the control of the Issuer or the Group and all of which are based on their current beliefs and expectations about future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Issuer and the Group and the environment in which the Issuer and the Group will operate in the future. These forward-looking statements speak only as at the date of this Offering Memorandum.

Except as required by applicable law or regulation, the Issuer expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements contained in this Offering Memorandum to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Stabilisation

In connection with the offering of the Notes, NatWest Markets Plc (in such capacity the "**Stabilising Manager**") (or persons acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes 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 Notes is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. 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.

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Documents Incorporated by Reference

This Offering Memorandum should be read and construed in conjunction with:

(i) the audited financial statements of the Issuer for the financial year ended 31 December 2020, together with the audit report thereon and the notes thereto (the "**2020 Financial Statements**"), which appear at the following pages of the Issuer's Annual Report 2020:

Utmost Group Operational Structure	Page 5
Chief Executive Officer's Review	Pages 9 to 11
Key Performance Indicators	Pages 26 to 27
Risk Management and Principal Risks	Pages 36 to 43
Corporate Governance Report	Page 48 to 51
Independent Auditor's Report	Pages 58 to 65
Consolidated Statement of Comprehensive Income	Page 66
Consolidated Statement of Financial Position	Page 67
Consolidated Statement of Changes in Equity	Page 68
Consolidated Statement of Cash Flows	Page 69
Notes to the Consolidated Financial Statements	Pages 70 to 102
Alternative Performance Measures	Pages 110 to 111

(ii) the unaudited financial statements of the Issuer for the financial year ended 31 December 2019 prepared based on 'predecessor accounting' principles as explained in section '2.1 Basis of preparation' on page 70 of the Issuer's Annual Report 2020 (the "**2019 Financial Statements**"), which appear at the following pages of the Issuer's Annual Report 2020:

Consolidated Statement of Comprehensive Income	Page 66
Consolidated Statement of Financial Position	Page 67
Consolidated Statement of Cash Flows	Page 69
Notes to the Consolidated Financial Statements	Pages 70 to 102

(iii) the unaudited trading update and key performance indicators of the Issuer for the six months ended 30 June 2021, published on 3 September 2021 (the "**H1 2021 Update**");

(iv) the *pro forma* consolidated financial reporting in respect of Net Flows, Solvency Coverage and Economic Value to 30 September 2021 contained in the Issuer's announcement entitled "*Completion of Acquisition of Quilter International*" published on 30 November 2021 (the "**Quilter Acquisition Completion Announcement**"); and

(v) the solvency and financial condition report for the Issuer as at 31 December 2020 (the "**2020 SFCR**"),

((i) to (v) above collectively, the "**Group Financial Information**") which, in each case, have been previously published and which have been filed with Euronext Dublin.

The documents referred to above shall be incorporated in, and form part of, this Offering Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Memorandum.

Copies of documents incorporated by reference in this Offering Memorandum can be obtained from the specified offices of Citibank, N.A., London Branch for the time and are available for viewing on the Euronext Dublin website at https://live.euronext.com/.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Memorandum shall not form part of this Offering Memorandum.

Overview of the Principal Features of the Notes

The following overview refers to certain provisions of the terms and conditions of the Notes and the Trust Deed and is qualified by the more detailed information contained elsewhere in this Offering Memorandum. Terms which are defined in "Terms and Conditions of the Notes" below have the same meaning when used in this overview, and references herein to a numbered "Condition" shall refer to the relevant Condition in "Terms and Conditions of the Notes".

Issue	£300,000,000 Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes.
Issuer	Utmost Group plc Legal Entity Identifier (LEI): 2138004N53RFLL6JDQ41
Perpetual Securities	The Notes will be perpetual securities with no fixed redemption date, and the holders of the Notes (the "**Noteholders**") will have no right to require the Issuer to redeem or purchase the Notes at any time.
Status and Subordination	The Notes will constitute direct, unsecured and deeply subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders against the Issuer will be subordinated as described in Condition 3. For the avoidance of doubt, nothing in Condition 3 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 which shall in all cases not be subordinated.
No set-off	By acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer in respect of or arising under the Notes or the Trust Deed.
Interest	The Notes will bear interest on their outstanding principal amount: (a) from (and including) the Issue Date to (but excluding) 15 June 2029 ("**First Reset Date**") at a fixed rate of 6.125 per cent. per annum; and (b) thereafter, at a fixed rate of interest which will be reset on the First Reset Date and on each fifth anniversary of the First Reset Date thereafter (each such date, a "**Reset Date**") as the sum of (i) the percentage rate determined by the Agent Bank on the basis of the 5-year Gilt Yield Quotations provided by the Reset Reference Banks to the Agent Bank on the Reset Determination Date (the "**Reset Reference Rate**") and (ii) the margin of 4.983 per cent. per annum (the "**Margin**"), rounded (if necessary) to three decimal places (with 0.0005 rounded down).

Interest Payment Dates

Interest will, save as described below in "*Cancellation of Interest Payments*", "*Mandatory Cancellation of Interest Payments*", "*Issuer's Distributable Items*" and "*Interest Payments Discretionary*", be payable on the Notes semi-annually in arrear in equal instalments on 15 June and 15 December in each year commencing on 15 June 2022 (each an "**Interest Payment Date**"), save that the first payment of interest to be made (subject as aforesaid) on 15 June 2022 shall be in respect of the period from (and including) the Issue Date to (but excluding) 15 June 2022.

Cancellation of Interest Payments

Interest Payments shall not be made by the Issuer in the following circumstances (in each case as more fully described in the Conditions):

(a) the cancellation of such Interest Payment, or such Interest Payment not becoming due and payable, in accordance with the provisions described under "*Mandatory Cancellation of Interest Payments*" below;

(b) the Issuer's exercise of its discretion otherwise to cancel such Interest Payment (or part thereof) as described under "*Interest Payments Discretionary*" below; or

(c) the cancellation of such Interest Payment (or relevant part thereof) on the occurrence of a Trigger Event as described under "*Conversion*" below.

Any Interest Payment (or relevant part thereof) which is cancelled or does not become due and payable in accordance with the Conditions shall not accumulate or be payable at any time thereafter and such cancellation or non-payment shall not constitute a default or event of default for any purpose.

Mandatory Cancellation of Interest Payments

Subject to certain limited exceptions as further described below, the Issuer shall be required to cancel in full any Interest Payment if:

(a) the Solvency Condition is not met at the time for payment of such Interest Payment, or would cease to be met immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);

(b) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);

(c) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a

result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);

(d) the amount of such Interest Payment, together with any Additional Amounts payable with respect thereto, when aggregated together with any interest payments or distributions which have been paid or made by the Issuer or which are scheduled simultaneously to be paid or made by the Issuer on all Tier 1 Own Funds (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for by way of deduction in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment; or

(e) the Issuer is otherwise required by the Relevant Regulator or under the Relevant Rules to cancel the relevant Interest Payment,

each of the events or circumstances described in sub-paragraphs (a) to (e) (inclusive) above being a "**Mandatory Interest Cancellation Event**".

The Issuer shall not be required to cancel an Interest Payment where such an event or circumstance has occurred and is continuing, or would occur if payment of interest on the Notes were to be made, to the extent permitted by the Relevant Rules, where:

(a) it is of the type described in sub-paragraph (b) above only;

(b) the Relevant Regulator has exceptionally waived the cancellation of the Interest Payment and has provided the Issuer with written confirmation of the same;

(c) payment of the Interest Payment would not further weaken the solvency position of the Issuer or the Insurance Group; and

(d) the Minimum Capital Requirement will be complied with immediately following such Interest Payment, if made.

Issuer's Distributable Items

With respect to and as at any Interest Payment Date, and subject as otherwise defined from time to time in the Relevant Rules, without double-counting, an amount equal to:

(a) the Distributable Profits of the Issuer, calculated on an unconsolidated basis, as at the last day of the then most recently ended financial year of the Issuer; plus

(b) the interim retained earnings (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's

then latest financial year end to (but excluding) such Interest Payment Date; less

(c) the interim net loss (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date.

Interest Payments Discretionary

Interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer, subject to the additional restrictions set out in this Overview and in the Conditions. Accordingly, the Issuer may at any time elect to cancel any Interest Payment (in whole or in part) which would otherwise be due and payable on any Interest Payment Date, and any such cancellation shall not constitute a default for any purpose.

Solvency Condition

Other than in circumstances where an Issuer Winding-Up has occurred or is occurring, all payments under or arising from the Notes or the Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be due or payable by the Issuer under or arising from the Notes or the Trust Deed (including any damages for breach of any obligations thereunder) except to the extent that the Issuer could make such payment and still be solvent immediately thereafter.

The Issuer will be "**solvent**" for these purposes if (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities. Any payment of interest that would have been due and payable but for the Solvency Condition not being satisfied shall be cancelled. For this purpose:

"**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, all in such manner as the Directors may determine.

"**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 liabilities and for subsequent events, all in such manner as the Directors may determine.

"**Senior Creditors**" means (save as required by mandatory provisions of applicable law):

(a) (if applicable at the relevant time) any policyholders of the Issuer or beneficiaries under contracts of insurance or reinsurance of the Issuer (and, for the avoidance of doubt, the claims of Senior Creditors of the Issuer who are policyholders or such beneficiaries (if any) shall include all amounts to which they would be entitled under applicable legislation or rules relating to the winding-up of insurance companies to reflect any right to receive, or expectation of receiving, benefits which policyholders or such beneficiaries may have);

(b) all unsubordinated creditors of the Issuer;

(c) all creditors of the Issuer whose claims constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Issuer in respect of any obligation of any other person which constitutes) or would, but for any applicable limitation on the amount of such capital, constitute, Tier 2 Capital (including, for so long as any of the same remain outstanding, the Existing Tier 2 Notes) or Tier 3 Capital; and

(d) all other subordinated creditors of the Issuer, other than those whose claims constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Issuer in respect of any obligation of any other person which constitutes), or would but for any applicable limitation on the amount of any such capital constitute, Tier 1 Capital or whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders against the Issuer in respect of the Notes and the Trust Deed in a winding-up or administration of the Issuer occurring prior to the date on which a Trigger Event occurs.

Conversion

Unless the Relevant Regulator waives Conversion in exceptional circumstances (as provided in Condition 6(b)), immediately following the determination that a Trigger Event has occurred, a Conversion shall occur and the Issuer shall deliver the Conversion Shares to the Conversion Shares Depositary (or such other relevant recipient as described in Condition 6) on the Conversion Shares Delivery Date.

"**Conversion**" means the irrevocable and automatic (without the need for the consent of Noteholders or the Trustee) release by the Noteholders of all of the Issuer's obligations under the Notes with effect immediately following the determination that a Trigger Event has occurred (unless the Relevant Regulator has waived such Conversion in the circumstances set out in Condition 6(b)) as specified in the relevant Trigger Event Notice including, without limitation, (i) the release of the full principal amount of each Note on a permanent basis in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depositary (or to such other relevant recipient as contemplated in Condition 6) (on behalf of the Noteholders) at the then prevailing Conversion Price and (ii) the cancellation of all accrued and unpaid interest and any other amounts (if any) arising under or in connection with the Notes and/or the Trust Deed.

Following Conversion of the Notes, there shall be no reinstatement of any part of the principal amount of, or interest on, the Notes at any time, including where the Trigger Event ceases to occur.

Effective upon, and following, Conversion of the Notes, the Issuer's obligation to repay the principal amount outstanding of each Note shall, without any further action required on the part of the Issuer or

the Trustee, be irrevocably released in consideration for the delivery of the Conversion Shares and shall be cancelled and Noteholders shall not have any rights against the Issuer in a winding-up or administration of the Issuer or otherwise with respect to: (i) repayment of the principal amount of the Notes or any part thereof; (ii) the payment of any interest on the Notes for any period; or (iii) any other amounts arising under or in connection with the Notes and/or the Trust Deed (other than rights to claim in respect of the Conversion Shares to which the Noteholders become entitled upon Conversion).

The release of the principal amount of a Note pursuant to Conversion shall be permanent and shall not constitute a default or event of default on the part of the Issuer for any purpose and will not give Noteholders or the Trustee any right to take any enforcement action under the Notes or the Trust Deed.

See Condition 6 for further information.

Trigger Event

A Trigger Event shall occur if at any time:

(a) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement;

(b) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or

(c) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed.

Whether the Trigger Event has occurred at any time shall be determined by the Issuer, and such determination shall (in the absence of manifest error) be binding on the Trustee and the Noteholders.

Conversion Price

The Conversion Price per Conversion Share in respect of the Notes is £1,000, subject to adjustment in accordance with Condition 6(e).

Conversion Shares

Ordinary shares of the Issuer (which, for so long as Utmost Group plc is the Issuer, shall mean the Class B Ordinary Shares) to be issued to the Conversion Shares Depositary (or to the relevant recipient in accordance with Condition 6), which ordinary shares shall be in such number as is determined by dividing the aggregate principal amount of the Notes outstanding immediately prior to Conversion by the prevailing Conversion Price on the Conversion Date and rounded down, if necessary, to the nearest whole number of ordinary shares.

"**Class B Ordinary Shares**" means Class B non-voting ordinary shares in the share capital of Utmost Group plc (designated in its

Articles of Association as 'B Shares') which, as at the Issue Date, have a nominal value of £1.00 per share.

Redemption at the option of the Issuer

Subject to certain conditions, the Issuer may, at its option, redeem all (but not some only) of the Notes (i) on any day falling in the period commencing on (and including) 15 December 2028 and ending on (and including) the First Reset Date or (ii) on any Reset Date thereafter at their principal amount outstanding together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

Redemption, variation or substitution at the option of the Issuer for taxation reasons

Subject to certain conditions, if a Tax Event has occurred and is continuing, then the Issuer may, at its option, without any requirement for the consent or approval of the Noteholders, either:

(a) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(b) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities.

A "**Tax Event**" is deemed to have occurred if:

(a) as a result of a Tax Law Change, on the next Interest Payment Date either:

(i) the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 9; or

(ii) in respect of the Issuer's obligation to make any payment of interest:

(1) the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in the Relevant Jurisdiction, or such entitlement is materially reduced; or

(2) the Issuer would not to any material extent be entitled to have any loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of the Tax Law Change or any similar system or systems having like effect as may from time to time exist); and

(b) in any such case, the effect of the foregoing cannot be avoided by the Issuer taking measures reasonably available to it.

Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event

Subject to certain conditions, if at any time a Capital Disqualification Event has occurred and is continuing, or as a result of any change in, or amendment to, or any change in the application or official interpretation of, the Relevant Rules (or other official publication), a Capital Disqualification Event will occur within the forthcoming period of six months, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), either:

(a) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(b) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Capital Disqualification Event.

A "**Capital Disqualification Event**" is deemed to have occurred if, as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Relevant Rules:

(a) the whole or any part of the principal amount of the Notes no longer counts or qualifies as Tier 1 Capital for the purposes of the Issuer; and/or

(b) the whole or any part of the principal amount of the Notes no longer counts or qualifies as Tier 1 Capital for the purposes of the Insurance Group,

(whether on a solo, group or consolidated basis), except where such non-qualification is only as a result of the aggregate amount of eligible items available to be counted towards Tier 1 Capital (or a relevant component part thereof) exceeding any applicable upper limit on the aggregate amount of such items permitted to be so counted (other than a limit derived from any transitional or grandfathering provisions under the Relevant Rules).

Redemption, substitution or variation at the option of the Issuer upon a Ratings Methodology Event

Subject to certain conditions, if a Ratings Methodology Event has occurred and is continuing, or, as a result of any change in (or clarification to) the methodology of any Rating Agency (or in the interpretation of such methodology), a Ratings Methodology Event will occur within the forthcoming period of six months, then the Issuer

may, at its option, without any requirement for the consent or approval of the Noteholders, either:

(a) redeem all (but not some only) of the Notes at any time at their principal amount outstanding together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(b) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Rating Agency Compliant Securities,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Ratings Methodology Event.

A "**Ratings Methodology Event**" will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation of such methodology) after the Relevant Issue Date as a result of which the 'equity content' assigned by that Rating Agency to the Notes is, as notified by that Rating Agency to the Issuer or as published by that Rating Agency, reduced when compared (a) to the 'equity content' first assigned by such Rating Agency to the Notes (whether on or around the Issue Date or thereafter) or (b) (if this is lower) the lowest 'equity content' assigned by such Rating Agency to the Notes at the time of, or in connection with, any issue of further Notes (where, in each case, any such 'equity content' was assigned following solicitation by, or with the cooperation of, the Issuer).

Clean-up redemption at the option of the Issuer

Subject to certain conditions, if at any time after the Issue Date 80 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased and cancelled (and, for these purposes, any Further Notes will be deemed to have been originally issued), then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

Purchases

Subject to certain conditions, the Issuer or any of its Subsidiaries may at any time purchase Notes in any manner and at any price.

Conditions to redemption and purchase

Subject to certain exceptions, the Issuer may not redeem or purchase any Notes unless the following conditions, to the extent required pursuant to the Relevant Rules at the relevant time, are satisfied:

(a) in the case of a redemption or purchase of the Notes prior to the fifth anniversary of the Relevant Issue Date, either

(i) such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes; or

(ii) in the case of any redemption pursuant to Condition 8(g) or 8(h), the Relevant Regulator is satisfied that the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) will be exceeded by an appropriate margin immediately after such redemption and (A) in the case of a redemption due to a Tax Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material or (B) in the case of a redemption due to a Capital Disqualification Event, the Relevant Regulator considers that the relevant change in the regulatory classification of the Notes is sufficiently certain and (C) in either case, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that such change described in (A) or (B) above was not reasonably foreseeable at the Relevant Issue Date;

(b) in respect of any redemption or purchase of the Notes occurring on or after the fifth anniversary of the Relevant Issue Date and before the tenth anniversary of the Relevant Issue Date, the Relevant Regulator has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) is exceeded by an appropriate margin (taking into account the solvency position of the Issuer and the Insurance Group including its medium-term capital management plan) unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes;

(c) the Solvency Condition is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Condition to be breached;

(d) the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) to be breached;

(e) the Minimum Capital Requirement of the Issuer and/or the Insurance Group (as applicable) is met immediately prior to

the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Minimum Capital Requirement of the Issuer and/or the Insurance Group (as applicable) to be breached;

(f) no Insolvent Insurer Winding-up has occurred and is continuing;

(g) the Regulatory Clearance Condition is satisfied; and/or

(h) any other additional or alternative requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Regulator or the Relevant Rules have (in addition or in the alternative to the foregoing subparagraphs, as the case may be) been complied with (and shall continue to be complied with following the proposed redemption or purchase).

Preconditions to redemption, variation, substitution and purchases

Prior to the publication of any notice of redemption, variation or substitution, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that, as the case may be, the Issuer is entitled to redeem, vary or substitute the Notes on the grounds that a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event has occurred and is continuing or, as the case may be, that 80 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes will be deemed to have been originally issued) has been purchased and cancelled, in any such case as at the date of the certificate or, as the case may be, (in the case of a Capital Disqualification Event or a Ratings Methodology Event) will occur within a period of six months and, in the case of a Tax Event, Capital Disqualification Event or Ratings Methodology Event, the circumstance entitling the Issuer to exercise the right of redemption, variation or substitution was not reasonably foreseeable as at the Relevant Issue Date.

In the case of a notice of redemption, variation or substitution on the grounds of a Tax Event, the Issuer shall also deliver to the Trustee an opinion from a nationally recognised law firm or other tax adviser (as further described in the Conditions).

The Issuer shall not be entitled to amend or otherwise vary the terms of the Notes or substitute the Notes unless:

(a) it has notified the Relevant Regulator in writing of its intention to do so not less than one month (or such other period of notice as may be required or accepted by the Relevant Regulator or the Relevant Rules at the relevant time) prior to the date on which such amendment, variation or substitution is to become effective; and

(b) the Regulatory Clearance Condition has been satisfied.

Withholding tax and additional amounts

Payments on the Notes by or on behalf of the Issuer shall 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 ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction unless the withholding or deduction of the Taxes is required by law. In any such event, the Issuer will, subject to certain exceptions set out in Condition 9, pay such additional amounts in respect of interest payments, but not in respect of any payments of principal or any other amounts, as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been received in respect of the Notes in the absence of the withholding or deduction.

"**Relevant Jurisdiction**" means the UK 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 the Issuer becomes subject in respect of payments made by it of principal and/or interest on the Notes.

Enforcement Events

If default is made by the Issuer for a period of 14 days or more in the payment of principal due in respect of the Notes or any of them, the Trustee at its discretion may, and if so requested by Noteholders of at least one quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for an Issuer Winding-Up in England and Wales (but not elsewhere).

In the event of a winding-up or administration of the Issuer (whether or not instituted by the Trustee and whether in England and Wales or elsewhere), the Trustee at its discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) prove in the winding-up or administration of the Issuer and/or (as the case may be) claim in the liquidation or administration of the Issuer, such claim being as provided in, and subordinated in the manner described in, Condition 3(b) or Condition 3(c), as applicable, but may take no further or other action to enforce, prove or claim for any payment by the Issuer in respect of the Notes or the Trust Deed.

No payment in respect of the Notes or the Trust Deed may be made by the Issuer pursuant to Condition 11(a), nor will the Trustee accept the same, otherwise than during or after a winding-up of the Issuer or after an administrator of the Issuer has given notice that it intends to declare and distribute a dividend, unless the Issuer has given prior written notice (with a copy to the Trustee) to, and received consent or due notification of non-objection in writing from, the Relevant

	Regulator (if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time), which the Issuer shall confirm in writing to the Trustee and upon which the Trustee may rely conclusively without liability to any person.
Substitution of obligor and transfer of business	The Conditions permit the Trustee to agree to the substitution in place of the Issuer of a Substitute Obligor without the consent of Noteholders, subject to certain conditions.
Form	The Notes will be issued in registered form and represented upon issue by a registered global certificate (the "**Global Certificate**") which will be registered in the name of a nominee for a common depositary (the "**Common Depositary**") for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") on or about the Issue Date. Save in limited circumstances, Certificates in definitive form will not be issued in exchange for interests in the Global Certificate.
Denomination	The Notes will be issued in denominations of £200,000 and integral multiples of £1,000 in excess thereof.
Meetings and resolutions of Noteholders	The Conditions and the Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to pass resolutions, including Extraordinary Resolutions, which will bind all Noteholders. Any such meeting need not be a physical meeting and instead may be by way of conference call, including by use of a videoconference platform, or a combination of such methods. The Trust Deed also provides that a written resolution or a resolution by way of electronic consents in the clearing systems, in each case passed by the holders of not less than three-quarters in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting, shall take effect as if it were an Extraordinary Resolution duly passed at such a meeting. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting, or otherwise sign a written resolution or give electronic consents, and Noteholders who voted in a manner contrary to the majority.
Listing	Application has been made for the Notes to be admitted to the official list of Euronext Dublin and for the Notes to be admitted to trading on the Global Exchange Market of Euronext Dublin. The GEM is not a regulated market for the purposes of MiFID II.
Ratings	The Notes are expected to be assigned a rating of "BB" by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by Fitch.

Governing Law	The Notes and the Trust Deed, and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed in accordance with English law.
Joint Lead Managers	Barclays Bank PLC Lloyds Bank Corporate Markets plc NatWest Markets Plc
Co-Managers	ABN AMRO Bank N.V. ING Bank N.V.
Trustee	Citibank, N.A., London Branch
Principal Paying and Conversion Agent	Citibank, N.A., London Branch
Registrar and Transfer Agent	Citibank Europe Plc
Selling Restrictions	Customary selling restrictions in the US, EEA, UK, Hong Kong, Japan, Singapore and Switzerland. Regulation S Category 2; TEFRA not applicable.
UK MiFIR Product Governance/PRIIPs Regulation	Solely for the purposes of each manufacturer's product approval processes, the manufacturers have concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate.
EU PRIIPs Regulation/UK PRIIPs Regulation	No EU PRIIPs Regulation or UK PRIIPs Regulation KID has been prepared as the Notes are not available to retail investors in the EEA or the UK.
FCA CoCo Restriction	In addition to the above, pursuant to the UK FCA Conduct of Business Sourcebook the Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK.
Use of Proceeds	The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes including the payment of a dividend to its immediate parent company, to (i) repay all existing external bank debt of Utmost Holdings (Guernsey) Limited ("**UHGL**") and (ii) return capital to shareholders.
ISIN	XS2434427709
Common Code	243442770
CFI/FISN	See the website of the Association of National Numbering Agencies (ANNA) or the responsible National Numbering Agency that assigned the ISIN.

Risk Factors

The Issuer believes that the following factors may affect the Issuer's ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Any of these risk factors, individually or in the aggregate, could have an adverse effect on the Issuer and the impact each risk could have on the Issuer is set out below.

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

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

Defined terms used in the following risk factors, unless otherwise stated, have the meaning given to them in the Conditions set out below in the section of this Offering Memorandum entitled "Terms and Conditions of the Notes".

1. RISKS RELATING TO THE ISSUER AND THE GROUP THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE NOTES

Group Specific Risks

Market Risk

The Group is directly exposed to market risk through shareholder investments and indirectly exposed through charges on policyholder investments

The Group is exposed to market risk through its shareholder investment portfolios, which are predominantly comprised of fixed income holdings. The Group does not have any material direct exposure to equity investments.

The Group has an indirect exposure to market risk from charges taken on policyholder assets. The policyholder and/or their advisers control the asset allocation of the policyholder assets. Policyholder funds are invested across a diverse range of investment classes. The majority of the policyholder assets are invested in fixed income and equity funds.

Reduced income from lower charges is unlikely to be offset by reduced expenses as the majority of costs are not sensitive to changes in market value.

Currency Risk

The Group is subject to the risk of exchange rate fluctuations as the Group operates internationally with assets, liabilities, income and expenses each in a number of denominations

The Group's functional currency is Pounds Sterling. The Group operates internationally and its exposure to foreign currency risk arises primarily with respect to the Euro and the US Dollar. These exposures may be classified in two main categories:

- Structural foreign exchange risk through consolidation of net investments in subsidiaries with different functional currencies via the Irish business whose functional currency is the Euro and through international branches including Hong Kong, Singapore, and Dubai; and

- Operational foreign exchange risk through routinely entering into insurance and investment contracts, as a Group of international insurance entities serving international communities, where rights and obligations are denominated in currencies other than each respective entity's functional currency.

Any measures that the Group takes through hedging or otherwise to offset the impact of foreign currency exchange rate fluctuation may prove ineffective and therefore foreign currency exchange rate fluctuation could materially adversely affect the Group's results.

Interest Rate Risk

Low interest rates increase the Group's required regulatory capital and reduce the expected investment return

The Group has exposure to changes in the level, shape and volatility of the yield curve. All of these changes directly impact its assets under administration ("**AUA**"), particularly fixed interest investments.

The regulatory solvency position, through valuation techniques involving discounting, is inherently sensitive to yield changes. Furthermore, changes to the risk transfer market can alter impacts of any potential management actions.

The Bank of England is transitioning from the use of LIBOR-based to SONIA-based yield curves, which will impact the own funds and solvency position of the Group.

Expected returns on AUA are also set relative to the yield curve. Persistently lower yields would reduce the expected growth rates.

Credit Spread Risk

An increase in credit spreads may adversely affect the value of the Group's investment portfolio and therefore cause a negative impact to the Group's financial condition, results of operations and prospects

The Group holds credit assets in shareholder funds and has an indirect exposure through policyholder investments. Credit spread changes may be caused by changes in the perception of the creditworthiness of a bond issuer or from market factors such as the market's risk appetite and liquidity. An increase in credit spreads will reduce the value of the Group's AUA which impacts the Group's profitability in a number of ways. A reduction in the value of fixed interest assets held within unit linked funds will reduce the value of future fees which are determined as a percentage of the value of the unit linked funds. A reduction in the value of fixed interest assets held by the Group as part of its Own Funds would directly reduce the Solvency II Economic Value of the Group.

Life and Health Risk

The Group has exposure to morbidity, mortality and longevity through a number of products where some, not all, are still open to new business. Changes in long-term expectations or short-term volatility could have adverse impacts to the Group

The Group is exposed to life and health insurance risk through a number of closed and open products. Examples of these risks are provided below:

Morbidity – The Group writes employee benefits to the employees of multinational corporations. The Group has exposure to health risk through this business where above-average claim amounts could lead to reduced financial performance of the Group. An increase in expected claims could lead to an increase in the amount of capital the Group is required to hold.

Mortality – A number of products provided by the Group have life insurance benefits or riders that provide policyholders with protection in the event of an insured death. A significant increase in mortality rates could increase outflows, impacting the Group's profitability.

Longevity – Increases in longevity would have a detrimental impact to the Group's profitability on any annuities where reinsurance is not in place. Increases in longevity could also increase the Group's exposure to external counterparties where reinsurance is in place.

Lapse Risk

The Group is exposed to lapses. Higher, lower or a different profile of lapses compared to expectations would impact the Group

An increase in lapses would reduce the profitability of the Group because lower charges would be accumulated in respect of the AUA. While a reduction in lapses should lead to an increase in profitability, this may increase the capital requirement in the short-term, affecting the Group's capacity to make remittances from the operating life companies.

Counterparty Risk

The inability of counterparties to meet their obligations could have material adverse effects on the Group's business and financial condition

The Group has exposure to counterparty risk, which is the risk that a counterparty will suffer a deterioration in actual or perceived financial strength or be unable to pay amounts in full when due.

The Group is exposed to counterparty risk as a result of a number of reinsurance contracts. The contracts are designed to limit the Group's exposure in respect of particular lines of business or particular risks. Reinsurance is utilised in employee benefit business, where the vast majority of risk is reinsured. Reinsurance is also utilised in annuity contracts, some where the full risk is reinsured and some where the longevity risk is reinsured. As a result of the reinsurance arrangements, the Group has credit risk with respect to its reinsurers.

The Group purchases different reinsurance programmes for different classes of business. The reinsurance contracts provide both balance sheet and profit & loss protection against material losses and events. A combination of proportional reinsurance (quota share and surplus) and non-proportional / excess of loss approaches are utilised. Even though the Group uses reinsurance contracts and programmes to mitigate various risks, these cannot eliminate all risks and no assurance can be given as to the extent to which such contracts and programmes will be effective in reducing such risks.

If a reinsurer fails to make payment whether through an insolvency dispute or otherwise, the Group retains the primary liability to the insured and the Group's business could therefore be materially adversely affected.

If a reinsurer's perceived financial strength deteriorates, usually through a downgraded credit rating, the Group is required to hold more capital, reducing the efficiency of the Group.

Counterparty Risk relating to the Italian Tax Authority

The Group has a potential counterparty exposure to the Italian government which may impact the Group's financial condition, results of operations and prospects

Utmost PanEurope DAC ("**UPE**", or "**Utmost PanEurope**") has an exposure to the Italian government with respect to a 'tax prepayment' asset ("**Withholding Tax Asset**" or "**WTA**") on UPE's balance sheet. The WTA relates to prepaid withholding tax in relation to unit linked business sold by UPE to Italian policyholders on a 'Freedom of Services' basis. As at 31 December 2020, the size of the exposure on UPE's balance sheet was £115 million.

The tax prepayment is recovered over time via several methods. UPE can either reclaim tax from policyholders on a partial or full surrender or reduce future prepayments to the Italian tax authority based on the amounts paid 5 years earlier. The amount prepaid each year to the tax authority is based on a percentage of total mathematical reserves for the Italian business (in essence, actuarial reserves) and is paid each June.

There is a risk, in certain circumstances (such as a combined mass lapse and market down scenarios), that monetising the asset by reclaiming from policyholders may no longer be feasible, in which case the Group might be required to reclaim the tax directly from the Italian government. Under current Italian law such a reclaim could only be made after UPE's Italian business has terminated.

Expense Risk

The Group is exposed to the risk of increasing expenses which could impact the Group's financial condition, results of operations and prospects

An increase in the Group's expenses could arise from a number of sources, including increased regulatory requirements, which would reduce profitability and financial performance.

Higher than expected expense inflation could also lead to reduced performance as escalating costs can erode the margin between income received, in the form of charges, and the costs of administrating business.

As a closed book consolidator, managing expenses is critical to the success of Utmost Life and Pensions Limited ("**ULP**") due to fixed expenses becoming a larger proportion of total expenses as policies run-off. The business model relies on ULP continuing to obtain and efficiently integrate a steady stream of acquisitions. In the absence of future acquisitions, there is a risk that diseconomies of scale will require additional cost savings to be made.

Liquidity Risk

The Group is exposed to liquidity risk, which is the risk of not holding enough assets in sufficiently liquid assets so that liabilities can be met as they arise

Liquidity risk is the risk that cash may not be available to pay liabilities or any other obligations when due. The Group could also incur excessive costs by selling assets or raising finance quickly to meet its obligations.

The Group is exposed to liquidity risk, mainly from claims arising from policyholder contracts and from servicing debt requirements. In addition, the Italian WTA creates a liquidity strain for UPE. Without sufficient liquidity in its operating companies the Group might need to reduce the volume of new business written in order to reduce new business strain. Insufficient liquidity in holding companies would endanger the Group's ability to cover its head office expenses and service its commitments under debt facilities.

Acquisition and Integration Risk

Acquisitions give rise to significant risks, including acquisitions failing to realise their potential benefits

The Group makes acquisitions where it considers they will enhance its business, product offering or services and which are expected to increase the value of the business in the long term. Growth into new markets, expansion in the Group's existing markets and any acquisitions expose the Group to potential financial, regulatory and reputational risks as well as the operational risks and costs associated with the integration of newly acquired businesses. The Group may also incur non-recoverable material expenses pursuing or conducting due diligence on potential acquisitions which do not materialise, and if acquisitions do not complete Utmost Group may also be liable to pay break fees to sellers.

There can be no assurance that regulators or authorities will approve acquisitions, or that any approvals, if granted, will not be subject to the imposition of new or more stringent conditions on the Group. If regulators give their consent for acquisitions, they may impose conditions on completion, changes to the terms of the acquisition, or additional requirements, limitations, or constraints on the business of the Group. There can be no assurance that any such conditions or other legal or regulatory conditions or undertakings will not materially limit the revenues of the Group, impose additional regulatory capital requirements on the Group, restrict the ability of the Group to generate, distribute or release cash, increase the costs of the Group, reduce the ability of the Group to achieve cost and capital synergies and/or lead to the abandonment of any acquisitions, or otherwise affect the Group's practices. Such conditions and/or undertakings may materially adversely affect the Group's business, results, financial condition, and prospects.

The value of acquisitions may be less than the consideration paid. The consideration paid is generally agreed in a sale and purchase agreement based on the economic position and business profile of the target. The Group performs due diligence prior to agreeing a price; however, economic or business conditions may change in the period between signing a sale and purchase agreement and the closing of the acquisition. Adverse events may occur to a target between signing a sale and purchase agreement and completion of an acquisition which could negatively impact the value of the target, including that the value of the business may be less than the consideration which the Group has agreed (and remains obligated) to pay. Utmost Group may therefore pay an amount in excess of the value of the target, which could have an adverse effect on the business and financial condition of the Group.

The Group's success is dependent upon its ability to integrate the businesses it purchases into its existing businesses. There are numerous challenges associated with the migration of acquired businesses and the synergies expected from integration may not be fully achieved. Integration exercises may take in excess of two years. Whilst Utmost Group has demonstrable experience in integrating businesses and is able to draw on its skilled resource pool, integration exercises remain challenging. Whilst the integration activity within the Utmost Life and Pensions business

is largely complete and integration activity within Utmost International has created cost synergies, there are various integration projects which are ongoing within Utmost International which require ongoing resourcing and which may result in the Group incurring material costs.

Whilst the Issuer believes that the costs and synergies expected to arise from integration projects are estimated on a reasonable basis, more information may come to light following completion of acquisitions, unanticipated events or liabilities may arise (whether as a result of a decision or action taken by a regulator with jurisdiction over the Group's business or otherwise) which could result in a delay or reduction in the benefits derived from an integration project, or an increase in costs significantly in excess of those estimated. While the Group seeks to ensure that integration projects are supported by management teams with experience of large integration processes and cost reduction exercises, no assurance can be given that integration projects will deliver all or substantially all of the expected benefits or that benefits will be realised in a timely manner.

The Group carries out due diligence on acquisition targets in order to identify, to the best of its ability, any potential historical issues, for example with regards potential historic mis-selling. The Group agrees warranties and indemnities with sellers in order to seek to minimise the impact of any risks which emerge post acquisition. However, there can be no assurance that the Group's due diligence will uncover all material risks or liabilities in the target which may subsequently materialise, or that any warranties or indemnities provided by the seller will be adequate to cover any resulting losses to the Group, including (but not limited to) if the warranties do not cover (in whole or in part) the relevant liabilities which arise, and/or if the seller is unable to meet its financial obligations to the Group under the warranties or indemnities it provides in favour of the Group. Any dispute regarding the scope of any such warranties or indemnities or the quantum of any recovery thereunder may also result in legal proceedings, which could result in the Group incurring significant costs (which may or may not be recoverable from the seller) and, even if the Group ultimately prevails, could materially delay the receipt by it of any compensation from the seller.

Utmost Group has limited management resources and thus may become overstretched by the process of migrating and integrating acquired businesses and managing the Group. Significant management attention is devoted to migrations and integrations. This activity may distract management from existing operational objectives. There is a risk that the challenges associated with migration and integration under any of the circumstances above and/or those associated with other actual or potential acquisitions, may results in strain on management and the deferral of certain planned management actions. Consequently, the Group's businesses may not perform in line with management expectations, which could have an adverse effect on the Group's business, results, financial condition, and prospects.

In addition, future acquisitions involve risks more generally, including:

- difficulties in integrating the risk, financial, technological and management standards, processes, procedures and controls of the acquired business with those of the Group's existing operations;
- challenges in managing the increased scope and complexity of the Group's operations;
- triggering or assuming liabilities, including employee pension liabilities;
- unexpected losses of key employees of the Group and the acquired business;
- changing the structure of the Group, which may have tax implications, including a reduction in brought forward tax losses; and

- Utmost Group being placed under negative watch by rating agencies or losing its investment grade rating due to the inherent risks of acquisitions, such as an increase in leverage ratio or the failure to successfully integrate acquisitions.

In November 2021, the Group completed the acquisition of Quilter International Holdings and Quilter International Ireland DAC (together "**Quilter**") and certain other subsidiaries of Quilter (collectively, "**Quilter International**", and such acquisition the "**Quilter Acquisition**"). The Group has commenced the Quilter International integration programme of work, which was planned in the pre-completion phase of the acquisition. There is a risk that the integration programme does not yield the expected benefits, including capital synergies and expense reductions. The Group is exposed to the risk factors listed above in relation to the Quilter Acquisition. The Group recognises that the relative scale, scope, geographies and number of employees acquired through the Quilter Acquisition gives rise to additional complexity compared to prior acquisitions undertaken by the Group. The integration of Quilter International requires significant management attention given the business is materially larger and more complex relative to other businesses the Group has acquired and integrated in the past, which may require skills and expertise that the existing management team do not currently have, leading to unforeseen delays and an inability to achieve the required objectives.

The Group carried out detailed due diligence on the Quilter International business and agreed warranties and indemnities with Quilter plc which are included in the sale and purchase agreement. These aim to mitigate risks which may emerge in future. However, the risks described above with respect to potential deficiencies in due diligence processes and/or in the protections afforded by such warranties and indemnities may apply equally to the Quilter Acquisition. Utmost Group agreed a Transitional Services Agreement with Quilter plc to facilitate a smooth integration process. There can be no guarantee that the Transitional Services Agreement will operate as intended, and any failure by Quilter plc to provide the mandated support to the Group could have a material adverse effect on the Group's business, financial condition, results of operations and prospects, could result in the acquisition and integration of Quilter International being significantly more costly for the Group than anticipated, and as a result the synergies anticipated by the Group may not materialise or may be materially lower than expected.

There is a risk that the integration is more expensive and time-consuming than anticipated more generally.

The Group's failure to identify and consummate appropriate acquisitions in accordance with its strategy could materially adversely affect the Group's prospects

The business model of the Group relies on management continuing to obtain and efficiently integrate a steady stream of acquisitions. A key part of the ongoing strategy will be to find further opportunities to improve the Group's efficiency and reduce costs in an appropriate and controlled manner. In the absence of future acquisitions, there is a risk that diseconomies of scale will have a material adverse effect on the Group's financial position, results of operations and prospects, and may require additional cost savings to be made, which may result in a subsequent challenge to retain top talent.

Capital Risk

There is a risk that the Group will not continue to hold sufficient capital to continue its operations, including restricting the ability to make remittances or write new business

The Group is required to hold capital in respect of risks to the business. This capital can fluctuate for a variety of reasons including, but not limited to, movements in markets and changes in

regulations. Regulators also have the authority to require companies to hold additional capital or stop writing new business in certain circumstances.

The Group's ability to make remittances is in accordance with its internal capital policy, which is communicated with the local regulators. Changes in the Group's capital position can therefore restrict or prohibit remittances which are intended to be the principal source for the servicing of debt interest and capital repayments.

Operational Risk

The Group has a risk of losses arising from inadequate or failed internal processes, controls or systems

Operations are essential to the business. Failure to manage operational risk can impact all areas of the business including customers, regulation and financial performance. Failure to manage operational risk can also arise for a number of reasons such as processes, controls or systems not performing as expected. This can be the complete failure of a process which prevents the business operating or a process that is not fit-for-purpose being utilised. Controls around operational risk are key to managing important business processes. Operational risks faced by the Group include, but are not limited to, outsourcing, conflict of interests, Environmental, Social and Governance ("**ESG**"), and Anti-Money Laundering.

Adverse experience in the operational risks inherent in the Group's business could disrupt the Group's business functions and have a negative impact on its financial condition, results of operations and prospects.

Reliance on Third Party Service Providers

Certain aspects of the Group's business are dependent on third party service providers, which carries various risks

The Group is reliant on various third parties for the provision of important services which it needs to run its business. For example, the administration of certain portfolios is outsourced to third parties under business process outsourcing arrangements, certain portfolios of business are administered in-house within the Group but utilising third party owned software licensed by the Group, and third parties act as custodians for all of the Group's assets. If the Group experiences difficulties arising from its relationships with third parties, its ability to conduct business may be compromised. If any of these providers should fail to perform to the necessary level, this may materially impact the Group's business, financial condition, profitability and results of operations.

Externally Available Information

The risk that information currently available is no longer available in its current format

The Group is reliant on externally available information which is required for operational purposes – for example, market data such as share prices sourced from third party information providers. The Group has exposure to changes in, or the discontinuance of, the availability of this information.

Withdrawal of AUA

The Group's clients may withdraw AUA at short notice

The Group's income is derived primarily from annual management charges ("**AMCs**"), the quantum of which is based on the value of AUA. The Group's products permit clients to reduce the aggregate amount of their investment with no, or only short periods of, notice, or to withdraw altogether from such portfolios or contracts.

A significant or systemic withdrawal of AUA would result in lower AMCs and therefore revenues, impacting the Group's business, financial condition, results of operations and prospects.

Structural Risk

As a holding company, the Issuer is dependent upon its subsidiaries to cover operating expenses and debt obligations

The Group's insurance operations are conducted through subsidiaries of the Group, which are subject to the risks discussed elsewhere in this "*Risk Factors*" section. As a holding company, the Group's principal sources of funds are remittances from subsidiaries and any amounts that may be raised through the issuance of debt.

Certain of the Group's subsidiaries are, or may become, subject to applicable insurance, foreign exchange and tax laws, rules and regulations and other arrangements that can limit their ability to make remittances and/or require the Group to make capital or liquidity available to those subsidiaries. In some circumstances, this could limit the Group's ability to make available funds held in certain subsidiaries to cover operating expenses of other members of the Group or, in the long term, to satisfy its debt obligations.

General Risk Factors

Macro-Economic Risk

The Group's business is inherently subject to market fluctuations and general economic conditions, which may adversely affect the Group's business, financial condition, results of operations and prospects

As covered under the Group Specific Risk section, the Group performance is directly linked to the global financial markets and macroeconomic conditions. Increased volatility in the financial markets and prolonged low yields in the global fixed income markets have been prevalent in recent years, and significant uncertainty remains in the political and economic landscape. A few examples are highlighted below.

The impact of the COVID-19 pandemic increased market volatility in 2020 and 2021. While vaccination campaigns in the developed world have accelerated, emerging economies lag on the vaccination front. There can also be no assurance that vaccination programmes will be successful over the medium-to-long term, including if new and more resistant strains of the virus materialise. As COVID-19-related restrictions ease, the Issuer expects that activity will continue to pick up, which may fuel inflation. The Issuer anticipates that Governments will look to fund the economic impact of the pandemic, which may lead to changes in taxation rules which could impact corporate or product taxation rules. The future impact of the pandemic remains uncertain.

The increased determination to tackle climate change is likely to produce a raft of policy, regulation and investment announcements, which will have differing impacts on portfolio holdings. The physical impact of climate change, for example an increased prevalence of heatwaves and extreme weather conditions, will have an increasing impact on portfolios in future years. The transition to a low carbon economy will have varied impact on asset classes and individual holdings. The path ahead remains subject to considerable uncertainty.

Macroeconomic conditions can impact the Group's underwriting results. In a sustained economic phase of low growth and high public debt, characterised by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for financial and insurance products could be adversely affected. Customer behaviour and confidence may be impacted, which could decrease demand for our products and lead to an elevated incidence of lapses.

The full consequences of the UK's exit from the European Union (the "**EU**"), and the future relationship between the UK and the EU, remain to be determined. Under the terms of the ratified EU-UK Article 50 withdrawal agreement, a transition period was agreed which ended on 31 December 2020. During that transition period, most EU rules and regulations continued to apply to the Group in the UK. The transition period has now ended and the UK and the EU have agreed a new trade deal to govern certain aspects of their trading relationship. However, the trade deal does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK. It is still not possible to determine the impact that the UK's departure from the EU and/or any related matters may have on general economic conditions in the UK and/or on the business of the Group over time. The manner in which the Group distributes into the UK from the EU and *vice versa* is impacted by changes in EU financial services legislation and the Group has developed contingencies to ensure UK customers have access to the same product range.

The Group is exposed to changes in regulation as a result of the UK's exit from the EU. At present there are small divergences between the UK and EU regulatory systems and further divergences are possible in the future. Divergences increase operational risk and costs.

Brand and Reputational Risk

The Group's business is dependent on the strength of its brands and its reputation, which are vulnerable to adverse market perception

The Group's success and results of operations are dependent on the strength and reputation of the Group and its brand. The Group is vulnerable to adverse market perception because it operates in an industry where integrity, service and customer trust and confidence are paramount.

The Group is exposed to the risk that litigation, employee misconduct, operational failures, loss or theft of customer data, IT failures or disruption, cyber security breaches, regulatory or other investigations or actions, press speculation and negative publicity, whether or not well-founded, could damage its brand or reputation.

Any damage to the Group's brand or reputation could cause existing customers or partners to withdraw their business from the Group and potential customers or partners to elect not to do business with the Group. It could make it more difficult for the Group to attract and retain qualified employees. Such damage to the Group's brand or reputation could cause disproportionate damage to the Group's business, even if the negative publicity is factually inaccurate or unfounded.

Distribution Channels

Failure by the Group to maintain relationships with distribution partners could have adverse effects on the Group's business

The Group relies on distribution partners to distribute its products. The Group has a diverse and extensive list of partners across the UK, Europe and the rest of the world. Distribution partners are independent of the Group and are not committed to recommend or sell the Group's products.

Distribution partners may also sell competing products. Therefore, the Group's relationships with its distribution partners are significant and the failure, inability or unwillingness of brokers to market the Group's products could have a material adverse effect on its financial and operational performance.

Credit Ratings

The Group is rated by external rating agencies. Any decline in its credit ratings could impact its competitive position and damage its relationships with creditors or distribution partners

The Issuer, Utmost PanEurope, Quilter International Ireland dac, Utmost Limited, Quilter International Isle of Man and Utmost Worldwide Limited have been assigned credit ratings by Fitch.

A downgrade of any of the Group's credit ratings could have an impact on the ability of the Group to write certain types of business and may lead to an increased lapse rate. Any worsening of the Group's credit ratings, or the placing of its ratings on review for potential downgrade, may also reduce the Group's access to the capital markets to refinance its debts over time, and/or increase its cost of funding. A downgrade or anticipated downgrade of any of the Group's credit ratings could therefore have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Rating agencies periodically review the financial performance and conditions of insurers, including the Group and its insurance subsidiaries. Rating agencies assign ratings based upon a variety of factors according to published criteria. Whilst most of the factors relate to the rated company including its business model and financial strength, some factors relate to general economic conditions and other circumstances outside the rated company's control. In addition, the Group's investments and its credit exposures under its reinsurance arrangements are taken into account when calculating the Group's credit rating, as well as an assessment of its enterprise risk management and governance.

Climate

The Group is exposed to climate risk, both in terms of transition and physical risk

Climate risks are often grouped into two categories: physical and transition risks.

Physical risks are the risks associated with the physical effects of climate change. These can be acute or chronic shifts in climate patterns. Acute risks include increased severity of extreme weather events while chronic risks include shifts in climate patterns that may cause sea level rise or chronic heat waves.

Transition risks are the risks associated with the transition to a low-carbon economy which may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

The future path of climate change and its associated risks are uncertain and are in part dependent on policy, as well as individual action. The impact on the wider society and the Group are uncertain. Impacts may include a reduction in value of the Group's investment portfolio, volatility in individual asset prices and a reduction in demand for the Group's products.

Litigation

Litigation may adversely affect the Group's business, financial condition, results of operations and prospects

The Group is involved in litigation in the normal course of its business relating to insurance policies it has written. These claims generally arise against the Group in respect of claims in the employee benefits business where there is a dispute arising from denial of coverage. The likely outcome of all such proceedings (based on legal advice) is taken into account in assessing outstanding claims provisions. However, if the ultimate outcome of proceedings is not in accordance with the Group's expectations, the Group's business, financial condition, results of operations or profitability may be materially adversely affected.

The cost of investigating and defending such litigation, proceedings or actions may be significant, even if the Group is ultimately successful in any such proceedings or actions. As a result, such litigation, proceedings or actions may adversely affect the Group's business, financial condition, results, operations or reputation and brand.

Quilter International is currently defending three court cases which have been raised against it, two in the Isle of Man courts and the third in England. While insurance policies are in place which the Issuer believes should cover the Group's potential financial exposure to the outcome of the cases, there can be no assurance that this will be the case.

There are also a handful of other ongoing legal claims against the Group and the Group is monitoring their progress. Whilst the Issuer does not presently expect that these claims, individually or in the aggregate, will have a material adverse impact on the financial position or profitability of the Issuer or the Group, it is currently not possible to predict accurately the final results of all these claims, and accordingly there can be no assurance that the Issuer's current expectations will ultimately prove accurate or that such claims will not adversely impact the Group's financial condition or profitability.

Fraud

The impact of any fraudulent activity may result in the Group being exposed to unforeseen financial impacts and reputational damage

The Group is at risk from customers who misrepresent or fail to provide full disclosure in relation to the risk against which they are seeking cover before such cover is purchased, and from customers who fabricate claims and/or inflate the value of their claims. The Group, in common with other insurance companies, is also at risk from its employees failing to follow procedures designed to prevent fraudulent activity, as well as from any potential fraudulent activity by its partners. A failure to combat the risks of fraud effectively could adversely affect the profits of the Group as claims incidence and average payouts could increase. Such costs may have to be passed on to customers in the form of higher AMCs and premiums, which could result in a decrease in policy sales. The occurrence of any of these events could have a material adverse effect on the Group's business, reputation, financial condition, results of operations and cash flows.

Customer Data

Failure to adequately maintain and protect customer and employee information could have a material adverse effect on the Group

The Group collects and processes 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 and industry standards in all relevant jurisdictions including the UK and EU.

Laws and standards impose certain requirements on the Group in respect of the collection, use, processing and storage of such personal information. For example, under UK and EU data protection laws and regulations, when collecting personal data, certain information must be provided to the individual whose data is being collected. This information includes the identity of the data controller, the purpose for which the data is being collected and any other relevant information relating to the processing. There is a risk that data collected by the Group and its appointed third parties is not processed in accordance with notifications made to, or obligations imposed by, data subjects, regulators, or other counterparties or applicable law. 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 risks or overpayment of claims.

The Group is also subject to certain data protection industry standards and may be contractually required to comply with those standards.

The Group is exposed to the risk that the personal data it controls could be wrongfully accessed or used, whether by employees or other third parties, or otherwise lost or disclosed or processed in breach of data protection regulations. If the Group or any of the third-party service providers on which it relies fail to process, store or protect such personal data in a secure manner or if any such theft or loss of personal data were otherwise to occur, the Group could face liability under data protection laws. This could also result in damage to the Group's brands and reputation as well as the loss of new or repeat business, any of which could have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

Regulatory and Compliance Risk

The Group operates in a highly regulated industry and is subject to regulatory risks including the effects of changes in the laws, regulations, policies and interpretations in the markets in which it operates

Utmost Group plc and its subsidiaries are subject to group supervision by the Prudential Regulatory Authority ("**PRA**") with 'other methods' regulation up to OCM Utmost Holdings Limited. The Group's UK insurance entities are also authorised by the PRA and regulated by the Financial Conduct Authority ("**FCA**") and the PRA. In Ireland, the Group is regulated by the Central Bank of Ireland ("**CBoI**") , which considers the group up to and including Utmost Holdings Ireland Limited, the highest EU entity in the corporate structure for the Irish business and also considers the Group up to UTL on an 'other methods' basis. The Group is regulated by the Isle of Man Financial Services Authority ("**IOM FSA**") in the Isle of Man and the Guernsey Financial Services Commission ("**GFSC**") in Guernsey. The Group is also regulated by various regulators where it has overseas branches including Singapore, Hong Kong, the Cayman Islands, United Arab Emirates, the Bahamas and Switzerland.

The regulators have substantial powers of intervention in relation to the companies they regulate, culminating in the ultimate sanction of the removal of authorisation to carry on insurance business. Such authorisations are fundamental to the Group's business. There is also the risk of a financial penalty which, in recent years, has been used with increasing quantum and publicity giving rise to both financial and reputational risk.

Similarly, the Group's regulators have certain powers to require an insurance company to take such action as appears to be appropriate to protect policyholders against the risk that such company may be unable or unwilling to meet its liabilities.

Regulatory requirements may be changed in a manner that may adversely affect the business of the Group. The Group's insurance subsidiaries may not be able to obtain or maintain all necessary licences, permits, authorisations or accreditations, or may be able to do so only at great cost. In addition, the Group may not be able to comply fully with, or obtain appropriate exemptions from, the wide variety of laws and regulations applicable to insurance companies or holding companies. Failure to comply with or to obtain appropriate exemptions under any applicable laws could result in restrictions on the Group's ability to do business in one or more of the jurisdictions in which the Group operates, fines and other sanctions, any of which could have a material adverse effect on the Group's business.

The Group monitors any regulatory changes, and regulatory consultations, which could lead to regulatory changes in the future, to assess their potential impact on the Group.

The PRA launched a Quantitative Impact Study ("**QIS**") on 20 July 2021, and firms were asked to respond within three months. The QIS is relevant to all PRA-regulated insurance firms. The QIS forms part of the PRA's review of certain features of the Solvency II regulatory regime for insurance firms. The QIS is a data collection exercise that will assist the PRA's analysis of potential reform options to the Solvency II regime as implemented in the UK. The QIS will cover three main areas: (i) the calculation of the Matching Adjustment; (ii) Risk Margin; and (iii) Transitional Measure on Technical Provisions (TMTPs). The QIS will also contain qualitative questions to gather information to support the development of some areas of Solvency II reform that are less straightforward to assess quantitatively. As at the date of this Offering Memorandum, it is not possible to predict the outcomes of the exercise, and therefore the possible effects on the Group and its business. The Group will continue to monitor the progress of the QIS to understand potential impacts on the Group.

The Group's operating subsidiaries may owe certain legal duties and obligations (including reporting obligations) to third party stakeholders and are subject to a variety of (often complex) laws and regulations.

There is a risk that some of these laws do not get the management time or attention required. In addition, there could be faulty judgements, simple errors or mistakes, or the failure of the Group's personnel to adhere to established policies and procedures that could result in the Group's failure to comply with applicable laws or regulations. This could result in significant liabilities, penalties or other losses to the Issuer or the Group, and seriously harm the Group's business, financial condition and results of operations, as well as damaging its brand reputation.

The Group may in future become subject to regimes governing the recovery, resolution or restructuring of insurance companies and, as the scope and implications of these regimes are still evolving, it is unclear what the consequences could be for the Group and/or the Notes

As part of the global regulatory response to the risk that systemically important financial institutions could fail, banks, and more recently insurance companies, have been the focus of new recovery and resolution planning requirements developed by regulators and policy makers nationally and internationally. Recovery and resolution reforms for banks in the EEA now provide regulators with the power, as part of resolution authority, to write down indebtedness or to convert that indebtedness to capital (known as "**bail-in**"), as well as other resolution powers.

In May 2021, HM Treasury published a consultation entitled "*Amendments to the Insolvency Arrangements for Insurers*". Among other proposed changes, it proposes enhancing the court's current power to write-down the value of an insurer's contracts and the introduction of a statutory moratorium on certain contractual termination rights in both service contracts and financial contracts. Currently the court is able to exercise its power to write-down once it has been proven

that an insurer is unable to pay its debts. Pursuant to these proposals, a court would be able to exercise its powers earlier, once the court is satisfied that an insurer is, or is likely to become, unable to pay its debts and provided the court is satisfied that it is reasonably likely to lead to a better outcome for the insurer's creditors as a whole. The proposals also include clarification that such write-down could apply to (almost) all unsecured creditors of an insurer including policyholder contracts and liabilities, with regard to the order in which such creditors sit in the creditor hierarchy. Secured creditors would be out of scope of a write-down under this proposal.

As currently proposed, any write-down would not necessarily permanently extinguish the liabilities of the relevant insurer; they may simply be deferred and kept off the balance sheet, until 'reactivated' by certain events. In particular, the proposals suggest that an insurer's liabilities could be written up if its financial position is later found to be better than assumed in an initial write-down. The proposals are intended to promote continuity of cover, and protect policyholders, reduce costs to the industry and maintain public confidence. HM Treasury's consultation closed on 13 August 2021 and consequently it remains uncertain which if any of these changes will be implemented as a result of the feedback received or when any such changes would come into effect.

While these insolvency law proposals would currently only apply to regulated insurers, by analogy with the recovery and resolution regime already developed for the banking sector it seems reasonable to expect, not least given the more expansive approach recommended in the FSB's August 2020 '*Key Attributes Assessment Methodology for the Insurance Sector'*, which construes an 'insurer' to include an insurance company or a holding company, that any future resolution framework adopted for the insurance sector in the UK could enable write-down powers to be applied to unsecured debt issued by insurance holding companies such as the Issuer as well as to regulated insurers.

In the consultation paper, HM Treasury also noted that it is "*actively engaging with the Bank of England to develop a proposal for the introduction of a specific resolution regime for insurers aligned with internationally agreed standards and best practice, and intends to set out further detail in due course*", and that the proposals then being consulted on are not intended to pre-empt the consideration of a specific resolution regime.

It therefore remains unclear to what extent any future recovery and resolution regime could apply to the Group in the future and, consequently, what the implications of such a development would be for the Group and its creditors, including the Noteholders.

Changes in Accounting Standards

Changes in accounting standards in the markets in which the Group operates may impact the Group's profit recognition and profitability

The Issuer prepares its accounts under International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board and as adopted for use in the UK. Accounting standards are from time to time varied or replaced and new standards may be introduced. For example, a new insurance contract standard, "*IFRS 17 - Insurance Contracts*", was published on 18 May 2017 with an effective date of 1 January 2023. Replacing "*IFRS 4 - Insurance Contracts*", IFRS 17 will change the presentation of insurance contracts in the financial statements and the recognition and measurement criteria thereof. The Group largely writes business classified as investment contracts under accounting standards (for which IFRS 17 does not apply), however some of the Group's insurance business (mainly business of ULP) will be impacted. There is a risk that changes or modification of, or the introduction of new, accounting standards could have a negative impact on the Group in the future and/or require a retrospective adjustment or restatement of reported results.

Key Individuals

The Group has certain exposure to key individuals whose untimely departure may impact the Group's business, financial condition, results of operations and prospects

The Group is part-owned by its founders, who act as Group CEO and Group CFO. The business of the Group may be adversely affected if certain key individuals, including the Group CEO and Group CFO, were to leave the Group, or if their services otherwise ceased to be available to the Group, without an appropriate period of transition, or if the Group is unable to continue to attract appropriately skilled personnel.

There may be other key individuals across the Group that could be hard to replace in a reasonable time frame, leading to underperformance or failures in compliance.

Tax Risk

Changes in tax legislation may impact the demand for the Group's products or otherwise may result in adverse tax consequences for the Group

The Group is impacted by the tax laws, both of the countries in which it has operations and of the countries into which it sells its products. While the Group seeks to remain fully compliant with the tax laws of all relevant jurisdictions, it is possible that the Group's interpretation of the requirements of existing legislation could differ from the interpretation adopted by the tax authorities of the relevant countries. Should this occur then tax positions adopted by entities within the Group could be subject to challenge by tax authorities. There is a risk, if such challenges were to occur, that the Group could be subject to tax-related liabilities (including potentially in respect of interest and penalties) that are in excess of the tax liabilities that are currently provided for in its financial statements.

The Group could also be adversely impacted by future changes to tax law. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of laws are issued or applied. There is also a risk that tax authorities could introduce changes to the rules governing how insurance products are taxed in the hands of policyholders and that such changes could adversely impact future levels of customer demand for the Group's products.

Recently there has been significant traction amongst the G7 in relation to the potential application of a global minimum tax rate of 15%. Any agreement is likely to take a number of years to implement and the likely impact on the Group's businesses is unclear.

The Isle of Man and Guernsey have corporate tax rates of 0% for insurance business and Ireland has a corporation tax rate of 12.5%. The application of a global minimum tax rate could therefore result in higher tax being paid in respect of profits generated in the Group's operating businesses in these territories. However, it is currently proposed that the global rate only be applied to Multi-National Enterprises with consolidated global revenues of €750 million or more. Under the Group's existing definition of revenue as premium income for insurance business and fees earned for investment business the Group would have substantially less than €750 million of annual revenues even after completion of the Transaction (as defined below). Accordingly, while it is currently uncertain how the global tax authorities will define "revenue" for these purposes, it is possible that, even if new global minimum tax rules are introduced, the Group will not be within the scope of such rules.

IT Systems

Disruption to the Group's IT systems, including attempts by third parties or malicious insiders to disrupt or improperly access the Group's IT systems could result in financial loss, disruption, reputational damage, regulatory action or the need for customer redress, each of which could have material adverse effects on the Group's business, financial condition, results of operations and prospects

The Group relies on information technology systems for significant and critical elements of its business process. These systems, which include complex computer and data processing platforms, may be disrupted by events including terrorist acts, natural disasters, telecommunications and network failures, power losses, physical or electronic security breaches, fraud, identity theft, process failures, computer viruses, computer hacking, malicious employee attacks or similar events.

The COVID-19 pandemic introduced a move to work from home and as such the risks from a cyber-attack increased due to the increased activity of attackers and the evolving ways in which cyber-attacks can happen.

The failure of information technology systems could interrupt the Group's operations or materially impact its ability to conduct business. Material flaws or damage to the system, particularly if sustained or repeated, could result in the loss of existing or potential business relationships, compromise the Group's ability to operate and/or give rise to regulatory implications, which could result in a material adverse effect on the Group's reputation, financial condition and results of operations.

Technology Risk

The Group may not realise its objectives if it does not keep pace with industry technology and innovation and an increased desire from customers for digital and online solutions

As technology evolves and customers demand sophisticated online access there is a risk that the Group does not implement sufficient technology and that customers withdraw funds.

Business Continuity

The business of the Group could be adversely affected if staff were prevented from using the Group's major premises for any reason

The businesses in Ireland, the Isle of Man, Guernsey, the UK as well as the Group Head Office have exposure to the loss of data centres, loss of work locations and cyber risk. This could result in a material adverse effect on the Group's business, prospects, results of operations and financial condition.

Competition Risk

Competition may make it difficult for the Group to execute its mergers and acquisitions ("**M&A**") strategy and future acquisitions and disposals, which could have an adverse effect on the Group. The Group's strategy includes the disciplined acquisition of open and closed life fund companies and portfolios in order to offset the natural decline inherent in the Group's closed book business as well as to grow the business organically and create additional value from scale advantages.

The Group's ability to acquire closed life fund companies and portfolios will depend upon a number of factors, including its ability to identify suitable acquisition opportunities, its ability to consummate acquisitions on favourable terms and the Group's ability to obtain financing to make acquisitions and support growth (for example through new business). Additionally, the Group's

ability to obtain required regulatory consents from the FCA and PRA and other relevant regulatory authorities for acquisitions, disposal and insurance business or portfolio transfers (including under Part VII of FSMA) will depend on the financial condition of the Group, the financial implications of any acquisition on the Group, the impact of such implications on new and existing policyholders and wider risks to policyholder security.

There are other closed life fund consolidators as well as a number of other potential purchasers for closed life companies, including other insurance companies, banks, hedge funds and private equity firms, which may result in increased competition (and therefore higher prices paid by the Group for acquisition targets). External factors which influence sector participants' decisions to seek to dispose of their insurance interests could also impact the Group's ability to make acquisitions. In connection with any future acquisitions, the Group may experience unforeseen difficulties as it integrates the acquired companies and portfolios into its existing operations. These difficulties may require significant management attention and financial resources.

The Group relies on the writing of new business to offset the run-off of existing policies in order to maintain the business and financial condition of the Group. There is a risk of new competitors entering the Group's open markets, regulatory and legislative changes, or the Group's products becoming viewed as undesirable, could reduce the competitiveness of the Group in its open markets, leading to reduced volumes of new business.

2. RISKS RELATING TO THE NOTES

The following risk factors refer to certain provisions of the terms and conditions of the Notes and the Trust Deed and are qualified by the more detailed information contained elsewhere in this Offering Memorandum. Terms which are defined in "Terms and Conditions of the Notes" below have the same meaning when used in the following risk factors, and references herein to a numbered "Condition" shall refer to the relevant Condition in "Terms and Conditions of the Notes".

The Issuer's obligations under the Notes are deeply subordinated

The Issuer's obligations under the Notes will constitute direct, unsecured and deeply subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves.

If, at any time prior to the date on which a Trigger Event occurs (i) a winding-up or liquidation of the Issuer occurs or (ii) an administrator of the Issuer is appointed and such administrator declares, or gives notice that it intends to declare and distribute, a dividend, (the events in (i) and (ii), each an "**Issuer Winding-Up**"), there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, that would have been payable in respect of that Note if, on the day prior to the commencement of the winding-up or liquidation of the Issuer or the Issuer's entry into administration and thereafter, the holder of that Note was the holder of one of a class of preference shares in the Issuer ("**Notional Preference Shares**"):

(a) having a preferential right to a return of assets in such winding-up, liquidation or administration to, and so ranking in priority to, the holders of the ordinary shares and any other class of shares in issue or deemed to be in issue for the time being in the capital of the Issuer (other than any shares which may be issued or deemed to be in issue for the time being in the capital of the Issuer which, by their terms, rank or are expressed to rank, *pari passu* with, or in priority to, the Notional Preference Shares in a winding-up or other return of capital);

(b) having an equal right to a return of assets in such winding-up, liquidation or administration to, and so rank *pari passu* with, the holders of securities of the Issuer which, by their terms, rank or are expressed to rank, *pari passu* with the Notes in a

winding-up, liquidation or other return of capital (including, without limitation, shares of any class which may be issued or deemed to be in issue for the time being in the capital of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with the Notional Preference Shares in a winding-up, liquidation or other return of capital); and

(c) ranking junior to the claims of Senior Creditors and the holders of shares of any class which may be issued or deemed to be in issue for the time being in the capital of the Issuer which, by their terms, rank or are expressed to rank senior to the Notional Preference Shares in a winding-up, liquidation or other return of capital,

and, on the assumption that the holder of each such Notional Preference Share was entitled (to the exclusion of all other rights and privileges) to receive, in respect of each such Notional Preference Share, as a return of capital in such winding-up, liquidation or administration an amount equal to the principal amount of the relevant Note then outstanding together with, to the extent not otherwise included within the foregoing, any other amounts attributable to the Note, including any accrued but unpaid interest thereon (to the extent not cancelled in accordance with the Conditions) and any damages awarded for breach of any obligations in respect thereof, whether or not the conditions referred to in Condition 3(e) (*Solvency Condition*) are 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 shareholders were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation).

If, at any time on or after the date on which a Trigger Event occurs (disregarding, for this purpose, any Trigger Event in respect of which the Relevant Regulator has waived Conversion as contemplated in Condition 6(b), in which case the foregoing paragraph shall continue to apply as if such Trigger Event had not occurred), an Issuer Winding-Up occurs but the relevant Conversion Shares to be issued and delivered to the Conversion Shares Depositary have not been so delivered, there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, that would have been payable in respect of that Note if, on the day prior to the commencement of the winding-up, liquidation or administration of the Issuer and thereafter, the holder of that Note was the holder of such number of Conversion Shares as it would have been entitled to receive on Conversion of that Note in accordance with Condition 6 (*Conversion*).

Although the Notes may potentially pay a higher rate of interest (subject always to the Issuer's right and, in certain circumstances, obligation to cancel any interest payment under the Conditions) than comparable notes which are not subordinated, there is a significant risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent.

Further, subject to applicable law, no holder of the Notes may exercise, claim or plead any right of set-off or counterclaim in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each holder shall, by virtue of being the holder of any Note, be deemed to have waived all such rights of set-off and counterclaim.

Subject to complying with applicable regulatory requirements, the Issuer expects from time to time to incur additional indebtedness or other obligations that will constitute senior and subordinated indebtedness, and the Notes do not contain any provisions restricting the ability of the Issuer or its subsidiaries to incur senior or subordinated indebtedness. Although the Notes may pay a higher rate of interest than comparable securities which are not so subordinated, there is a real risk that an investor in the Notes will lose all or some of its investment in the Notes should the Issuer become insolvent since its assets would be available to pay amounts in respect of the Notes only after all of its senior and more senior subordinated creditors have been paid in full.

Therefore, if a winding-up or administration of the Issuer were to occur, any liquidator or administrator appointed in respect of the Issuer would first apply assets of the Issuer to satisfy all rights and claims of the Senior Creditors. If the Issuer does not have sufficient assets to settle claims of the Senior Creditors in full, the claims of the Noteholders will not be settled and, as a result, Noteholders will lose the entire amount of their investment in the Notes. The Notes will share equally in payment with claims under obligations ranking *pari passu* with the Notes, (or, with claims in respect of Conversion Shares, in the event of a winding-up or administration occurring after Conversion and prior to delivery of the Conversion Shares) and, accordingly, if all Senior Creditors are paid in full but the Issuer does not have assets remaining to enable claims in respect of the Notes and such *pari passu* obligations in full, Noteholders would lose all or part of their investment in the Notes.

In addition, HM Treasury has consulted on amendments to the insolvency arrangements for insurers, in particular with a view to clarifying and extending the powers under s.377 of the FSMA to, amongst other things, enable the write-down and deferral of unsecured liabilities of UK insurers (which may include the Notes) prior to an insurer becoming insolvent in certain circumstances. The proposals include that any such write-down (and any subsequent write-up or 'reactivation', if applicable) would have regard to the order in which liabilities sit in the creditor hierarchy as set out in the Insurers (Reorganisation and Winding Up) Regulations 2004 (SI 2004/353), and that the regime would not include a 'no creditor worse off' (NCWO) safeguard. If such proposals were to be implemented on the terms proposed and if such powers were to be extended to, and exercised in respect of, the Issuer as an insurance holding company, as the Notes are subordinated liabilities it is likely that they would be amongst the first liabilities of the Issuer to be written down, and may be written down in full before any liabilities ranking in priority to the Notes are written down. Similarly, any subsequent write-up or 'reactivation' of liabilities would also be expected to respect the creditor hierarchy, such that the Notes would likely be amongst the last of the liabilities to be written-up, and may only be written up after the write-up in full of liabilities ranking in priority to the Notes.

In addition, investors should be aware that, upon Conversion of the Notes following a Trigger Event, Noteholders will be effectively further subordinated as they will be treated as, and subsequently become, holders of ordinary shares, even if other existing subordinated indebtedness and preference shares remain outstanding. There is a risk that Noteholders will lose the entire amount of their investment, regardless of whether the Issuer has sufficient assets available to settle what would have been the claims of Noteholders or of securities subordinated to the same or greater extent as the Notes, in winding-up proceedings or otherwise.

Payments by the Issuer are conditional upon the Issuer being solvent

Other than in circumstances where an Issuer Winding-Up has occurred or is occurring, all payments under or arising from (including any damages for breach of any obligations under) the Notes shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be due and payable by the Issuer in respect of or arising from the Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For these purposes, the Issuer will be solvent if (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities. Any payment of interest that would have been due and payable but for the inability to comply with the Solvency Condition shall be cancelled in full.

Interest Payments on the Notes are wholly discretionary

Interest payments on the Notes are wholly discretionary and the Issuer may at any time elect to cancel any interest payment, in whole or in part, which would otherwise be due and payable on

any Interest Payment Date. Accordingly, interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer. Furthermore, interest payments are subject to mandatory cancellation as provided in Condition 3(e) (*Solvency Condition*), Condition 5(b) (*Mandatory Cancellation of Interest*) and Condition 6 (*Conversion*), as further described below. At the time of publication of this Offering Memorandum, it is the intention of the Directors to take into account the relative ranking in the Issuer's capital structure of its ordinary shares and its outstanding restricted Tier 1 securities (including, but not limited to, the Notes) whenever exercising its discretion to declare dividends on the former or to cancel interest on the latter. However, the Directors may depart from this policy at any time in their sole discretion.

Any interest payment (or relevant part thereof) which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Noteholders will have no rights in respect of the interest payment (or relevant part thereof) which is cancelled. In addition, cancellation or non-payment of interest in accordance with the Conditions shall not constitute a default or event of default on the part of the Issuer for any purpose.

Any actual or perceived increased likelihood of cancellation of any interest payment may adversely affect the market value of the Notes and could result in increased volatility and/or reduced liquidity in the market (if any) for the Notes.

In addition to the Issuer's right to cancel interest payments, in whole or in part, at any time, the Conditions require that interest payments must be cancelled under certain circumstances. Cancelled interest payments shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto

The Issuer must cancel any interest payment on the Notes in full pursuant to Condition 5(b) (*Mandatory Cancellation of Interest*) in the event that, *inter alia*, the Issuer cannot make the payment (including, if applicable, any Additional Amounts payable under Condition 9) in compliance with the Solvency Condition, the Solvency Capital Requirement or the Minimum Capital Requirement, or where the interest payment would, together with any Additional Amounts payable with respect thereto, exceed the amount of the Issuer's Distributable Items (as defined in the Conditions) as at the time for payment, or if required to cancel any interest payment by the Relevant Regulator or under the Relevant Rules (as defined in the Conditions). Any interest payments due on or after the date of a Trigger Event must also be cancelled under Condition 6 (save to the extent that the Relevant Regulator permits interest to be paid if it has waived Conversion in respect of such Trigger Event as contemplated in Condition 6(b)).

As at 30 September 2021, Utmost Group plc had Distributable Items of £995m (30 June 2021: £1bn; 31 December 2020: £1.012bn). Distributable Items will be supported by dividends from the life company subsidiaries.

The level of the Issuer's Distributable Items will be affected by a number of factors. The Issuer's future Distributable Items, and therefore its ability to make interest payments under the Notes, are a function of its existing Distributable Items and its future profitability. In addition, the Issuer's Distributable Items may also be adversely affected by the servicing of more senior instruments. The level of the Issuer's Distributable Items may be affected by changes to regulation or the requirements and expectations of applicable regulatory authorities, which could have an adverse effect on the Issuer's Distributable Items in the future. Further, the Issuer's Distributable Items, and therefore its ability to make interest payments under the Notes, may be adversely affected by the performance of its business in general, factors affecting its financial position (including its solvency position), the economic environment in which the Group operates and other factors outside of the Issuer's control. The Issuer is entitled to make strategic or other business decisions

which may adversely affect the Issuer's Distributable Items – see "*The Issuer's interests may not be aligned with those of investors in the Notes*" below.

Any interest payment which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Noteholders will have no rights in respect of the interest payment which is cancelled. In addition, cancellation or non-payment of interest in accordance with the Conditions shall not constitute a default or event of default on the part of the Issuer for any purpose.

Any actual or perceived increased likelihood of cancellation of any interest payment may adversely affect the market value of the Notes and could result in increased volatility and/or reduced liquidity in the market (if any) for the Notes.

Redemption payments under the Notes must, under certain circumstances, be deferred

If, at any time, a notice of redemption of the Notes has been given by the Issuer to Noteholders, the Issuer must nevertheless defer redemption of the Notes on any date set for redemption of the Notes pursuant to Condition 8 (*Redemption, Substitution, Variation and Purchase*) in the event that, *inter alia*, the Issuer cannot make the redemption payments in compliance with the Solvency Condition, the Solvency Capital Requirement, the Minimum Capital Requirement or the Regulatory Clearance Condition, or an Insolvent Insurer Winding-up has occurred and is continuing.

The Issuer may not give a notice of redemption, substitution or variation of the Notes pursuant to Condition 8 (*Redemption, Substitution, Variation and Purchase*) if a Trigger Event has occurred (disregarding, for this purpose, any Trigger Event in respect of which the Relevant Regulator has waived Conversion as contemplated in Condition 6(b)). If a Trigger Event occurs after a notice of redemption, substitution or variation has been given by the Issuer but before the relevant redemption, substitution or (as the case may be) variation date, and unless the Relevant Regulator has waived Conversion (as contemplated in Condition 6(b)) in respect of such Trigger Event, such notice of redemption, substitution or variation (as applicable) shall automatically be revoked and be null and void and the relevant redemption, substitution or variation (as applicable) shall not be made or effected and the Notes shall be subject to Conversion in accordance with Condition 6.

The deferral of redemption of the Notes in accordance with the Conditions, or the cancellation of any redemption, substitution or variation as a result of a Trigger Event, will not constitute a default under the Notes for any purpose and will not give Noteholders or the Trustee any right to accelerate the Notes or take any enforcement action under the Notes or the Trust Deed. Where redemption of the Notes is deferred, the Notes will be redeemed by the Issuer on the earlier of (a) the date falling 10 Business Days after the date on which the Redemption and Purchase Conditions are (and provided that they continue to be) met or (where capable of waiver) waived pursuant to Condition 8(c) (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by Relevant Regulator*) or (b) the date on which an Issuer Winding-Up occurs.

Any actual or anticipated deferral of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities without such deferral feature, including dated securities where redemption on the scheduled maturity date cannot be deferred, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition.

The Issuer's interests may not be aligned with those of investors in the Notes

The Issuer's satisfaction of the Solvency Condition and the availability of Distributable Items as well as there being no occurrence of a Trigger Event will depend in part on decisions made by the Issuer and other entities in the Group relating to their businesses and operations, as well as the management of their capital positions.

While the Directors of the Issuer are under an obligation to consider the interests of all stakeholders of the Issuer, including the Noteholders, the interests of other stakeholders of the Issuer could be adverse to and outweigh the interests of the Noteholders, including in the context of capital management and the relationship among the various entities in the Group and the Group's structure. The Issuer may decide not to raise new capital at a time when it is feasible to do so, even if such failure to raise new capital would result in the occurrence of a Trigger Event. It may decide not to propose to its shareholders to reallocate share premium to a distributable reserve account or to take other actions necessary in order for share premium or other reserves or earnings to be included in Distributable Items. Moreover, in order to avoid the use of public resources, the Relevant Regulator may decide that the Issuer should allow a Trigger Event to occur or should cancel an interest payment at a time when it is feasible to avoid this outcome. Noteholders will not have any claim against the Issuer or any other entity of the Group relating to decisions that affect the capital position of the Group, regardless of whether they result in the occurrence of a Trigger Event or a lack of Distributable Items or breach of the Solvency Condition. Such decisions could cause Noteholders to lose the full amount of their investment in the Notes.

Other capital instruments issued by the Issuer may not absorb losses at the same time, or to the same extent as the Notes

The terms and conditions of other regulatory capital instruments issued from time to time by the Issuer or any of its subsidiaries may vary and accordingly such instruments may not convert into equity or be written-down at the same time, or on similar terms, or to the same extent, as the Notes, or at all. Further, regulatory capital instruments issued by a member of the Group with terms that require such instruments to be converted into equity and/or written down when a solvency or capital measure falls below a certain threshold may have different capital or solvency measures for triggering a conversion or write-down to those set out in the definition of Trigger Event or may be determined with respect to a group or sub-group of entities that is different from the Group, with the effect that they may not be converted into equity and/or written down on the occurrence of a Trigger Event. Therefore, the Notes may be subject to a greater degree of loss absorption than would otherwise have been the case had such other instruments been written down or converted at the same time as, or prior to, the Notes.

Restricted remedy for non-payment when due

The sole remedy against the Issuer available to the Trustee (acting on behalf of the Noteholders) or (where the Trustee has failed or is unable to proceed against, or prove in the winding-up or administration or claim in the liquidation of, the Issuer as provided in the Conditions) any Noteholder for recovery of amounts which have become due in respect of the Notes will be the institution of proceedings for an Issuer Winding-Up in England and Wales (but not elsewhere) and/or proving in any winding-up or in any administration of the Issuer and/or claiming in the liquidation of the Issuer (and any such claim will be deeply subordinated, as provided under "*The Issuer's obligations under the Notes are deeply subordinated*" above). Any cancellation or non-payment of interest shall not constitute a default or event of default on the part of the Issuer for any purpose.

Notes may be traded with accrued interest which may subsequently be subject to cancellation

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If an interest payment is cancelled (in whole or in part) as described above, a purchaser of Notes in the secondary market will not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes.

The Notes have no scheduled maturity and Noteholders only have a limited ability to exit their investment in the Notes

The Notes are perpetual securities and have no fixed maturity date or fixed redemption date. Although the Issuer may, under certain circumstances described in Condition 8 (*Redemption, Substitution, Variation and Purchase*), redeem or purchase the Notes, the Issuer is under no obligation to do so and Noteholders have no right to call for the Issuer to exercise any right it may have to redeem or purchase the Notes.

Therefore, Noteholders do not have the ability to exit their investment, except (i) in the event of the Issuer exercising its right to redeem or purchase the Notes in accordance with the Conditions, (ii) by selling to other market participants their Notes (if any such market participant agrees to purchase the Notes) or, following a Conversion of the Notes and the issue and delivery of the Conversion Shares to the Noteholder, their Conversion Shares or (iii) upon a winding-up, liquidation or administration of the Issuer (in which limited circumstances the claim of Noteholders is deeply subordinated, and there may or may not be any resulting liquidation proceeds available to Noteholders following payment being made in full to all senior and more senior-ranking subordinated creditors). The proceeds, if any, realised by the actions described in (ii) and (iii) above may be substantially less than the principal amount of the Notes or the amount of the investor's investment in the Notes. See also "*Risks related to the market generally - The secondary market generally*".

In addition, the Conditions set out certain Redemption and Purchase Conditions, including in relation to the Solvency Capital Requirement and the Minimum Capital Requirement being met immediately prior to the redemption or purchase of the Notes. If the Redemption and Purchase Conditions are not met, the Issuer may not redeem or purchase any Notes and the redemption or purchase of the Notes shall instead be suspended, as provided in the Conditions.

Subject to certain conditions, the Issuer may redeem the Notes at its option on certain dates or in certain circumstances

Subject, *inter alia*, to the solvency of the Issuer, to compliance with the Solvency Capital Requirement and Minimum Capital Requirement and to satisfaction of the Regulatory Clearance Condition, the Issuer in its sole discretion may, on the dates and in the circumstances described below, elect to redeem all (but not some only) of the Notes at their principal amount outstanding together with (to the extent that such interest has not been cancelled in accordance with the Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

Such redemption may occur at the option of the Issuer (subject as provided in Condition 8 (*Redemption, Substitution, Variation and Purchase*), including as to compliance with the requirements of the Relevant Regulator and the Relevant Rules) (i) on any day falling in the period commencing on (and including) 15 December 2028 and ending on (and including) the First Reset Date or on any Reset Date thereafter, (ii) at any time in the event of the occurrence of a Tax Event; (iii) at any time following the occurrence of (or if there will occur within the forthcoming period of six months) a Capital Disqualification Event or a Ratings Methodology Event; or (iv) at

any time if 80 per cent. or more of the aggregate principal amount of the Notes originally issued (including any Further Notes, if any) have been purchased and cancelled. The circumstances in which a Tax Event, Capital Disqualification Event or Ratings Methodology Event may occur may be uncertain and it may not be possible to predict accurately if and when any such event may occur.

The Issuer currently expects the Notes to qualify (subject to any applicable limitations on the amount of such capital) as Tier 1 Capital for the Issuer and the Insurance Group (as defined in the Conditions). However, there is a risk that, following any future change to the Relevant Rules, the Notes will cease to qualify as Tier 1 Capital of the Issuer or the Insurance Group, which would entitle the Issuer to redeem the Notes early at their principal amount, together with interest accrued but unpaid to (but excluding) the date of redemption.

The right of the Issuer to redeem the Notes in certain circumstances may limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, or in the case of an actual or perceived increased likelihood that the Issuer may so elect, the market value of the Notes generally will not rise above the price at which they can be redeemed.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variation or substitution of the Notes without Noteholder consent

Subject as provided in Condition 8 (*Redemption, Substitution, Variation and Purchase*), the Issuer may, at its option and without the consent or approval of Noteholders, elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Securities (i) in the event of the occurrence of a Tax Event or (ii) following the occurrence of (or where there will occur within six months) a Capital Disqualification Event. Following the occurrence of (or where there will occur within six months) a Ratings Methodology Event, the Issuer may elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Rating Agency Compliant Securities.

There can be no assurance that, due to the particular circumstances of each Noteholder, any Qualifying Securities and/or Rating Agency Compliant Securities will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular Noteholder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Securities and/or Rating Agency Compliant Securities are not materially less favourable to investors than the terms of the Notes. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such variation or substitution (including, without limitation, with respect to any adverse tax consequences suffered by any Noteholder).

Notes may be mandatorily converted into Conversion Shares, in which case Noteholders will lose all or some of their investment in the Notes

Following the occurrence of a Trigger Event, the Notes will be mandatorily converted into Conversion Shares on the Conversion Date. Once the Conversion Shares have been issued and delivered to the Conversion Shares Depositary, all of the Issuer's obligations under the Notes (including any payment obligation in respect of principal and/or accrued interest) shall be irrevocably discharged and satisfied.

Although the value of any Conversion Shares received by Noteholders may vary over time, the value of any Conversion Shares is expected to be significantly less than the Conversion Price.

The Conversion Price is initially set at £1,000 per Conversion Share, which is considerably higher than the value of a non-voting Class B Ordinary Share (being the class of Conversion Shares into which the Notes would, upon Conversion, convert for so long as Utmost Group plc remains the Issuer of the Notes) as at the date of this Offering Memorandum, and is subject to only limited anti-dilution protections. A Conversion Price that is higher than the value of a Conversion Share will represent a loss for Noteholders, since, through Conversion, they will obtain beneficial interests in Conversion Shares at a higher price than the price at which they may be able to sell their interests in such Conversion Shares (if they are able to find a buyer).

Furthermore, the class of ordinary shares of Utmost Group plc of which the Conversion Shares are expected to form part (being the Class B Ordinary Shares) will not carry any voting rights at general meetings of the Issuer, are not currently in issue and are not expected to be listed or admitted to trading on any stock exchange or other market upon issue or at any time thereafter. It is highly likely that there will be no established market or trading in the Conversion Shares at the time of Conversion of the Notes or at any time thereafter, which may make it difficult for holders of Conversion Shares to sell their interests.

Accordingly, if a Conversion occurs, holders of the Notes will lose all or part (which may be substantially all) of the value of their investment in the Notes. Following Conversion, Noteholders will receive only the Conversion Shares.

Any actual or perceived increased likelihood of a Conversion occurring, including any deterioration in the solvency ratios of the Issuer or the Group, may adversely affect the market value of the Notes and could result in increased volatility and/or reduced liquidity in the market (if any) for the Notes.

For the avoidance of doubt, the Noteholders will have no right to convert their Notes into Conversion Shares at their election. Conversion of the Notes will occur only following the occurrence of a Trigger Event.

The occurrence of the Trigger Event may depend on factors outside of the Issuer's control

A Trigger Event shall occur if the Issuer determines at any time (acting reasonably and after consultation with the Relevant Regulator) that (i) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement, (ii) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement, or (iii) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed.

The occurrence of a Trigger Event and, therefore, Conversion is to some extent unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control, including actions that the Issuer is required to take at the direction of the Relevant Regulator and regulatory changes. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer's other subordinated debt securities. Any indication that the Issuer or the Group may be at risk of failing to meet its Solvency Capital Requirement or Minimum Capital Requirement may have an adverse effect on the market price and liquidity of the Notes. Therefore, investors may not be able to sell their Notes easily (if at all) 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.

Investors will not be able to monitor whether or not the Issuer and the Group will meet their Solvency Capital Requirement or Minimum Capital Requirement on a continuous basis and it may

therefore not be foreseeable when a Trigger Event may occur or whether interest payments must be cancelled.

Noteholders will be required to take steps to procure delivery of their Conversion Shares form the Conversion Shares Depositary to them

In the event of a Conversion, the Conversion Shares Depositary shall be required to deliver a notice to the Noteholders setting out, *inter alia*, the procedures by which a Noteholder may arrange for the transfer to itself from the Conversion Shares Depositary of the Conversion Shares held for such Noteholder by the Conversion Shares Depositary. In order to obtain delivery of the relevant Conversion Shares, the relevant Noteholder will be required to follow the necessary procedures, including that it will have to provide evidence satisfactory to the Conversion Shares Depositary of its entitlement to the relevant Conversion Shares. The Issuer shall have no liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares, or from any delay in the receipt thereof, in each case as a result of such Noteholder failing to comply with the necessary procedures specified by the Conversion Shares Depositary, on a timely basis or at all.

The Notes may remain in existence for a short period following Conversion, with Noteholders having limited rights

Following Conversion, the Notes may remain in existence until the applicable Conversion Shares Delivery Date for the sole purpose of evidencing each Noteholder's right to receive Conversion Shares from the Conversion Shares Depositary. Notwithstanding this, all obligations of the Issuer under the Notes shall be irrevocably released in consideration of the Issuer's issuance and delivery of the Conversion Shares to the Conversion Shares Depositary on the Conversion Date, and under no circumstances shall such released obligations be reinstated. The Issuer expects the Notes will be cancelled on the applicable Conversion Shares Delivery Date (if not before). Notwithstanding the foregoing, there can be no assurance that Noteholders will be able to sell any Notes following the occurrence of a Trigger Event.

Receipt by the Conversion Shares Depositary of the Conversion Shares shall irrevocably discharge and satisfy the Issuer's obligations in respect of the Notes and a Noteholder shall, with effect on and from the Conversion Date, only have recourse to the Conversion Shares Depositary for the delivery to it of the relevant Conversion Shares. The Issuer shall not have any liability for the performance of the obligations of the Conversion Shares Depositary. There may, therefore, be a period following Conversion during which the Noteholders remain in possession of their Notes but are owed no obligations thereunder by the Issuer.

There may be a delay in Noteholders being able to transfer any Conversion Shares following Conversion

Although the Noteholders will become beneficial owners of the Conversion Shares upon the issuance of such Conversion Shares to the Conversion Shares Depositary and the Conversion Shares will be registered in the name of the Conversion Shares Depositary (or the relevant recipient in accordance with the terms of the Notes), no Noteholder will be able to sell or otherwise transfer any Conversion Shares (to the extent that they are able to find a buyer) until such time as they are finally delivered to such Noteholder and registered in its name.

Noteholders are subject to all changes made with respect to Conversion Shares prior to their registration as a holder of such Conversion Shares

Noteholders will be unable to exercise any rights related to any Conversion Shares until such Conversion Shares have been issued and delivered to the Conversion Shares Depositary

following the Conversion Date and subsequently delivered to the Noteholders, and such Noteholder has been registered in the Issuer's share register as a shareholder in accordance with the provisions of, and subject to the limitations provided in, the articles of association of the Issuer. Prior to such registration, Noteholders will be subject to all changes made with respect to the Conversion Shares but will not be entitled to any of the rights of a shareholder.

Noteholders may be subject to taxes following Conversion

Neither the Issuer nor any member of the Insurance Group will pay any taxes (including any capital, stamp, issue, registration, financial transaction, documentary or transfer taxes or duties) arising on, or as a result of, Conversion or that may arise or be paid as a consequence of the issue and delivery of Conversion Shares on Conversion. Noteholders must pay any such taxes arising on Conversion in connection with the issue and delivery of the Conversion Shares whether to the Conversion Shares Depositary on behalf of the relevant Noteholder or otherwise to or for the benefit of such Noteholder, and Noteholders must pay all, if any, such taxes arising by reference to any disposal or deemed disposal of its Notes or interest therein.

The Conversion Price is fixed and will be subject to adjustment only in response to a limited number of events

The value (if any) of any Conversion Shares which may be delivered upon Conversion of the Notes will be limited and as a result Noteholders are likely to lose substantially all of the value of their investment upon a Conversion. The initial Conversion Price is set at £1,000 per Conversion Share, and this is subject to adjustment only in very limited circumstances. If the Issuer proposes any Adjustment Event (as defined in the Conditions) the Issuer shall (conditional upon such Adjustment Event occurring) appoint an Independent Adviser (as defined in the Conditions) to make any adjustment that such Independent Adviser determines, without regard to any pre-determined formula, is appropriate or necessary to the Conversion Price to account for the Adjustment Event, which determination shall be final and binding on the Issuer, the Trustee and the Noteholders. The Adjustment Events are less extensive than those included in the terms of some other convertible securities.

Furthermore, there is no requirement that there should be an adjustment to the Conversion Price for every corporate or other event that may affect the value of the Conversion Shares. The Issuer may elect to make strategic or business decisions which may decrease the value of a Conversion Share in circumstances that do not result in an Adjustment Event or, accordingly, an adjustment to the Conversion Price.

Changes to Solvency II may increase the risk of the occurrence of a Trigger Event, cancellation of Interest Payments or the occurrence of a Capital Disqualification Event

Solvency II requirements adopted in the UK, whether as a result of further changes to Solvency II (including any amendment, variation, repeal or replacement following the UK's withdrawal from the European Union) or changes to the way in which the Relevant Regulator interprets and applies these requirements to the UK insurance industry, may change. Any such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of the Issuer's or the Group's Solvency Capital Requirement, and such changes may make the Issuer's or the Group's regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II in the UK subsequent to the date of this Offering Memorandum and/or any subsequent changes to such rules and other variables may individually and/or in aggregate negatively affect the calculation of the Issuer's or the Group's Solvency Capital Requirement and thus increase the risk of cancellation of Interest Payments, the occurrence of a Capital Disqualification Event and subsequent redemption of the Notes by the Issuer, or a Trigger Event occurring, which will (unless waived by the Relevant Regulator in

exceptional circumstances as provided in Condition 6(b)) lead to a Conversion, as a result of which a Noteholder could lose all or part of the value of its investment in the Notes.

Meetings, resolutions modification and waivers

The Conditions contain provisions for calling meetings of Noteholders (including by way of conference call and use of a videoconference platform) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who vote in a manner contrary to the majority. Such binding resolutions may also be passed by way of written resolution signed, or electronic consents given through the clearing systems, by holders representing not less than three-quarters of the aggregate principal amount of the Notes outstanding.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree (subject to the Issuer having first satisfied the Regulatory Clearance Condition) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of Notes in the circumstances described in the Conditions.

Substitution of obligors and transfer of business

The Conditions provide that the Trustee may, without the consent of the Noteholders, agree to the substitution of another company as principal debtor under the Notes in place of the Issuer in the circumstances described in Condition 14 (*Substitution of Issuer*).

The terms of the Notes contain very limited covenants

There is no negative pledge in respect of the Notes. The Issuer is generally permitted to sell or otherwise dispose of any or substantially all of its assets to another corporation or other entity under the terms of the Notes. If the Issuer decides to dispose of a large amount of its assets, investors in the Notes will not be entitled to demand repayment of the Notes, and those assets will no longer be available to support the Notes. In addition, the Notes do not require the Issuer to comply with financial ratios or otherwise limit its ability or that of its subsidiaries to incur additional debt, nor do they limit the Issuer's ability to use cash to make investments or acquisitions, or the ability of the Issuer or its subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the Issuer's ability to service its debt obligations, including those of the Notes.

No limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities which the Issuer may issue, which securities rank senior to, or *pari passu* with, the Notes. The issue of any such securities may reduce the amount recoverable by Noteholders on a winding-up of the Issuer and/or may increase the likelihood of a cancellation of interest payments under the Notes. Accordingly, in the winding-up of the Issuer and after payment of the claims of its senior ranking creditors, there may not be a sufficient amount to satisfy the amounts owing to the Noteholders.

No restriction on dividends

The Conditions do not contain any restriction on the ability of the Issuer to pay dividends on its ordinary shares. This could decrease the profits that are available for distribution and therefore increase the likelihood of a cancellation of payments of interest. At the time of publication of this Offering Memorandum, it is the intention of the Directors to take into account the relative ranking in the Issuer's capital structure of its ordinary shares and its outstanding restricted Tier 1 securities

(including, but not limited to, the Notes) whenever exercising its discretion to declare dividends on the former or to cancel interest on the latter. However, the Directors may depart from this policy at any time in their sole discretion.

Change of law

The Conditions are based on English law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Notes.

The Issuer may not be liable to pay certain taxes

All payments by or on behalf of the Issuer in respect of the Notes shall 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 ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction (as defined in the Conditions), unless the withholding or deduction of the Taxes is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject to certain customary exceptions) pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders in respect of payments of interest after the withholding or deduction shall equal the respective amounts which would have been received in respect of interest on the Notes in the absence of such withholding or deduction.

Potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the Noteholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Notes, or which arise on, or as a result of Conversion, except as provided for in the Conditions. In addition, potential investors should be aware that neither the Issuer nor any member of the Insurance Group will pay any taxes arising on, or as a result of Conversion or that may arise or be paid as a consequence of the issue and delivery of Conversion Shares on Conversion. See also the risk factor entitled "*Noteholders may be subject to taxes following Conversion*".

In particular, the Notes do not provide for payments of principal to be grossed up in the event withholding tax of the Relevant Jurisdiction is imposed on repayments of principal. As such, the Issuer would not be required to pay any Additional Amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Noteholders may receive less than the full amount due under the Notes and the market value of the Notes may be adversely affected.

The Issuer is a holding company within the Group and therefore payments on the Notes are structurally subordinated to the liabilities and obligations of the Issuer's subsidiaries. In addition, the Issuer is dependent upon cash flows from other entities in the Group to meet its obligations on the Notes

The Issuer is a holding company within the Group, with certain of its operations being conducted by operating subsidiaries. Accordingly, in the event of a winding up or administration of the Issuer or a subsidiary, creditors of a subsidiary would have to be paid in full before sums would be available to the shareholders of that subsidiary (i.e. the Issuer or a subsidiary of the Issuer) and so to Noteholders. The Conditions do not limit the amount of liabilities that the Issuer's subsidiaries may incur.

Furthermore, payment of interest and repayment of indebtedness by the Issuer under the Notes will be dependent on the ability of other entities within the Group to make such cash available to the Issuer. The Issuer may not necessarily have access to the full amount of cash flows generated by its operating subsidiaries, due in particular to legal or tax constraints, contractual restrictions and the subsidiary's financial requirements and regulatory capital requirements.

There can be no assurance that arrangements with the Issuer's cash flow will provide it with sufficient means to fund payments on the Notes.

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

The Notes will initially accrue interest at the Initial Fixed Interest Rate to, but excluding, the first Reset Date. From, and including, the first Reset Date, however, the interest rate will be reset on each Reset Date to the Reset Rate of Interest (as described in Condition 4(e) (*Determinaton of Reset Rate of Interest*). This Reset Rate of Interest could be less than the Initial Fixed Interest Rate, which could affect the amount of any interest payments under the Notes and the market value of an investment in the Notes. As the Notes bear interest at a fixed rate (reset from time to time), an investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Integral multiples of less than £200,000

The Notes will be issued in amounts of £200,000 and integral multiples of £1,000 in excess thereof. Accordingly, it is possible that the Notes may be traded in the clearing systems in amounts in excess of £200,000 that are not integral multiples of £200,000. Should definitive Certificates be required to be issued, they will be issued in principal amounts of £200,000 and higher integral multiples of £1,000 but will in no circumstances be issued to Noteholders who hold Notes in the relevant clearing system in amounts that are less than £200,000.

If definitive Certificates are issued, Noteholders should be aware that Certificates which represent Notes in a denomination that is not an integral multiple of £200,000 may be illiquid and difficult to trade.

A Restructuring Plan implemented pursuant to Part 26A of the Companies Act 2006 may modify or disapply certain terms of the Notes without the consent of the Noteholders

Where the Issuer encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a "**Plan**") with its creditors under Part 26A of the Companies Act 2006 (introduced by the Corporate Insolvency and Governance Act 2020) to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Should this happen, creditors whose rights are affected are organised into creditor classes and can vote on any such Plan (subject to being excluded from the vote by the English courts for having no genuine economic interest in the Issuer). Providing that one class of creditors (who would receive a payment, or have a genuine economic interest in the Issuer) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members, regardless of whether they approved it. Any such sanctioned Plan in relation to the Issuer may, therefore, adversely affect the rights of Noteholders and the price or value of their investment in the Notes, as it may have the effect of modifying or disapplying certain terms of the Notes (by, for example, writing down the principal

amount of the Notes, modifying the interest payable on the Notes or dates on which any payments are due or substituting the Issuer).

3. RISKS RELATED TO THE MARKET GENERALLY

The secondary market generally

The Notes have no established trading market when issued, and one may never develop. If a market does develop it may not be liquid, and this may be exacerbated if the Notes are purchased by a small number of initial investors. Investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and/or which are rated. Illiquidity may have a material adverse effect on the market value of the Notes. 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, including in circumstances where a significant proportion of the Notes are held by a limited number of initial investors.

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, or if at any time there is any actual or anticipated cancellation of interest or suspension of redemption in accordance with the Conditions, such circumstances can be expected to have a material adverse effect on the market price of the Notes. Investors in the Notes may find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such a sale, investors may lose some or substantially all of their investment in the Notes.

Exchange rate risks and exchange controls

The Issuer will (subject to suspension or cancellation, as provided in the Conditions) pay principal and interest on Notes in 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 sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would, all else being equal, decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the transferability or convertibility of any payment. As a result, investors may receive less interest or principal than expected, or no interest or principal.

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 (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Investors must rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Notes will be represented by the Global Certificate upon issue. The Global Certificate will be registered in the name of a nominee for the Common Depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg and will receive and provide any notices only through Euroclear or Clearstream, Luxembourg.

While the Notes are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the registered holder as nominee for the Common Depositary for Euroclear or Clearstream, Luxembourg for distribution to their accountholders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer does not have responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Credit rating may not reflect all risks

Fitch, an independent credit rating agency, is expected to assign a rating of 'BB' to the Notes. This rating may not reflect the potential impact of all risks relating to structure, market, additional factors discussed in this section and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by Fitch at any time.

Rating agencies other than Fitch could seek to rate the Issuer or the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by Fitch, those unsolicited ratings could have an adverse effect on the market value of the Notes.

Furthermore, in general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in

certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Terms and Conditions of the Notes

The following is the text of the terms and conditions of the Notes (as defined below) that, save for paragraphs in italics, shall be applicable to the Certificates (as defined below) in definitive form (if any) issued in exchange for the Global Certificate representing the Notes. The full text of these terms and conditions shall be endorsed on the Certificates relating to such Notes. Provisions in italics do not form part of the Conditions (as defined below).

The issue of the £300,000,000 Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any Further Notes issued pursuant to Condition 17) was (save in respect of any such Further Notes) authorised by resolutions of the board of directors of Utmost Group plc (the "**Issuer**", which term shall include any substitute therefor from time to time pursuant to the terms of Condition 14) passed on 12 January 2022.

The Notes are constituted by a trust deed dated 27 January 2022 (the "**Trust Deed**") between the Issuer and Citibank, N.A., London Branch (the "**Trustee**", which expression shall include all persons for the time being and from time to time appointed as the trustee or trustees under the Trust Deed) as trustee in respect of the Notes. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed. The Notes have the benefit of a paying and conversion agency agreement dated 27 January 2022 (the "**Agency Agreement**") relating to the Notes between the Issuer, the Trustee, Citibank Europe Plc as registrar (the "**Registrar**", which expression shall include any successor thereto) and as transfer agent (the "**Transfer Agent**", which expression shall include any successor thereto and any additional transfer agents appointed thereunder), and Citibank, N.A., London Branch as initial agent bank (the "**Agent Bank**", which expression shall include any successor thereto) and as initial principal paying and conversion agent (the "**Principal Paying and Conversion Agent**", which expression shall include any successor thereto, and, together with any further paying and conversion agents appointed thereunder, the "**Paying and Conversion Agents**", which expression shall include any successors thereto).

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection during usual business hours at the specified offices of the Principal Paying and Conversion Agent and (ii) may be provided by email to a Noteholder requesting a copy from the Principal Paying and Conversion Agent, in each case upon provision of proof of the Noteholder's identity and of a holding of Notes (satisfactory to the Principal Paying and Conversion Agent), and subject to the Principal Paying and Conversion Agent being supplied by the Issuer with electronic copies. The Noteholders 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 the provisions of the Agency Agreement. All capitalised terms that are not defined in these Conditions have the meanings given to them in the Trust Deed.

1. Form, Denomination and Title

(a) Form and Denomination

The Notes are issued in registered form in principal amounts of £200,000 and integral multiples of £1,000 in excess thereof (referred to as the "**principal amount**" of a Note, and references in these Conditions to "**principal**" in relation to a Note shall be construed accordingly) without coupons attached. A certificate (each, a "**Certificate**") will be issued to each Noteholder in respect of its registered holding of Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Noteholders which the Issuer will procure to be kept by the Registrar (the "**Register**") on which shall be entered the names, addresses and

account details of Noteholders and the particulars of the Notes held by them and of all transfers and repayments of Notes.

(b) Title

Title to the Notes passes only by transfer and registration in the Register. The holder of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Noteholder**" and (in relation to a Note) "**holder**" means the person against whose name a Note is registered in the Register (or, in the case of joint holders, the first named thereof). Each Noteholder shall be entitled to receive only one Certificate in respect of its entire holding of Notes.

2. Transfers of Notes and Issue of Certificates

(a) Transfers

Subject to Conditions 2(d) and (e), each Note may be transferred (in whole or in part, subject to such transfer being in a minimum denomination of £200,000 and integral multiples of £1,000 in excess thereof) by depositing the Certificate issued in respect of that Note, together with the form of transfer in respect thereof duly completed and executed at the specified office of the Registrar or a Transfer Agent.

No transfer of a Note will be valid unless and until entered on the Register. A Note may be registered only in the name of, and transferred only to, a named person (or persons not exceeding four in number) or a nominee.

(b) Delivery of new Certificates

Each new Certificate to be issued upon a transfer of Notes will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the duly completed, executed and (where applicable) stamped form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note (but free of charge to the Noteholder) to the address specified in the form of transfer. The form of transfer shall be available at the specified offices of the Transfer Agents.

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the balance of Notes not so transferred will, within five Business Days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Notes not so transferred (but free of charge to the Noteholder) to the address of such holder appearing on the Register or as specified in the form of transfer.

(c) Formalities free of charge

Registration of transfer of any Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but upon (i) payment (or the giving of such indemnity as the Issuer or any Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer and (ii) the Registrar or the relevant Transfer Agent being satisfied with the documents of title and/or the identity of the person making the application.

(d) *Closed periods*

No Noteholder may require the transfer of a Note (or part thereof) to be registered:

(i) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 8(f);

(ii) after the Notes have been called for redemption pursuant to Condition 8;

(iii) during the period of seven days ending on (and including) any Record Date; or

(iv) at any time after the giving of a Trigger Event Notice by the Issuer.

(e) *Regulations*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests one and will be available at the specified offices of the Transfer Agents.

3. Status of the Notes and rights on a winding-up

(a) *Status*

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders in any Issuer Winding-Up are as described in the Trust Deed, this Condition 3 and Condition 11.

(b) *Issuer Winding-Up prior to a Trigger Event*

The rights and claims of the Noteholders (and the Trustee on their behalf) are subordinated to the claims of Senior Creditors in that if at any time prior to the date on which a Trigger Event occurs an Issuer Winding-Up occurs, there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to the holder of such Note if, throughout such winding-up or administration, such Noteholder 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 or administration 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 or administration 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 Noteholder was entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up or administration were an amount equal to the principal amount of the relevant Note 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 Note, 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

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

(c) Issuer Winding-Up on or after a Trigger Event

If, at any time on or after the date on which a Trigger Event occurs (disregarding, for this purpose, any Trigger Event in respect of which the Relevant Regulator has waived Conversion as contemplated in Condition 6(b), in which case Condition 3(b) shall continue to apply as if such Trigger Event had not occurred), an Issuer Winding-Up occurs but the relevant Conversion Shares to be issued and delivered to the Conversion Shares Depositary on Conversion in accordance with Condition 6 have not been so delivered, there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, that would have been payable if, on the day prior to the commencement of the winding-up or liquidation of the Issuer or the Issuer's entry into administration and thereafter, the holder of that Note was the holder of such number of Conversion Shares as it would have been entitled to receive following Conversion of that Note in accordance with Condition 6, 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 shareholders were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation).

(d) Trustee's fees

Nothing in the Trust Deed or these Conditions shall affect or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

(e) Solvency Condition

Other than in circumstances where an Issuer Winding-Up has occurred or is occurring, all payments under or arising from the Notes or (subject as provided in Condition 3(d)) the Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be due or payable by the Issuer under or arising from the Notes or the Trust Deed (including any damages awarded for breach of obligations thereunder) except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**").

Any payment of interest that would have been due and payable but for the operation of this Condition 3(e) shall be cancelled.

For the purposes of this Condition 3(e), the Issuer will be "**solvent**" if (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities.

A certificate as to the solvency or lack thereof of the Issuer signed by two Authorised Signatories or, if there is a winding-up or administration of the Issuer, 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 Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(f) *Set off, etc.*

By acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived and to have directed and authorised the Trustee on its behalf to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer in respect of or arising under the Notes or the Trust Deed whether prior to or in liquidation, winding-up or administration. Notwithstanding the preceding sentence, if any of the rights and claims of any Noteholder in respect of or arising under the Notes or the Trust Deed are discharged by set-off, such Noteholder will immediately pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the liquidator, trustee, receiver or administrator of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the liquidator, trustee, receiver or administrator in the relevant liquidation, winding-up or administration. Accordingly, such discharge will be deemed not to have taken place.

4. Interest

(a) *Interest Rate and Interest Payment Dates*

Subject to Conditions 3(e), 5 and 6, the Notes bear interest on their outstanding 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(e), 5 and 6, interest shall be payable on the Notes 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 £30.625 per Calculation Amount if paid in full), in each case as provided in this Condition 4; save that the first payment of interest to be made (subject to Conditions 3(e), 5 and 6) on 15 June 2022 shall be in respect of the period from (and including) the Issue Date to (but excluding) 15 June 2022 (and shall, if paid in full, be £23.389 per Calculation Amount).

Where it is necessary to compute an amount of interest in respect of any Note for any period (other than any full Interest Period), the relevant day-count fraction shall be determined on the basis of (1) the number of days in the relevant period, from (and including) the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the date on which it falls due (any such period, an "**Accrual Period**"), divided by (2) the product of (a) two and (b) the actual number of days in the period from (and including) the Accrual Date (or, if the Accrual Period falls within the short first Interest Period, 15 December 2021) to (but excluding) the next scheduled Interest Payment Date.

(b) *Interest Accrual*

Subject to Conditions 3(e), 5 and 6, the Notes will accrue interest in respect of each Interest Period and cease to bear interest from (and including) the due date for redemption or substitution thereof pursuant to Condition 8, unless, upon surrender of the Certificate representing any Note, payment of all amounts due in respect of such Note is not properly and duly made, in which event interest shall continue to accrue on the principal amount of such Note, 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 Note 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(e), 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 Note is more than the Calculation Amount, the amount of interest payable in respect of each such Note, is the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Note.

(c) Initial Fixed Interest Rate

For the Initial Fixed Rate Interest Period, the Notes bear interest, subject to Conditions 3(e), 5 and 6, at the rate of 6.125 per cent. per annum (the "**Initial Fixed Interest Rate**").

(d) Reset Rate of Interest

The Interest Rate will be reset (each a "**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, rounded (if necessary) to three decimal places (with 0.0005 rounded down).

(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 Reset Reference Banks of the 5-year Gilt Yield Quotations (if any), 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 and Conversion Agent, the Registrar, each of the Transfer Agents, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 13, the Noteholders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

If the Notes become due and payable pursuant to Condition 11, the Reset Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated 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 is set out in the preamble to 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 or commercial bank or financial institution of international repute. 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(e), the Issuer shall forthwith appoint another leading investment or commercial bank or financial institution of international repute

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 and Conversion Agent, the Registrar, the Transfer Agents and all Noteholders and (in the absence of wilful default or gross negligence) no liability to the Noteholders, the Trustee or 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) Interest Payments Discretionary

Interest on the Notes is due and payable only at the sole and absolute discretion of the Issuer and is subject to the provisions of Conditions 3(e), 5(b) and 6. Accordingly, the Issuer may at any time elect to cancel any Interest Payment (or any part thereof) which would otherwise be due and payable on any Interest Payment Date.

If the Issuer does not make an Interest Payment or part thereof on the relevant Interest Payment Date, such non-payment shall evidence the non-payment and cancellation of such Interest Payment (or relevant part thereof) by reason of it not being due in accordance with Condition 3(e), the cancellation of such Interest Payment in accordance with Condition 5(b), the cancellation of interest upon the occurrence of a Trigger Event in accordance with Condition 6 or, as appropriate, the Issuer's exercise of its discretion otherwise to cancel such Interest Payment (or relevant part thereof) in accordance with this Condition 5(a), and accordingly such interest shall not in any such case be due and payable.

(b) Mandatory Cancellation of Interest

To the extent required by the Relevant Rules from time to time and save as otherwise permitted pursuant to Condition 5(c), the Issuer shall cancel in full any Interest Payment on the Notes in accordance with this Condition 5 if:

(i) the Solvency Condition is not met at the time for payment of such Interest Payment, or would cease to be met immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);

(ii) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);

(iii) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such

Interest Payment (having regard also to any Additional Amounts payable with respect thereto);

(iv) the amount of such Interest Payment, together with any Additional Amounts payable with respect thereto, when aggregated together with any interest payments or distributions which have been paid or made by the Issuer or which are scheduled simultaneously to be paid or made by the Issuer on all Tier 1 Own Funds (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for by way of deduction in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment; or

(v) the Issuer is otherwise required by the Relevant Regulator or under the Relevant Rules to cancel the relevant Interest Payment,

each of the events or circumstances described in sub-paragraphs (i) to (v) (inclusive) above being a "**Mandatory Interest Cancellation Event**".

A certificate signed by two Authorised Signatories confirming that (i) a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if payment of interest on the Notes were to be made or (ii) a Mandatory Interest Cancellation Event has ceased to occur and/or payment of interest on the Notes would not result in a new or further Mandatory Interest Cancellation Event occurring, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(c) Waiver of Cancellation of Interest Payments by the Relevant Regulator

Notwithstanding Condition 5(b), the Issuer shall not be required to cancel an Interest Payment where a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if payment of interest on the Notes were to be made, where:

(i) the Mandatory Interest Cancellation Event is of the type described in sub-paragraph (ii) of Condition 5(b) only;

(ii) the Relevant Regulator has exceptionally waived the cancellation of the Interest Payment and has provided the Issuer with written confirmation of the same;

(iii) payment of the Interest Payment would not further weaken the solvency position of the Issuer or the Insurance Group; and

(iv) the Minimum Capital Requirement will be complied with immediately following such Interest Payment, if made.

A certificate signed by two Authorised Signatories confirming that the conditions set out in this Condition 5(c) are met, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The

Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(d) Effect of Cancellation of Interest Payments

Any Interest Payment (or relevant part thereof) which is cancelled in accordance with this Condition 5 or which is otherwise not due and payable in accordance with Condition 3(e) or which is cancelled in accordance with Condition 6 shall not become due and shall not accumulate or be payable at any time thereafter, and Noteholders shall have no rights in respect thereof (whether in an Issuer Winding-Up or otherwise) and any such cancellation or non-payment shall not constitute a default or event of default on the part of the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action under the Notes or the Trust Deed.

(e) Notice of Cancellation of Interest

The Issuer shall provide notice of any cancellation of any Interest Payment (or any part thereof) pursuant to Condition 5(a) or 5(b) to Noteholders in accordance with Condition 13, and to the Trustee in a certificate signed by two Authorised Signatories, and the Principal Paying and Conversion Agent and the Registrar in writing, at least five Business Days prior to the relevant Interest Payment Date (or, if the determination that such Interest Payment (or any part thereof) is to be cancelled is made after such fifth Business Day, as soon as is practicable following the making of such determination). However, any failure to provide such notice will not invalidate the cancellation of the relevant Interest Payment (or relevant part thereof) and shall not constitute a default or event of default on the part of the Issuer for any purpose.

6. Conversion

(a) Notes not convertible at the option of Noteholders or the Trustee

The Notes are not convertible at the option of Noteholders or the Trustee at any time.

(b) Conversion upon Trigger Event occurring

If a Trigger Event has occurred, the Issuer shall:

(i) immediately inform the Relevant Regulator of the occurrence of the Trigger Event; and

(ii) (unless the Relevant Regulator has waived Conversion in exceptional circumstances, as provided below) immediately give the Trigger Event Notice which notice shall be irrevocable.

Unless the Relevant Regulator has waived Conversion as aforesaid, immediately following the determination that a Trigger Event has occurred, a Conversion shall occur and the Issuer shall deliver the Conversion Shares to the Conversion Shares Depositary (or such other relevant recipient as described below) on the Conversion Shares Delivery Date.

Following such Conversion there shall be no reinstatement of any part of the principal amount of, or interest on, the Notes at any time, including where the Trigger Event ceases to occur.

Effective upon, and following, the Conversion, the Issuer's obligation to repay the principal amount outstanding of each Note shall, without any further action required on the part of the Issuer or the Trustee, be irrevocably released and cancelled and Noteholders shall not have any rights against the Issuer in a winding-up or administration of the Issuer or otherwise with respect to:

(A) repayment of the principal amount of the Notes or any part thereof;

(B) the payment of any interest on the Notes for any period; or

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

Such Conversion shall take place without the need for the consent of Noteholders or the Trustee.

The determination as to whether a Trigger Event has occurred shall be made by the Issuer. Any such determination shall be binding on the Trustee and the Noteholders.

Any Trigger Event Notice delivered to the Trustee 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 may 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 Conversion, or give Noteholders any rights as a result of such failure.

The release of the principal amount of a Note pursuant to this Condition 6 shall be permanent and shall not constitute a default or event of default on the part of the Issuer for any purpose and will not give Noteholders or the Trustee any right to take any enforcement action under the Notes or the Trust Deed.

To the extent permitted by and in accordance with the Relevant Rules in force as at the relevant time, a Conversion may be exceptionally waived by the Relevant Regulator at any time prior to the relevant Trigger Event if such a Conversion (taking into account the write-down or conversion of any other Own Fund Items on or around the same date) would give rise to a tax liability that would have a significant adverse effect on the solvency or capital position of the Issuer and/or the Insurance Group. If the relevant Conversion is so waived, the relevant Conversion shall not occur and the Notes shall remain outstanding (but without prejudice to the cancellation of any Interest Payment or part thereof pursuant to Condition 5, and further without prejudice to Conversion upon the occurrence of a subsequent Trigger Event in respect of which the Relevant Regulator does not grant such a waiver). The Issuer shall give notice to the Trustee, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 13, the Noteholders of the grant of any such waiver as soon as practicable following its receipt from the Relevant Regulator.

Under the Relevant Rules in force as at the Issue Date, the Relevant Regulator is permitted (but not required) exceptionally to waive a Conversion in certain limited circumstances (being that it was triggered only by limb (c) of the definition of Trigger Event and not by either of limbs (a) or (b) of such definition) where it has received prior to the relevant Trigger Event (i) projections provided by the Issuer and/or the Insurance Group when it submits its recovery plan required by the Relevant Rules, that demonstrate that

triggering the principal loss absorbency mechanism in such case would be very likely to give rise to a tax liability that would have a significant adverse effect on Issuer's and/or the Insurance Group's solvency position; and (ii) a certificate issued by the Issuer's or the Insurance Group's statutory auditors certifying that all of the assumptions used in the projections are realistic.

(c) Conversion Shares Depositary

The Issuer shall use all reasonable endeavours to appoint a Conversion Shares Depositary as soon as reasonably practicable following the occurrence of a Trigger Event (unless the Relevant Regulator has waived Conversion in respect of such Trigger Event as contemplated in Condition 6(b)).

If the Issuer has been unable to appoint a Conversion Shares Depositary, it shall make such other arrangements for the issuance and/or delivery of the Conversion Shares to the Noteholders as it shall consider reasonable in the circumstances, which may include issuing the Conversion Shares to another nominee for the Noteholders or to the Noteholders directly, which issuance shall irrevocably and automatically release all of the Issuer's obligations under the Notes as if the Conversion Shares had been issued to the Conversion Shares Depositary.

The Conversion Shares shall initially be registered in the name of the Conversion Shares Depositary (which shall hold the Conversion Shares as nominee on behalf of the Noteholders) or the relevant recipient as contemplated above, and each Noteholder shall be deemed to have irrevocably directed the Issuer to issue the Conversion Shares corresponding to the conversion of its holding of Notes to the Conversion Shares Depositary (or to such other relevant recipient).

The number of Conversion Shares to be issued to the Conversion Shares Depositary on the Conversion Shares Delivery Date shall be determined by dividing the aggregate principal amount of the Notes outstanding immediately prior to the Conversion by the Conversion Price prevailing on the date of the Conversion rounded down, if necessary, to the nearest whole number of Conversion Shares. Fractions of Conversion Shares will not be issued following a Conversion and no cash payment will be made in lieu thereof.

The number of Conversion Shares to be held by the Conversion Shares Depositary for the benefit of each Noteholder shall be the number of Conversion Shares thus calculated multiplied by a fraction equal to the aggregate principal amount of the Notes held by such Noteholder divided by the aggregate principal amount of the Notes outstanding immediately prior to the Conversion, rounded down, if necessary, to the nearest whole number of Conversion Shares.

The Conversion Shares issued following a Conversion will be fully paid and non-assessable and will in all respects rank *pari passu* with the Issuer's fully paid ordinary shares of the same class in issue (if any) on the Conversion Shares Delivery Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that the Conversion Shares so issued will not rank for (or, as the case may be, the relevant Noteholder shall not be entitled to receive) any rights, the entitlement to which falls prior to the Conversion Shares Delivery Date. The Conversion Shares will not carry voting rights at general meetings of the shareholders of the Issuer.

The Conversion Shares Depositary (or the relevant recipient in accordance with these Conditions, as applicable) shall hold the Conversion Shares on behalf of the Noteholders, who shall be entitled to direct the Conversion Shares Depositary (or such other recipient,

as applicable) to exercise on their behalf all rights of an ordinary shareholder holding shares of the same class as the Conversion Shares (including rights to receive dividends) except that Noteholders shall not be able to sell or otherwise transfer the Conversion Shares until such time (if any) as they have been delivered to Noteholders.

Neither the Issuer, nor any member of the Insurance Group shall be liable for any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the delivery of Conversion Shares, which tax shall be borne solely by the Noteholder or, if different, the person to whom the Conversion Shares are delivered.

The Conversion Shares will not be available for delivery (A) to, or to a nominee for, any clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or (B) to a person, or nominee or agent for a person, whose business is or includes issuing depository receipts within the meaning of Section 93 of the Finance Act 1986 of the United Kingdom, in each case at any time prior to the "abolition day" as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom, or, if earlier, such other time at which the Issuer, in its absolute discretion, determines that no charge under Section 67, 70, 93 or 96 of the Finance Act 1986 or any similar charge (under any successor legislation) would arise as a result of such delivery or (C) to the CREST account of such a person mentioned in (A) or (B).

(d) Delivery of Conversion Shares

The Conversion Shares Depositary shall deliver a notice to the Trustee, any stock exchange on which the Notes were listed or admitted to trading immediately prior to Conversion and, in accordance with Condition 13, the Noteholders (i) setting out the procedures by which a Noteholder may arrange for the transfer to itself from the Conversion Shares Depositary of the Conversion Shares held for such Noteholder by the Conversion Shares Depositary, and (ii) specifying the date up to which the Notes shall remain in existence for the sole purpose of evidencing each relevant Noteholder's right to receive Conversion Shares from the Conversion Shares Depositary.

Following such cancellation of the Notes, each Noteholder will have to provide evidence of its entitlement to the relevant Conversion Shares satisfactory to the Conversion Shares Depositary in its sole and absolute discretion in order to receive delivery of Conversion Shares and the Conversion Shares Depositary may include such conditions to delivery as it considers to be appropriate.

The Issuer shall have no liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares or from any delay in the receipt thereof, in each case as a result of such holder failing to duly submit any notice and/or evidence of entitlement required by the Conversion Shares Depositary and the relevant Notes, if applicable, on a timely basis or at all.

If any Conversion Shares have not been claimed for 12 years after the Conversion Shares Delivery Date, the Issuer may, at any time after such time and in its sole and absolute discretion, instruct the Conversion Shares Depositary (or an agent on its behalf) to sell for cash all or some of any such Conversion Shares and any such cash proceeds from such sale(s) will be forfeited and will be transferred to the Issuer for its own account unless the Issuer decides, in its sole and absolute discretion, otherwise. The Issuer will not be a trustee of any such cash and the Issuer shall have no liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares or the cash proceeds from any such sale(s) as aforesaid (as applicable).

The Trustee shall not be responsible for monitoring or enforcing the obligations of the Conversion Shares Depositary. Following Conversion and delivery of the Conversion Shares to the Conversion Shares Depositary, Noteholders must look to the Conversion Shares Depositary (or such other recipient of the Conversion Shares, as set out above) for any Conversion Shares due to them at the relevant time.

(e) Adjustments to the Conversion Price

If the Issuer proposes any Adjustment Event, the board of directors of the Issuer shall (in its sole discretion, acting in good faith) determine and (conditional upon such Adjustment Event occurring) appoint an Independent Adviser to make any adjustment that such Independent Adviser determines is appropriate or necessary to the Conversion Price to account for the Adjustment Event, which determination shall be final and binding on the Issuer, the Trustee and the Noteholders. The Issuer shall give notice to the Trustee, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 13, the Noteholders of any adjustment to the Conversion Price as soon as practicable following such determination. The Conversion Price shall not in any event be reduced to below the nominal value at such time of an ordinary share of the class of which Conversion Shares will form part. The Issuer further undertakes that it shall not take any action, and shall procure that no action is taken, that would result in an adjustment to the Conversion Price to below such nominal value or any minimum level permitted by law and regulation.

(f) Undertakings

Whilst any Note remains outstanding, the Issuer shall (if and to the extent permitted by the Relevant Rules from time to time and only to the extent that such covenant would not cause a Capital Disqualification Event to occur), save with the approval of an Extraordinary Resolution, at all times keep available for issue or allotment, free from any pre-emptive or other preferential rights, sufficient ordinary shares of the class of Conversion Shares to enable the issue of all Conversion Shares as would be necessary to satisfy in full the obligation of the Issuer to deliver Conversion Shares on the Conversion Shares Delivery Date following the occurrence of a Trigger Event.

(g) Rights of Noteholders to Conversion Shares

If the Issuer fails to issue and deliver the Conversion Shares to be issued and delivered upon Conversion to the Conversion Shares Depositary (or to the relevant recipient as contemplated in this Condition 6) in accordance with these Conditions, a Noteholder's only right under the Notes against the Issuer for any such failure will be to claim to have such Conversion Shares issued and delivered in accordance with the foregoing provisions of Condition 6.

Provided that the Issuer issues and delivers the Conversion Shares to the Conversion Shares Depositary (or to the relevant recipient as contemplated in this Condition 6) in accordance with these Conditions, with effect from the Conversion Shares Delivery Date, Noteholders shall have recourse only to the Conversion Shares Depositary (or to such other relevant recipient, as applicable) for the delivery to them of the Conversion Shares to which such Noteholders are entitled.

7. Payments

(a) Payments in respect of Notes

(i) Payments of principal and interest shall be made on the date scheduled for payment to the persons shown on the Register at the close of business on the date falling 15 days before the due date in respect of such payment (the "**Record Date**"). Payment of principal and interest will be made by transfer to the registered account of the relevant Noteholder.

(ii) Payments of principal and interest due at the time of redemption of the Notes will only be made against surrender of the relevant Certificate at the specified office of any of the Paying and Conversion Agents.

(iii) For the purposes of this Condition 7, a Noteholder's "**registered account**" means the Sterling account maintained by it or on its behalf with a bank that processes payments in Sterling, details of which appear on the Register at the close of business on the date falling two Business Days before the due date for payment.

(b) Payments subject to applicable laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction imposed or required pursuant to Sections 1471 through 1474 of the US Internal Revenue Code of 1986 (the "**Code**"), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (each, a "**FATCA Withholding Tax**").

(c) No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 7.

(d) Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the due date for payment or, in the case of a payment of principal or interest due at the time of redemption of the Notes, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of any Paying and Conversion Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if the Noteholder is late in surrendering its Certificate (in circumstances where it is required to do so).

(e) Partial payments

If the amount of principal or interest which is scheduled and due to be paid on the Notes is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid. With respect to the amount of any Interest Payment or part thereof, the Registrar shall have regard to the provisions of Condition 5(a).

(f) Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves its right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that it will:

(i) at all times maintain a Principal Paying and Conversion Agent, an Agent Bank, a Registrar and a Transfer Agent; and

(ii) at all times maintain such other agents as may be required by any stock exchange on which the Notes may be listed.

Notice of any termination or appointment and of any changes in specified offices of any of the Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

8. Redemption, Substitution, Variation and Purchase

(a) No Redemption Date

The Notes are perpetual securities in respect of which there is no fixed redemption date and (without prejudice to Conversion of the Notes in accordance with Condition 6) the Issuer shall only have the right to redeem or purchase the Notes in accordance with the following provisions of this Condition 8. The Notes are not redeemable at the option of the Noteholders at any time.

(b) Conditions to Redemption and Purchase

To the extent required pursuant to the Relevant Rules at the relevant time, and save as otherwise permitted pursuant to Condition 8(c), the Issuer may not redeem or purchase any Notes unless the following conditions are satisfied:

(i) in the case of a redemption or purchase of the Notes prior to the fifth anniversary of the Relevant Issue Date, either:

(1) such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes; or

(2) in the case of any redemption pursuant to Condition 8(g) or 8(h), the Relevant Regulator is satisfied (such satisfaction to be conclusively evidenced by satisfaction of the Regulatory Clearance Condition in respect of such redemption) that the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) will be exceeded by an appropriate margin immediately after such redemption (taking into

account the solvency position of the Issuer and the Insurance Group including its medium-term capital plan); and

(A) in the case of any such redemption following the occurrence of a Tax Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator (such satisfaction to be conclusively evidenced by satisfaction of the Regulatory Clearance Condition in respect of such redemption) that the applicable change in tax treatment is material; or

(B) in the case of any such redemption following the occurrence of a Capital Disqualification Event, the Relevant Regulator considers that the relevant change in the regulatory classification of the Notes is sufficiently certain; and

(C) in either case, the Issuer has demonstrated to the satisfaction of the Relevant Regulator (such satisfaction to be conclusively evidenced by satisfaction of the Regulatory Clearance Condition in respect of such redemption) that such change described in sub-paragraph (A) or (B) above was not reasonably foreseeable as at the Relevant Issue Date;

(ii) in respect of any redemption or purchase of the Notes occurring on or after the fifth anniversary of the Relevant Issue Date and before the tenth anniversary of the Relevant Issue Date, the Relevant Regulator has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) is exceeded by an appropriate margin (taking into account the solvency position of the Issuer and the Insurance Group including its medium-term capital management plan) unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Funds of the same or a higher quality than the Notes;

(iii) the Solvency Condition is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Condition to be breached;

(iv) the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable) to be breached;

(v) the Minimum Capital Requirement of the Issuer and/or the Insurance Group (as applicable) is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Minimum Capital Requirement of the Issuer and/or the Insurance Group (as applicable) to be breached;

(vi) no Insolvent Insurer Winding-up has occurred and is continuing;

(vii) the Regulatory Clearance Condition is satisfied; and/or

(viii) any other additional or alternative requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Regulator

or the Relevant Rules have (in addition or in the alternative to the foregoing subparagraphs, as the case may be) been complied with (and shall continue to be complied with following the proposed redemption or purchase),

the conditions set out in paragraphs (i) to (viii) (inclusive) above (to the extent required pursuant to the Relevant Rules at the relevant time as aforesaid) being the "**Redemption and Purchase Conditions**".

If, on the proposed date for redemption of the Notes, the Redemption and Purchase Conditions are not met, redemption of the Notes shall instead be suspended and such redemption shall occur only in accordance with Conditions 8(c) and 8(d). If, on the proposed date for any purchase of Notes pursuant to Condition 8(n), the Redemption and Purchase Conditions are not met, the purchase of the Notes shall instead be cancelled.

(c) Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by the Relevant Regulator

Notwithstanding Condition 8(b), the Issuer shall be entitled to redeem or purchase Notes (to the extent permitted by the Relevant Rules) where:

(i) all Redemption and Purchase Conditions are met other than that described in paragraph (iv) of Condition 8(b);

(ii) the Relevant Regulator has exceptionally waived the cancellation or suspension of redemption or, as the case may be, purchase of the Notes;

(iii) all (but not some only) of the Notes being redeemed or purchased at such time are exchanged for a new issue of Tier 1 Own Funds of the same or higher quality than the Notes; and

(iv) the Minimum Capital Requirement will be complied with immediately following such redemption or purchase, if made.

A certificate signed by two Authorised Signatories confirming that the conditions set out in this Condition 8(c) are met, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely absolutely on such certificate without liability to any person and without obligation to verify or investigate the accuracy thereof.

(d) Suspension of Redemption

The Issuer shall notify the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition 13, the Noteholders no later than five Business Days prior to any date set for redemption of the Notes if such redemption is to be suspended in accordance with Condition 8(b), provided that if an event occurs or is determined less than five Business Days prior to the date set for redemption that results in the Redemption and Purchase Conditions ceasing to be met, the Issuer shall notify the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition 13, the Noteholders as soon as reasonably practicable following the occurrence or determination (as the case may be) of such event.

If redemption of the Notes does not occur on the date specified in the notice of redemption by the Issuer under Condition 8 as a result of the operation of Condition 8(b), or the

Relevant Regulator does not consent to the redemption (to the extent that consent is then required by the Relevant Regulator or the Relevant Rules) or such redemption otherwise cannot be effected in compliance with the Relevant Rules on such date, subject to Condition 3(e) and to the Issuer having received consent or due notification of non-objection in writing from the Relevant Regulator, if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time, the Issuer shall redeem such Notes at their principal amount outstanding together with any accrued and unpaid interest (in each case, to the extent that such amounts have not been cancelled pursuant to these Conditions), upon the earlier of:

(i) the date falling 10 Business Days after the date on which the Redemption and Purchase Conditions are met or redemption of the Notes is otherwise permitted pursuant to Condition 8(c) (unless on such tenth Business Day the Redemption and Purchase Conditions are again not met or the redemption of the Notes on such date would result in the Redemption and Purchase Conditions ceasing to be met (in each case save for the Redemption and Purchase Condition at sub-paragraph (iv) of Condition 8(b) to the extent waived under Condition 8(c)), in which case the provisions of Condition 8(b) and this sub-paragraph (i) of this Condition 8(d) will apply *mutatis mutandis* to determine the rescheduled due date for redemption of the Notes); or

(ii) the date on which an Issuer Winding-Up occurs (insofar as such Issuer Winding-Up occurs prior to a Trigger Event in respect of which the Relevant Regulator has not waived Conversion as contemplated in Condition 6(b)).

The Issuer shall notify the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition 13, the Noteholders no later than five Business Days prior to any such date set for redemption pursuant to (i) or (if reasonably practicable in the circumstances) (ii) above.

A certificate signed by two Authorised Signatories confirming that: (i) the Redemption and Purchase Conditions are not met or would cease to be met if the proposed redemption or purchase were to be made; or (ii) the Redemption and Purchase Conditions are met and would continue to be met if the proposed redemption or purchase were to be made, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and shall be binding on all such persons. The Trustee shall be entitled to rely on such certificate absolutely without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(e) Suspension of Redemption and Cancellation of Purchases Not a Default

Notwithstanding any other provision in these Conditions or in the Trust Deed, the suspension of redemption of the Notes and any cancellation of any purchases of any Notes in accordance with Condition 8(b) and 8(d) shall not constitute a default or event of default on the part of the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action under the Notes or the Trust Deed.

(f) Redemption at the Option of the Issuer

Provided that the Redemption and Purchase Conditions are met, the Issuer may, at its option, having given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition

13, the Noteholders (which notice shall, save as provided in Condition 8(p) below, be irrevocable and shall specify the date fixed for redemption) redeem all (but not some only) of the Notes (i) on any day falling in the period commencing on (and including) 15 December 2028 and ending on (and including) the First Reset Date or (ii) on any Reset Date thereafter at their principal amount together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption.

(g) Redemption, substitution or variation at the option of the Issuer due to a Tax Event

Provided that (in the case of a redemption) the Redemption and Purchase Conditions and (in any case) the relevant preconditions to redemption, variation and substitution in Condition 8(l) are met, if a Tax Event has occurred and is continuing, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 15 nor more than 60 days' notice to the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition 13, the Noteholders (which notice shall, save as provided in Condition 8(p) below, be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(i) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities, and the Trustee shall (subject to the receipt by it of the certificates of the Authorised Signatories referred to in Condition 8(l) below and in the definition of "Qualifying Securities") agree to such substitution or variation,

provided that:

(1) no such notice shall be given earlier than 90 days prior to the earliest date on which:

(A) with respect to limb (a)(i) of the definition of Tax Event, the Issuer would be obliged to pay such Additional Amounts;

(B) with respect to limb (a)(ii)(1) of the definition of Tax Event, the payment of interest would no longer be deductible for Relevant Jurisdiction tax purposes or such deduction would be materially reduced; or

(C) with respect to limb (a)(ii)(2) of the definition of Tax Event, the Issuer would not to any material extent be entitled to have the loss or non-trading deficit set against the profits as provided in such limb (a)(ii)(2); and

(2) the Issuer shall also deliver to the Trustee an opinion from a nationally recognised law firm or other tax adviser in the applicable Relevant Jurisdiction experienced in such matters to the effect that the relevant requirement or circumstance referred to in limb (a) of the definition of Tax Event applies or will apply on the next Interest Payment Date (and, for

the avoidance of doubt, such opinion need not provide any confirmation as to whether the Issuer could avoid the occurrence of the relevant Tax Event by taking measures reasonably available to it).

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(h) Redemption, substitution or variation at the option of the Issuer due to a Capital Disqualification Event

Provided that (in the case of a redemption) the Redemption and Purchase Conditions and (in any case) the relevant preconditions to redemption, variation and substitution in Condition 8(l) are met, if a Capital Disqualification Event has occurred and is continuing or, as a result of any change in, or amendment to, or any change in the application or official interpretation of, the Relevant Rules (or other official publication), a Capital Disqualification Event will occur within the forthcoming period of six months, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 15 nor more than 60 days' notice to the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition 13, the Noteholders (which notice shall, save as provided in Condition 8(p) below, be irrevocable and shall specify, as applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(i) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities and the Trustee shall (subject to the receipt by it of the certificates of the Authorised Signatories referred to in Condition 8(l) below and in the definition of "Qualifying Securities") agree to such substitution or variation,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Capital Disqualification Event.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(i) Redemption, substitution or variation at the option of the Issuer due to a Ratings Methodology Event

Provided that (in the case of a redemption) the Redemption and Purchase Conditions and (in any case) the relevant preconditions to redemption, variation and substitution in Condition 8(l) are met, if a Ratings Methodology Event has occurred and is continuing or, as a result of a change in (or clarification to) the methodology of any Rating Agency (or in the interpretation of such methodology), a Ratings Methodology Event will occur within the forthcoming period of six months, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 15 nor more than 60 days' notice to the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition 13, the Noteholders (which notice shall, save as provided in Condition 8(p) below, be irrevocable and shall specify, as

applicable, the date fixed for redemption or on which any variation or substitution is to become effective) either:

(i) redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Rating Agency Compliant Securities and the Trustee shall (subject to the receipt by it of the certificates of the Authorised Signatories referred to in Condition 8(l) below and in the definitions of "Qualifying Securities" and "Rating Agency Compliant Securities") agree to such substitution or variation,

provided, however, that no such notice of redemption, substitution or variation shall be given more than 12 months following the occurrence of the relevant Ratings Methodology Event.

Subject as aforesaid, upon expiry of such notice the Issuer shall either redeem, vary or substitute the Notes, as the case may be.

(j) Clean-up redemption at the option of the Issuer

Provided that the Redemption and Purchase Conditions and the relevant preconditions to redemption in Condition 8(l) are met, if at any time after the Issue Date 80 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes issued pursuant to Condition 17 will be deemed to have been originally issued) has been purchased and cancelled, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying and Conversion Agent, the Registrar and, in accordance with Condition 13, the Noteholders (which notice shall, save as provided in Condition 8(p) below, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount, together with (to the extent that such interest has not been cancelled in accordance with these Conditions) any accrued and unpaid interest to (but excluding) the date of redemption (the "**Clean-up Call**").

Subject as aforesaid, upon expiry of such notice the Issuer shall redeem the Notes.

(k) Trustee role on redemption, variation or substitution; Trustee not obliged to monitor

(i) Subject to Condition 8(b), the Trustee shall (at the expense of the Issuer) use its reasonable endeavours to co-operate with the Issuer (including, but not limited to, entering into such documents or deeds as may be necessary) to give effect to the substitution or variation of the Notes for or into Qualifying Securities pursuant to Condition 8(g) or 8(h) above or Rating Agency Compliant Securities pursuant to Clause 8(i) above, provided that the Trustee shall not be obliged to co-operate in any such substitution or variation if the securities resulting from such substitution or variation, or the co-operation in such substitution or variation, imposes, in the Trustee's opinion, more onerous obligations upon it or exposes it to liabilities or reduces its protections, in each case as compared with the corresponding obligations, liabilities or, as appropriate, protections under the

Notes. If the Trustee does not so co-operate as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in this Condition 8.

(ii) The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists for the purposes of this Condition 8 and will not be responsible to Noteholders for any loss arising from any failure by it to do so. Unless and until the Trustee has actual knowledge pursuant to these Conditions or the Trust Deed of the occurrence of any event or circumstance to which this Condition 8 relates, it shall be entitled to assume that no such event or circumstance exists or has arisen.

(l) Preconditions to redemption, variation and substitution

(i) Prior to the publication of any notice of redemption, variation or substitution pursuant to Condition 8(g), 8(h), 8(i) or 8(j), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories stating that, as the case may be, the Issuer is entitled to redeem, vary or substitute the Notes on the grounds that a Tax Event, a Capital Disqualification Event or a Ratings Methodology Event has occurred and is continuing or, for the purposes of Condition 8(j), that 80 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any Further Notes will be deemed to have been originally issued) has been purchased and cancelled, in any such case as at the date of the certificate or, as the case may be (in the case of a Capital Disqualification Event or a Ratings Methodology Event) will occur within a period of six months and, in the case of a redemption, variation or substitution pursuant to Condition 8(g), 8(h) or 8(i), the circumstance entitling the Issuer to exercise the right of redemption, variation or substitution was not reasonably foreseeable as at the Relevant Issue Date.

(ii) The Issuer shall not be entitled to amend or otherwise vary the terms of the Notes or substitute the Notes unless it has notified the Relevant Regulator in writing of its intention to do so not less than one month (or such other period of notice as may be required or accepted by the Relevant Regulator or the Relevant Rules at the relevant time) prior to the date on which such amendment, variation or substitution is to become effective and the Regulatory Clearance Condition has been satisfied in respect of such proposed amendment, variation or substitution.

A certificate signed by any two Authorised Signatories to the Trustee confirming compliance with the relevant requirements set out above shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee, the Noteholders and all other interested parties. The Trustee shall be entitled to accept such certificate as sufficient evidence of such compliance and shall be entitled to rely absolutely on such certificate without liability to any person and without any obligation to verify or investigate the accuracy thereof.

(m) Compliance with stock exchange rules

In connection with any substitution or variation of the Notes in accordance with Condition 8(g), 8(h) or 8(i), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

(n) Purchases

Provided that the Redemption and Purchase Conditions are met at the time of such purchase, the Issuer or any of the Issuer's Subsidiaries may purchase Notes in any manner and at any price. All Notes purchased by or on behalf of the Issuer or any Subsidiary of the Issuer may be held, reissued, resold or, at the option of the relevant purchaser, surrendered for cancellation to the Registrar.

(o) Cancellations

All Notes redeemed or substituted by the Issuer pursuant to this Condition 8, and all Notes purchased and surrendered for cancellation pursuant to Condition 8(n), will forthwith be cancelled. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(p) Notices Final

Subject to and without prejudice to the Redemption and Purchase Conditions and to Condition 8(d), any notice of redemption as is referred to in this Condition 8 shall, except in the circumstances described in the following paragraph of this Condition 8(p), be irrevocable and on the redemption, variation or (as the case may be) substitution date specified in such notice, the Issuer shall be bound to redeem or, as the case may be, vary or substitute the Notes in accordance with the terms of the relevant Condition.

The Issuer may not give a notice of redemption, substitution or variation of the Notes pursuant to this Condition 8 if a Trigger Event has occurred (disregarding, for this purpose, any Trigger Event in respect of which the Relevant Regulator has waived Conversion as contemplated in Condition 6(b)). If a Trigger Event occurs after a notice of redemption, substitution or variation has been given by the Issuer but before the relevant redemption, substitution or (as the case may be) variation date, and unless the Relevant Regulator has waived Conversion (as contemplated in Condition 6(b)) in respect of such Trigger Event, such notice of redemption, substitution or variation (as applicable) shall automatically be revoked and be null and void and the relevant redemption, substitution or variation (as applicable) shall not be made or effected and the Notes shall be subject to Conversion in accordance with Condition 6.

9. Taxation

(a) Payment without withholding

All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Notes shall 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 ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction unless the withholding or deduction of the Taxes is required by law. In any such event, the Issuer will pay such additional amounts ("**Additional Amounts**") in respect of interest payments, but not in respect of any payments of principal or any other amounts, as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been received in respect of the Notes in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

(i) *Other connection*: the holder of which is liable to the Taxes in respect of the Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or

(ii) *Lawful avoidance of withholding*: the holder of which could lawfully have avoided (but has not so avoided) such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note is presented for payment; or

(iii) *Payment by another Paying and Conversion Agent*: surrendered for payment (where surrender is required) by or on behalf of a holder who would have been able to avoid such withholding or deduction by surrendering the relevant Note to another Paying and Conversion Agent in a Member State of the European Union (provided that there is such a Paying and Conversion Agent appointed at the relevant time); or

(iv) *Surrender more than 30 days after the Relevant Date*: surrendered for payment (where surrender is required) more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to Additional Amounts on surrendering the same for payment on the thirtieth day (assuming, whether or not such is in fact the case, that day to have been a Business Day); or

(v) *Combination*: where such withholding or deduction arises out of any combination of paragraphs (i) to (iv) above.

Notwithstanding the above, any amounts to be paid by the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to any FATCA Withholding Tax, and the Issuer will not be required to pay any Additional Amounts on account of any FATCA Withholding Tax.

"**Relevant Date**" means (i) in respect of any payment other than a sum to be paid by the Issuer in an Issuer 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 Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with the 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 an Issuer 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).

(b) Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 9 or under any undertakings given in addition to, or in substitution for, this Condition 9 pursuant to the Trust Deed.

10. Prescription

Claims against the Issuer in respect of principal and interest will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date.

11. Non-payment of principal when due

(a) Proceedings for an Issuer Winding-Up

The right to institute winding-up proceedings by the Trustee on behalf of the Noteholders in respect of the Issuer is limited to circumstances where a payment of principal in respect of the Notes by the Issuer under the Conditions or any provisions of the Trust Deed has become due and is not duly paid. No amount shall be due from the Issuer in circumstances where payment of principal could not be made in compliance with the Solvency Condition, after a Trigger Event has occurred (save to the extent that the Relevant Regulator permits payment if it has waived Conversion (as contemplated in Condition 6(b)) in respect of such Trigger Event), where payment cannot be made in compliance with the Redemption and Purchase Conditions or where redemption is suspended pursuant to Condition 8(d).

If default is made by the Issuer for a period of 14 days or more in the payment of principal due in respect of the Notes or any of them, the Trustee at its discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for an Issuer Winding-Up in England and Wales (but not elsewhere).

Subject to Condition 6, in the event of a winding-up or administration of the Issuer (whether or not instituted by the Trustee, and whether in England and Wales or elsewhere), the Trustee at its discretion may, and if so requested by Noteholders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (but in each case subject to it having been indemnified and/or secured and/or pre-funded to its satisfaction) prove in the winding-up or administration of the Issuer and/or (as the case may be) claim in the liquidation or administration of the Issuer, such claim being as provided in, and subordinated in the manner described in, Condition 3(b) or Condition 3(c) (as applicable), but may take no further or other action to enforce, prove or claim for any payment by the Issuer in respect of the Notes or the Trust Deed.

No payment in respect of the Notes or the Trust Deed may be made by the Issuer pursuant to this Condition 11(a), nor will the Trustee accept the same, otherwise than during or after a winding-up of the Issuer or after an administrator of the Issuer has given notice that it intends to declare and distribute a dividend, unless the Issuer has given prior written notice (with a copy to the Trustee) to, and received consent or due notification of non-objection in writing from, the Relevant Regulator (if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time) which the Issuer shall confirm in writing to the Trustee and upon which the Trustee may rely conclusively without liability to any person.

(b) Enforcement

Without prejudice to Condition 11(a), the Trustee may at its discretion and without further notice institute such 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 Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed, including any payment of damages awarded for breach of any obligations thereunder, but excluding any payments made to the Trustee acting on its own account under the Trust Deed in respect of its costs, expenses, liabilities or remuneration) but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum

or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it. Nothing in this Condition 11(b) shall, however, prevent the Trustee or the Noteholders from pursuing the remedies to which they are entitled pursuant to Condition 11(a).

(c) Entitlement of Trustee

The Trustee shall not be bound to take any of the actions referred to in Condition 11(a) or 11(b) above against the Issuer to enforce the terms of the Trust Deed or the Notes or to take any other action under or pursuant to the Trust Deed unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(d) Right of Noteholders

No Noteholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or prove in the winding-up or administration of the Issuer or claim in the liquidation of the Issuer unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or administration or claim in such liquidation, fails or is unable to do so within 60 days and such failure or inability shall be continuing, in which case the Noteholders shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 11.

(e) Extent of Noteholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 11 (and, where applicable following Conversion, Condition 6(g)), shall be available to the Trustee or the Noteholders, whether for the recovery of amounts owing in respect of the Notes 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 Notes or under the Trust Deed.

12. Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar or other Transfer Agent (or any other place notice of which shall have been given in accordance with Condition 13) upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. Notices

All notices to the Noteholders will be in English and will be valid if mailed to them at their respective addresses in the Register maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any notice shall be deemed to have been given on the second Business Day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

14. Substitution of Issuer

Subject to the Issuer giving at least one month's notice to the Relevant Regulator (or such other period of notice as may be required or accepted by the Relevant Regulator or the Relevant Rules at the relevant time, and for so long as there is a requirement to give such notice), and the Relevant Regulator having indicated that it has no objection, the Trustee may agree with the Issuer, without the consent of the Noteholders and subject to the Notes being (other than where the Substitute Obligor (as defined below) is the successor in business to the Issuer) unconditionally and irrevocably guaranteed by the Issuer on a subordinated basis equivalent to Condition 3, to the substitution of a Subsidiary or parent company of the Issuer or the successor in business to the Issuer, in any such case, in place of the Issuer as principal debtor under the Trust Deed and the Notes (each such substitute being hereinafter referred to as the "**Substitute Obligor**") provided that in each case:

(A) a trust deed or some other form of undertaking, supported by one or more legal opinions, is executed by the Substitute Obligor in a form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Deed and the Notes, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substitute Obligor has been named in the Trust Deed and the Notes, as the principal debtor in place of the Issuer (or of any previous Substitute Obligor, as the case may be) (and such consequential amendments may include, without limitation, amending those references to "England and Wales" in Condition 11 which are applicable to such Substitute Obligor to refer instead to the jurisdiction of incorporation of such Substitute Obligor);

(B) the Substitute Obligor certifies to the Trustee that (i) it has obtained all necessary governmental and regulatory approvals and consents necessary for its assumptions of the duties and liabilities as Substitute Obligor under the Trust Deed and the Notes in place of the Issuer or, as the case may be, any previous Substitute Obligor and (ii) such approvals and consents are at the time of substitution in full force and effect (it being declared that the Trustee may rely absolutely on such certification without liability to any person);

(C) two directors (or other officers acceptable to the Trustee) of the Substitute Obligor certify that the Substitute Obligor is solvent at the time at which the substitution is proposed to be in effect, and immediately thereafter (it being declared that the Trustee may rely absolutely on such certification without liability to any person and shall not be bound to have regard to the financial condition, profits or prospects of the Substitute Obligor or to compare the same with those of the Issuer or (as the case may be) any previous Substitute Obligor);

(D) (without prejudice to the generality of sub-paragraph (A) above) the Trustee may in the event of such substitution agree, without the consent of the Noteholders, to a change in the law governing the Trust Deed and/or the Notes if in the opinion of the Trustee such change would not be materially prejudicial to the interests of the Noteholders;

(E) the provisions of Condition 6 and the effect thereof, including (without limitation) the rights of Noteholders to receive Conversion Shares following the occurrence of a Trigger Event, are preserved in all material respects (and, for the avoidance

of doubt, in such circumstances references to the Conversion Shares shall be to the ordinary shares of the Substitute Obligor);

(F) if the Substitute Obligor is, or becomes, subject in respect of payments made by it of principal and/or interest on the Notes to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "**Substituted Territory**") other than the territory of the taxing jurisdiction of which (or to any such authority of or in which) the Issuer (or any previous Substitute Obligor) is subject in respect of such payments (the "**Original Territory**"), the Substitute Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 with the substitution in the definition of "Relevant Jurisdiction" (for the purposes of both Condition 9 and Condition 8(g)) of references to the Original Territory with references to the Substituted Territory whereupon the Trust Deed and the Notes will be read accordingly;

(G) if the Notes are rated (where such rating was assigned at the request of the Issuer) by one or more credit rating agencies of international standing immediately prior to such substitution, the Notes shall continue to be rated by each such rating agency immediately following such substitution, and each credit rating agency shall have confirmed that the credit ratings assigned to the Notes by each such credit rating agency immediately following such substitution are expected to be no less than those assigned to the Notes immediately prior thereto; and

(H) without prejudice to the rights of reliance of the Trustee under sub-paragraphs (B) and (C) above, the Trustee shall be satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution proposed pursuant to this Condition 14.

Any substitution effected in accordance with this Condition 14 shall be binding on the Noteholders and (unless the Trustee otherwise agrees) shall be notified promptly by the Issuer to the Noteholders in accordance with Condition 13.

15. Meetings of Noteholders, Modification, Waiver and Authorisation

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. Such a meeting (which need not be a physical meeting and instead may be by way of conference call, including by use of a videoconference platform, or a combination of such methods) may be convened by the Issuer, the Trustee or Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding.

The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and/or certain of the provisions of the Trust Deed (such provisions being set out in the Trust Deed), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or

representing not less than two-thirds (a "**Special Quorum**"), or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting.

The Trust Deed also provides that a written resolution executed by or on behalf of the holders of not less than three-quarters in principal amount of the Notes outstanding who would have been entitled to vote upon it if it had been proposed at a meeting at which they were present shall take effect as if it were an Extraordinary Resolution duly passed at such a meeting.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions and/or the Trust Deed made in connection with the substitution or variation of the Notes pursuant to Conditions 8(g), 8(h) or 8(i) or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer pursuant to Condition 14.

(b) Modification, waiver, authorisation and determination

The Trustee may agree, without the consent of the Noteholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

(c) Trustee to have regard to interests of Noteholders as a class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution of obligor), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 and/or any undertaking given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

(d) Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution made in accordance with this Condition 15 shall be binding on the Noteholders and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

(e) *Regulatory Clearance Condition*

Any modification to, or waiver in respect of, these Conditions or any provisions of the Trust Deed will be subject to satisfaction of the Regulatory Clearance Condition.

16. Indemnification of the Trustee and its Contracting with the Issuer

(a) *Indemnification of the Trustee*

The Trust Deed contains provisions for the indemnification of 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.

(b) *Trustee contracting with the Issuer*

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (i) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

(c) *Regulatory Clearance Condition*

Wherever in these Conditions and/or the Trust Deed there is a requirement for the Regulatory Clearance Condition to be satisfied, the Trustee shall be entitled to assume without enquiry that such condition has been satisfied unless notified in writing to the contrary by the Issuer.

17. Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes either (i) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding Notes ("**Further Notes**") or (ii) on such other terms as the Issuer may determine. Any Further Notes shall be constituted by a deed supplemental to the Trust Deed.

18. Governing Law

The Trust Deed and the Notes, and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes, are governed by, and shall be construed in accordance with, English law.

19. Rights of Third Parties

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term or condition of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20. Defined Terms and Interpretation

Defined Terms

In these Conditions:

"**5-year Gilt Yield Quotation**" has the meaning given under the definition of "Reset Reference Rate" below in this Condition 20;

"**Additional Amounts**" has the meaning given to it in Condition 9;

*"***Adjustment Event**" means the occurrence or existence at any relevant time of a subdivision, consolidation or reclassification of any ordinary shares of the Issuer or a free distribution or dividend of any ordinary shares of the Issuer to existing holders of ordinary shares by way of bonus, capitalisation or similar issue;

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

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

"**Agents**" means the Principal Paying and Conversion Agent, the Agent Bank, the Registrar and the Transfer Agents or any of them and shall include such other agents appointed from time to time under the Agency Agreement;

"**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, all in such manner as the Directors may determine;

"**Authorised Signatories**" means the Directors;

"**Business Day**" means:

(a) except for the purposes of Conditions 2 and 7(d), 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;

(b) for the purposes of Condition 2, a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in the city in which the specified office of the Registrar or Transfer Agent with whom a Certificate is deposited in connection with a transfer is located; and

(c) for the purpose of Condition 7(d), a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in London and, in the case of surrender of a Certificate, in the place in which the Certificate is surrendered;

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

a "**Capital Disqualification Event**" is deemed to have occurred if, as a result of any replacement of or change to (or change to the interpretation by any court or authority entitled to do so of) the Relevant Rules:

(a) the whole or any part of the principal amount of the Notes no longer counts or qualifies as Tier 1 Capital for the purposes of the Issuer; and/or

(b) the whole or any part of the principal amount of the Notes no longer counts or qualifies as Tier 1 Capital for the purposes of the Insurance Group,

(whether on a solo, group or consolidated basis), except where such non-qualification is only as a result of the aggregate amount of eligible items available to be counted towards Tier 1 Capital (or a relevant component part thereof) exceeding any applicable upper limit on the aggregate amount of such items permitted to be so counted (other than a limit derived from any transitional or grandfathering provisions under the Relevant Rules);

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

"**Class B Ordinary Shares**" means Class B non-voting ordinary shares in the share capital of Utmost Group plc (designated in its Articles of Association as 'B Shares') which, as at the Issue Date, have a nominal value of £1.00 per share;[1]

"**Clean-up Call**" has the meaning given in Condition 8(j);

"**Companies Act**" means the Companies Act 2006 (as amended or re-enacted from time to time);

"**Conversion**" means the irrevocable and automatic (without the need for the consent of Noteholders or the Trustee) release by the Noteholders of all of the Issuer's obligations under the Notes with effect immediately following the determination that a Trigger Event has occurred (unless the Relevant Regulator has waived such Conversion in the circumstances set out in Condition 6(b)) as specified in the relevant Trigger Event Notice including, without limitation, (i) the release of the full principal amount of each Note on a permanent basis in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depositary (or to such other relevant recipient as contemplated in Condition 6) (on behalf of the Noteholders) at the then prevailing Conversion Price and (ii) the cancellation of all accrued and unpaid interest and any other amounts (if any) arising under or in connection with the Notes and/or the Trust Deed;

"**Conversion Date**" means the date on which the relevant Trigger Event occurs;

"**Conversion Price**" means £1,000 per Conversion Share, subject to adjustment in accordance with Condition 6(e);[2]

"**Conversion Shares**" means ordinary shares of the Issuer (which, for so long as Utmost Group plc is the Issuer, shall mean the Class B Ordinary Shares) to be issued to the Conversion Shares Depositary (or to the relevant recipient in accordance with Condition 6) upon Conversion, which ordinary shares shall be in such number as is determined by dividing the aggregate principal amount of the Notes outstanding immediately prior to Conversion by the prevailing Conversion Price on the Conversion Date and rounded down, if necessary, to the nearest whole number of ordinary shares;

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[1] *The nominal value of £1.00 matches the nominal value of the Class A ordinary shares of Utmost Group plc (designated in its Articles of Association as 'A Shares'). The Class B Ordinary Shares will rank pari passu with Class A ordinary shares in a liquidation of Utmost Group plc but will not have voting rights at general meetings of the shareholders (only class voting rights).*

[2] *This would result in 300,000 Class B Ordinary Shares being issued at the initial Conversion Price, being approximately 0.08 per cent. of the total issued share capital of Utmost Group plc as at 25 January 2022 (based on a total issued share capital of 392,500,000 ordinary shares as stated at Companies House).*

"**Conversion Shares Delivery Date**" means the date specified in the Trigger Event Notice as the date on which the Conversion Shares shall be delivered, which is expected to be not more than 30 Business Days following Conversion;

"**Conversion Shares Depositary**" means a reputable financial institution, trust company or similar entity (which in each such case is wholly independent of the Issuer) to be appointed by the Issuer on or prior to any date when a function ascribed to the Conversion Shares Depositary in these Conditions is required to be performed to perform such functions and that will hold the Conversion Shares on trust for the Noteholders of the Notes in one or more segregated accounts, and otherwise on terms consistent with these Conditions;

"**Director**" means a director of the Issuer;

"**Distributable Items**" means, subject as otherwise defined from time to time in the Relevant Rules, with respect to and as at any Interest Payment Date, without double-counting, an amount equal to:

(a) the Distributable Profits of the Issuer, calculated on an unconsolidated basis, as at the last day of the then most recently ended financial year of the Issuer; plus

(b) the interim retained earnings (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less

(c) the interim net loss (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date;

"**Distributable Profits**" has the meaning given to such term under section 736 of the Companies Act (or, in the case of a Substitute Obligor which is not a United Kingdom company, the relevant provision under the law of the jurisdiction of incorporation of the Substitute Obligor) or (in each case) any equivalent or replacement provision;

"**EUWA**" means the European Union (Withdrawal) Act 2018 (as amended, modified, re-enacted or replaced from time to time including, without limitation, by the European Union (Withdrawal Agreement) Act 2020);

"**Existing Tier 2 Notes**" means those of the Issuer's outstanding 4.000 per cent. Subordinated Tier 2 Notes due 2031 (originally issued in an aggregate principal amount of £400,000,000, with ISIN: XS2384717703);

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

"**FATCA Withholding Tax**" has the meaning given in Condition 7(b);

"**First Reset Date**" means 15 June 2029;

"**Further Notes**" has the meaning ascribed to it in Condition 17;

"**Group Insurance Undertaking**" means an insurance undertaking or reinsurance undertaking within the meaning of the Relevant Rules whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Insurance Group pursuant to the Relevant Rules;

"**Independent Adviser**" means an independent financial institution of international repute or independent adviser with appropriate expertise appointed by the Issuer at its own expense;

"**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;

"**Insolvent Insurer Winding-up**" means (a) the winding-up of any Group Insurance Undertaking; or (b) the appointment of an administrator of any Group Insurance Undertaking, in each case where the Issuer has determined, acting reasonably, that the Policyholder Claims of that Group Insurance Undertaking may or will not all be met in full;

"**Insurance Group**" means, at any time, the Insurance Group Holding Company and its Subsidiaries at such time;

"**Insurance Group Holding Company**" means, at any time, the ultimate insurance holding company of the group of companies which includes the Issuer and which is subject to consolidated supervision by the Relevant Regulator for the purposes of the Relevant Rules (the Insurance Group Holding Company being, as at the Issue Date, the Issuer);

"**insurance undertaking**" has the meaning given to it in the Relevant Rules;

"**Interest Payment**" means, in respect of any Interest Payment Date, the amount of interest which is (or would, but for cancellation in accordance with these Conditions, be) due and payable on such Interest Payment Date;

"**Interest Payment Date**" means 15 June and 15 December in each year, commencing on 15 June 2022;

"**Interest Period**" means the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date;

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

"**Issue Date**" means 27 January 2022;

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

"**Issuer Winding-Up**" means:

(a) 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 purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution (A) have previously been approved in writing by the Trustee or by an Extraordinary Resolution or which is effected in accordance with Condition 14 and (B) do not provide that the Notes or any amount in respect thereof shall thereby become payable); or

(b) an administrator of the Issuer is appointed and such administrator gives notice that it intends to declare and distribute a dividend;

"**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 liabilities and for subsequent events, all in such manner as the Directors may determine;

"**Mandatory Interest Cancellation Event**" has the meaning given to such term in Condition 5(b);

"**Margin**" means 4.983 per cent. per annum;

"**Minimum Capital Requirement**" means the Minimum Capital Requirement or the group Minimum Capital Requirement or the group minimum Solvency Capital Requirement (as applicable) referred to in, or any other minimum capital requirement howsoever described in, the Relevant Rules, in each case as may be applicable to the Issuer and/or the Insurance Group (whether on a solo, group or consolidated basis);

"**Noteholder**" has the meaning given in Condition 1(b);

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

"**Notional Preference Shares**" has the meaning given to such term in Condition 3(b);

"**Own Fund Items**" means any own fund item referred to in the Relevant Rules;

"**Paying and Conversion Agents**" has the meaning given in the preamble to these Conditions;

"**Policyholder Claims**" means, in respect of a Group Insurance Undertaking, claims of the policyholders of that Group Insurance Undertaking and of beneficiaries under contracts of insurance or reinsurance written by that Group Insurance Undertaking in a winding-up, liquidation or administration of that Group Insurance Undertaking to the extent that those claims relate to any debt to which that Group Insurance Undertaking is, or may become, liable to a policyholder or such a beneficiary pursuant to a contract of insurance or reinsurance, including all amounts to which policyholders or such beneficiaries are entitled under applicable legislation or rules relating to the winding-up or administration of insurance companies to reflect any right to receive, or expectation of receiving, benefits which such policyholders or such beneficiaries may have;

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

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

(a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing, and provided that a certification to such effect (including as to the consultation with the independent investment bank and in respect of the matters specified in (b)(1) to (7) below) signed by two Authorised Signatories shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without liability to any person) prior to the issue of the relevant securities); and

(b) (subject to (a) above) (1) contain terms which comply with the then-current requirements of the Relevant Regulator and the Relevant Rules in relation to Tier 1 Capital; (2) bear the same rate of interest from time to time applying to the Notes and preserve the same Interest Payment Dates; (3) contain terms providing for the deferral, suspension and/or cancellation of payments of interest or principal only if such terms are not materially less favourable to an investor than equivalent terms contained in the terms of the Notes; (4) rank senior to, or *pari passu* with, the ranking of the Notes; (5) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, any such redemption; (6) contain terms providing for or requiring the Issuer to write down or convert into equity the whole or any part of the principal amount of the Notes only if such terms are not materially less favourable to an investor than equivalent terms contained in the terms of the Notes; and (7) preserve in full any existing rights under the Notes to any accrued interest which has accrued to Noteholders but not been cancelled or paid (but without prejudice to any right of the Issuer subsequently to cancel any such rights so preserved in accordance with the terms of the Qualifying Securities); and

(c) are listed and admitted to trading on the Global Exchange Market of The Irish Stock Exchange plc trading as Euronext Dublin or such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer and approved by the Trustee;

"**Rating Agency**" means each of Fitch Ratings Limited ("**Fitch**"), S&P Global Ratings UK Limited ("**S&P**") and Moody's Investors Service Limited ("**Moody's**") or any of their respective successors or affiliates;

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

(a) Qualifying Securities; and

(b) assigned by each relevant Rating Agency substantially the same 'equity content' (which term, as used in these Conditions, shall include any equivalent nomenclature of a Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer's senior obligations in terms of either leverage or total capital) as or, at the absolute discretion of the Issuer, a lower 'equity content' than (provided such 'equity content' is still higher than the 'equity content' assigned to the Notes after the occurrence of the Ratings Methodology Event) that which was (i) first assigned by such Rating Agency to the Notes (whether on or around the Issue Date or thereafter) or (ii) (if later) as at (or in connection with an issue of Further Notes on) the Relevant Issue Date (where, in each case, any such 'equity content' was assigned following solicitation by, or with the co-operation of, the Issuer) and provided, in each case, that a certification to such effect signed by two Authorised Signatories shall have been delivered to the Trustee prior to the issue of the relevant securities (upon which the Trustee shall be entitled to rely without liability to any person);

a "**Ratings Methodology Event**" will be deemed to occur upon a change in, or clarification to, the methodology of any Rating Agency (or in the interpretation of such methodology) after the Relevant Issue Date as a result of which the 'equity content' assigned by that Rating Agency to the Notes is, as notified by that Rating Agency to the

Issuer or as published by that Rating Agency, reduced when compared to (a) the 'equity content' first assigned by such Rating Agency to the Notes (whether on or around the Issue Date or thereafter) or (b) (if this is lower) the lowest 'equity content' assigned by such Rating Agency to the Notes at the time of, or in connection with, any issue of Further Notes pursuant to Condition 17 (where, in each case, any such 'equity content' was assigned following solicitation by, or with the co-operation of, the Issuer);

"**Recognised Stock Exchange**" means a recognised stock exchange as defined in section 1005 of the Income Tax Act 2007 as amended or re-enacted 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 such term in Condition 7(a);

"**Redemption and Purchase Conditions**" has the meaning given to such term in Condition 8(b);

"**Register**" has the meaning given in Condition 1(a);

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

"**Regulatory Clearance Condition**" means, in respect of any proposed act on the part of the Issuer, the Relevant Regulator having approved or consented to such act (in any case only if and to the extent required by the Relevant Rules, the Relevant Regulator or any applicable rules of the Relevant Regulator at the relevant time);

"**reinsurance undertaking**" has the meaning given to it in the Relevant Rules;

"**Relevant Date**" has the meaning given in Condition 9(a);

"**Relevant Issue Date**" means the later of (i) the Issue Date and (ii) the latest issue date of any Further Notes (if any) issued pursuant to Condition 17;

"**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 the Issuer becomes subject to tax in respect of payments made by it of principal and/or interest on the Notes;

"**Relevant Regulator**" means the United Kingdom Prudential Regulation Authority or such successor or other authority having primary supervisory authority with respect to prudential matters in relation to the Issuer and/or the Insurance Group;

"**Relevant Rules**" means, at any time, any legislation, rules or regulations (whether having the force of law or otherwise) then having effect in the United Kingdom and applied by the Relevant Regulator to the Issuer or the Insurance Group relating to own funds, capital resources, capital requirements, financial adequacy requirements or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and without limitation to the foregoing, includes (to the extent then applying as aforesaid) Solvency II as it forms part of domestic law pursuant to the EUWA and any legislation, rules or regulations of the Relevant Regulator which amend, modify, re-enact or replace Solvency II in the United Kingdom, including any such legislation made under the EUWA; and references in these Conditions to any matter, action or condition being required or permitted by, or in accordance with, the Relevant Rules shall be construed in the context of the Relevant Rules as they apply to Tier 1 Capital and on

the basis that the Notes are intended to continue to have the characteristics of Tier 1 Capital of the Issuer and/or the Insurance Group under the Relevant Rules (notwithstanding the occurrence of a Capital Disqualification Event);

"**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;

"**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 six brokers of gilts and/or gilt-edged market makers or market makers in pricing corporate bond issues selected by the Issuer;

"**Reset Reference Rate**" means, in respect of a Reset Period, the percentage rate determined by the Agent Bank on the basis of the 5-year Gilt Yield Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks to the Agent Bank at approximately 11.00 a.m. (London time) on the Reset Determination Date in respect of such Reset Period. Such quotations shall be obtained by or on behalf of the Issuer and provided to the Agent Bank. If at least four quotations are provided, the Reset Reference Rate will be the 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 the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Rate will be the quotation provided. If no quotations are provided, the Reset Reference Rate will be the previous Reset Reference Rate (or, in the case of the first Reset Period, 1.142 per cent.), where:

(i) "**5-year Gilt Yield Quotation**" means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean 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; and

(ii) "**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security customarily used in the pricing of new issues with a similar tenor having an actual or interpolated maturity date on or about the last day of such Reset Period as the Issuer (on the advice of an investment bank of international repute) may determine to be appropriate;

"**Senior Creditors**" means (save as required by mandatory provisions of applicable law):

(a) (if applicable at the relevant time) any policyholders of the Issuer or beneficiaries under contracts of insurance or reinsurance of the Issuer (and, for the avoidance of doubt, the claims of Senior Creditors of the Issuer who are policyholders or such beneficiaries (if any) shall include all amounts to which they would be entitled under applicable legislation or rules relating to the winding-up of insurance companies to reflect any right to receive, or expectation of receiving, benefits which policyholders or such beneficiaries may have);

(b) all unsubordinated creditors of the Issuer;

(c) all creditors of the Issuer whose claims constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Issuer in respect of any obligation of any other person which constitutes) or would, but for any applicable limitation on the amount of such capital, constitute, Tier 2 Capital (including, for so long as any of the same remain outstanding, the Existing Tier 2 Notes) or Tier 3 Capital; and

(d) all other subordinated creditors of the Issuer, other than those whose claims constitute (or relate to a guarantee or other like or similar undertaking or arrangement given by the Issuer in respect of any obligation of any other person which constitutes), or would but for any applicable limitation on the amount of any such capital constitute, Tier 1 Capital or whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders against the Issuer in respect of the Notes and the Trust Deed in a winding-up or administration of the Issuer occurring prior to the date on which a Trigger Event occurs;

"**Solvency II**" means the United Kingdom transposition of the Solvency II Directive and the Solvency II Regulation, as each forms part of the domestic law of the United Kingdom by virtue of the EUWA or otherwise, and as they may be amended or replaced by the laws of England and Wales from time to time, and any additional measures adopted to give effect thereto (whether implemented by way of regulation, guidelines or otherwise);

"**Solvency II Directive**" means Directive 2009/138/EC of the European Union (as amended) on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) and transposed by Member States of the European Union pursuant to Article 309 of Directive 2009/138/EC;

"**Solvency II Regulation**" means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II);

"**Solvency Capital Requirement**" means the Solvency Capital Requirement or the group Solvency Capital Requirement referred to in, or any other equivalent capital requirement (other than the Minimum Capital Requirement) howsoever described in, the Relevant Rules, in each case as may be applicable to the Issuer and/or the Insurance Group (whether on a solo, group or consolidated basis);

"**Solvency Condition**" has the meaning given in Condition 3(e);

"**Sterling**" or "**£**" or "**penny**" means the lawful currency of the United Kingdom from time to time;

"**Subsidiary**" has the meaning given to that term under section 1159 of the Companies Act;

"**Substitute Obligor**" has the meaning given in Condition 14;

"**successor in business**" means, in relation to the Issuer, any company which as a result of any amalgamation, merger or reconstruction, beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer prior

to such amalgamation, merger, reconstruction or agreement coming into force and carries on as successor to the Issuer the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto;

a "**Tax Event**" is deemed to have occurred if:

(a) as a result of a Tax Law Change, on the next Interest Payment Date either:

(i) the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 9; or

(ii) in respect of the Issuer's obligation to make any payment of interest:

(1) the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in the Relevant Jurisdiction, or such entitlement is materially reduced; or

(2) the Issuer would not to any material extent be entitled to have any loss or non-trading deficit set against the profits of companies with which it is grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of the Tax Law Change or any similar system or systems having like effect as may from time to time exist); and

(b) in any such case, the effect of the foregoing cannot be avoided by the Issuer taking measures reasonably available to it;

"**Tax Law Change**" means any change in or proposed change in, or amendment or proposed 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 or official interpretation of such laws or regulations, 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 (in respect of securities similar to the Notes and which have the characteristics of restricted Tier 1 Capital under the rules applicable at issuance) or which differs from any specific written confirmation given by a tax authority in respect of the Notes, which change or amendment becomes, or would become, effective or, in the case of a change or proposed change in law of the United Kingdom (or any political subdivision thereof), if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by United Kingdom Act of Parliament or by Statutory Instrument, after the Relevant Issue Date;

"**Tier 1 Capital**" has the meaning given to such term by the Relevant Rules from time to time;

"**Tier 2 Capital**" has the meaning given to such term by the Relevant Rules from time to time;

"**Tier 3 Capital**" has the meaning given to such term by the Relevant Rules from time to time;

"**Tier 1 Own Funds**" means subordinated notes, ordinary shares or any other share capital of any class which constitute Tier 1 Capital for the purposes of the Issuer or the Insurance Group, whether on a solo, group or consolidated basis;

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

a "**Trigger Event**" shall occur if at any time:

(a) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement;

(b) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or

(c) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed;

"**Trigger Event Notice**" means the notice referred to as such in Condition 6 which shall be given by the Issuer to the Noteholders, in accordance with Condition 13, the Trustee, the Registrar, the Principal Paying and Conversion Agent and the Relevant Regulator, and which shall state with reasonable detail the nature of the relevant Trigger Event, the basis of its calculation, the Conversion Date, the prevailing Conversion Price on the Conversion Date, the relevant Conversion Shares Delivery Date, details of the Conversion Shares Depositary and details of how to give notices required or permitted by these Conditions to the Conversion Shares Depositary;

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

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

Interpretation

For the purposes of these Conditions:

(i) references to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such statutory modification or re-enactment; and

(ii) for the purposes of delivery of Conversion Shares upon Conversion, references to the "issue" of Conversion Shares or Conversion Shares being "issued" shall, unless otherwise expressly specified, include the delivery of Conversion Shares whether newly issued and allotted or previously existing or held by or on behalf of the Issuer or any of its Subsidiaries.

Overview of the provisions relating to the Notes whilst in Global Form

The Notes will initially be represented by a global certificate (the "**Global Certificate**"). The Global Certificate contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Memorandum. The following is a summary of certain of those provisions.

Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for the Common Depositary for Euroclear and Clearstream, Luxembourg and may be delivered on or prior to the original issue date of the Notes.

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 nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Accountholders

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system as the holder of a Note represented by a Global Certificate (an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or such other relevant clearing system (as the case may be) as to the outstanding principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such aggregate principal amount of such Notes (and the term "**Noteholders**" and references to "holding of Notes" and to "holder of Notes" shall be construed accordingly) (the "**Accountholder's Holding**") for all purposes other than with respect to payments on such Notes, for which purpose the Registered Holder shall be deemed to be the holder of such aggregate principal amount of the Notes in accordance and subject to the terms of the Global Certificate.

Each Accountholder must look solely to Euroclear, Clearstream, Luxembourg or any such other relevant 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 other relevant clearing system (as the case may be). Each Accountholder shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to or to the order of the registered holder of the Global Certificate in respect of each amount so paid.

Exchange

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

Transfers of the holding of Notes represented by the Global Certificate may only be made in whole but not in part for Certificates only upon the occurrence of an Exchange Event. An "**Exchange Event**" means that:

(a) the Issuer has been notified that the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or has announced an intention permanently to cease business or has done so and no successor clearing system is available; or

(b) the Issuer has or will become subject to tax consequences which would not be suffered were the Notes evidenced by the Certificates in definitive form.

The Issuer will promptly give notice to the Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg, as the case may be, acting on the instructions of any Accountholder may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any exchange shall occur no later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Exchanges will be made upon presentation of the Global Certificate at the office of the Registrar by or on behalf of the Registered Holder on any day on which banks are open for general business in London and will be effected by the Registrar (a) entering each Accountholder in the Register as the registered holder of the principal amount of Notes equal to such Accountholder's Holding (as defined above) and (b) completing, authenticating and dispatching to each Accountholder a Certificate evidencing such Accountholder's Holding. The aggregate principal amount of the Notes evidenced by Certificates issued upon an exchange of the Global Certificate will be equal to the aggregate outstanding principal amount of the Notes evidenced by the Global Certificate.

The Registrar will not register title to the Notes in a name other than that of a nominee for Euroclear and/or Clearstream, Luxembourg acting as the common depositary for a period of 15 calendar days preceding the due date for any payment of principal or interest in respect of the Notes.

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear and/or, Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and their respective direct and indirect participants.

Payments

For so long as the Registered Holder is shown in the Register as the holder of the Notes evidenced by a Global Certificate, the Registered Holder shall (subject as set out above under "*Accountholders*") in all respects be entitled to the benefit of such Notes and shall be entitled to the benefit of the Agency Agreement. Payments of all amounts payable under the Conditions in respect of the Notes as evidenced by a Global Certificate will be made to the Registered Holder pursuant to the Conditions.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying and Conversion Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Upon any payment of any amount payable under the Conditions the amount so paid shall be entered by the Registrar on the Register, which entry shall constitute *prima facie* evidence that the payment has been made.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which 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.

Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer or any of the subsidiaries of the Issuer, or following a Conversion, will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the relevant Global Certificate.

Calculation of interest

For so long as all of the Notes are represented by the Global Certificate, interest payable to the Registered Holder (subject to cancellation of interest payments as provided in the Conditions) shall be calculated on the aggregate principal amount of the Notes represented by such Global Certificate and not per Calculation Amount (but otherwise shall be calculated in accordance with Condition 4).

Notices

For so long as all of the Notes are represented by the Global Certificate and the same is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to such relevant clearing system(s) for communication to the relevant accountholders (or otherwise in such manner as the Trustee, the Principal Paying and Conversion Agent and the relevant clearing system(s) may approve for this purpose) rather than in the manner as required by Condition 13. Any such notice shall be deemed to have been given to the Noteholders on the day such notice is delivered to the relevant clearing system as aforesaid.

So long as the Notes are admitted to listing or trading on any stock exchange, the requirements of such stock exchange shall also be complied with.

Conversion

For so long as any Notes are represented by the Global Certificate and the same is held on behalf of Euroclear and Clearstream, Luxembourg, any Conversion of such Notes will be effected in accordance with the Conditions and, if and to the extent necessary, in accordance with the standard operating procedures of Euroclear and/or Clearstream, Luxembourg.

Electronic Consent and Written Resolution

While any Global Certificate is registered in the name of any nominee for a clearing system, then approval of a 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 nominal amount of the Notes outstanding (an "**Electronic Consent**") shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution (as defined in the Trust Deed) to be passed at a meeting for which

the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent.

Where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) 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 accountholders in the clearing system with entitlements to such Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. 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 Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes 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.

Use of Proceeds

The net proceeds of the issue of the Notes will be used by the Issuer for its general corporate purposes including the payment of a dividend to its immediate parent company, to (i) repay all existing external bank debt of UHGL and (ii) return capital to shareholders.

Description of the Issuer and the Group

The following information should be read in conjunction with the information appearing elsewhere in, or incorporated by reference in, this document, including the financial and other information incorporated by reference in "Documents Incorporated by Reference".

Where financial information of the Group is presented as at a date, or for a financial period ending, prior to completion of the Quilter Acquisition (30 November 2021), such financial information relates to the actual financial position or financial performance of the Group, excluding Quilter International, as at such date, unless expressly stated otherwise.

Introduction

The Issuer, Utmost Group plc ("**UGP**" or the "**Issuer**"), is a public limited company incorporated in England. The Issuer and its subsidiaries are a life assurance group (the "**Group**" or "**Utmost Group**") headquartered in the United Kingdom. The Issuer was incorporated on 17 October 2019 with the registered number 12268786. The Issuer's Legal Entity Identifier ("**LEI**") is 2138004N53RFLL6JDQ41.

The wider Utmost group, which includes the Issuer, was founded in 2013 by Paul Thompson and Ian Maidens (the "**Founders**") under the name "**Life Company Consolidation Group**", with the backing of a strategic investor, Oaktree Capital Group LLC ("**Oaktree**"). The wider Utmost group is owned by the Founders and various funds managed by Oaktree. Oaktree is a global investment firm that, together with its affiliates, manages over U.S.$156bn of investments (as at 30 June 2021).

On 30 September 2019, Brookfield Asset Management ("**BAM**") completed the acquisition of a 61.2% economic interest and a 13.6% voting interest in Oaktree. Both BAM and Oaktree continue to operate their respective businesses and will continue to be led by their existing management and investment teams. The ownership of the Group is not affected by the acquisition, and there has not been any change to the Group's strategy or outlook as a result of the BAM acquisition. As of 30 June 2021, BAM has a 61.9% economic interest and a 14.0% voting interest in Oaktree. Together BAM and Oaktree manage over U.S. $625bn of investments (as at 30 June 2021).

Ownership and Corporate Governance

The immediate parent company of the Issuer is UHGL and the top entity in the Utmost group is Utmost Topco Limited ("**UTL**", formerly known as Life Company Consolidation Group (No 2) Limited). Both UHGL and UTL are companies limited by shares incorporated in the Bailiwick of Guernsey. The controlling party, holding approximately 84.9% of the UTL voting shares and therefore maintaining a controlling interest in the Group, is OCM Utmost Holdings Ltd ("**OUHL**"). OUHL is an investment special purpose vehicle which is owned by a number of funds managed by subsidiaries of Oaktree. The ultimate beneficial owners of OUHL are the investors in the funds.

The remaining approximately 15.1% of UTL voting shares are held by the Founders. UTL has raised the majority of its equity through the issue of 8% Sterling preference shares, the proceeds of which have been passed down to UGP as Tier 1 equity.

An Investment Deed dated 1 October 2020 has been entered into between OUHL, UTL, the Issuer, the Founders and others (the "**Investment Deed**") pursuant to which the relationship between the owners and controllers of the Issuer and its subsidiaries is regulated. Most pertinently, there is a requirement for the Issuer to provide, grant access to, and deliver (or procure the delivery of), to the various investors, on an on-going basis, copies of the financial reports and information about the Group including an annual budget for each member of the Group that is

regulated (both for itself and its operating businesses). While certain matters are reserved to each of the Founders and OUHL, this ensures that there is oversight over certain key matters to ensure the prudent management of the business. At the operating company level, there is an independent chairman and a number of other independent non-executive directors on the board of each regulated entity. The Issuer has recently appointed an independent chairman and an independent non-executive director, who will chair the Issuer's Audit, Risk and Compliance Committee.

OUHL has made certain undertakings to the Issuer and UTL including that (a) it will undertake no activity other than holding shares in UTL and holding small balances in its bank accounts and (b) that it will be financed solely by equity and will not incur any indebtedness.

Group Reorganisation and Group Supervision

Whilst the Utmost group has been operating since 2013, until 2020 this was in two separate corporate structures which shared common ownership (together "**the original Utmost businesses**"). One structure housed the open international operating business whilst the other housed the closed UK operating business. In 2020, the Utmost group underwent a reorganisation through which both the international and UK operating businesses were transferred to the Issuer (the "**Group Reorganisation**").

Since October 2020, the Issuer has been subject to group supervision by the Prudential Regulation Authority ("**PRA**"). The UK business, Utmost Life and Pensions, is authorised by the PRA and regulated by the FCA and the PRA. The Utmost International businesses are regulated locally in the jurisdictions in which they are incorporated. In addition, the PRA also undertakes group supervision of the wider Utmost group up to and including OUHL on an "other methods" basis.

Presentation of Financial Information

Certain financial information for the financial years ended 2019 and 2020 as contained and incorporated by reference in this Offering Memorandum, including as set out in this section "*Description of the Issuer and the Group*", has been prepared based on 'predecessor accounting' principles and presented on the basis that the Group Reorganisation had occurred before 1 January 2019, as further explained in section '2.1 Basis of preparation' on page 70 of the 2020 Annual Report, as incorporated by reference herein.

Description

Utmost Group provides insurance and savings solutions in the UK and international insurance markets. Utmost Group aims to provide modern, flexible solutions which assist clients in securing their financial futures.

As at 31 December 2020, the Group employed over 960 people across 9 countries with operations across the UK, Europe, the Middle East, Asia and the Bahamas. The key operating entities are Utmost PanEurope DAC ("**UPE**"), based in Ireland, Utmost Limited ("**UL**"), based in the Isle of Man, Utmost Worldwide Limited ("**UW**"), based in Guernsey and ULP, based in the UK.

Quilter International became a part of Utmost International on 30 November 2021. At June 2021, Quilter International employed around 650 people across 6 locations with operations across the UK, Europe, the Middle East and Asia. The key operating entities are Quilter International Ireland DAC ("**QIID**"), based in Ireland, and Quilter International Isle of Man Limited ("**QIIOM**"). Around 650 employees transferred to Utmost Group at the point of completion.

The Group operates in the UK and the international insurance markets across its two businesses, Utmost International (the "**International business**") and Utmost Life and Pensions (the "**UK business**").

Utmost Group's Businesses

Utmost International

Utmost International is an international life assurance business which provides insurance solutions designed to help preserve its clients' wealth and safeguard it for future generations. Utmost International serves two global markets through its principal businesses, Utmost Wealth Solutions ("**UWS**") and Utmost Corporate Solutions ("**UCS**"). Utmost International has key corporate centres in the Isle of Man, Ireland and Guernsey, and refers to its operations in these regions as Utmost International Isle of Man, Utmost International Ireland and Utmost International Guernsey respectively.

Utmost Wealth Solutions

UWS provides insurance-based wealth solutions to clients designed to help safeguard their wealth for future generations. UWS offers expertise to clients who are seeking intelligent and efficient solutions to manage their wealth.

UWS' propositions are based on unit linked life assurance policies. Its clients are affluent and High-Net Worth ("**HNW**") individuals who are based in a wide range of jurisdictions globally. Its propositions are designed to provide effective and reliable solutions for clients who wish to control the wealth they have accumulated and manage the proceeds when planning succession.

UWS had £29.3bn of assets under administration ("**AUA**") and 130,000 customers as at 31 December 2020. The business wrote £1.6bn of new premiums in 2020 across the UK, Europe, the Middle East, Latin America and Asia. Quilter International had £20.6bn of assets under administration ("**AUA**") and 96,000 customers as at 31 December 2020 and became a part of the UWS business on 30 November 2021.

UWS' solutions are based on unit linked insurance policies which are simple, well-regulated and provide a tax-efficient savings vehicle. UWS' clients typically have a high average portfolio value and distribution is intermediated by financial advisers who want simple, robust solutions for their clients. Sectoral growth factors including a growing population of affluent and HNW individuals and increased demand from distributors for straightforward planning solutions are driving demand for UWS' products.

UWS operates across the UK, Europe, the Middle East, Latin America and Asia. Of UWS' £29.3bn AUA at 31 December 2020, approximately 56% was managed on behalf of UK-based clients, approximately 33% on behalf of European-based clients and the remainder managed on behalf of clients across the Middle East, Latin America and Asia. Of UWS' £165m Annual Premium Equivalent ("**APE**") in 2020, approximately 47% was premiums from UK-based clients, approximately 40% was premiums from European-based clients and the remainder was premiums from clients based across the Middle East, Latin America and Asia.

UWS AUA and APE by Region as at, and for the year ended, 31 December 2020, totalling £29.3bn AUA and £165m APE, were split as follows:

	AUA	APE

	(%)	*(%)*
UK	56	47
Italy	27	22
Rest of Europe	6	18
Rest of World	11	13

Sales are intermediated by financial advisers from private banks, wealth managers, family offices and adviser firms. UWS performs due diligence checks on its advisers and customers and only serves advisers who have the appropriate advisory permissions in place. In 2020 UWS worked with around 600 adviser firms.

The majority of UWS' AUA is in respect of single premium business, where the client makes a single premium payment at the outset of the policy, with the option for subsequent top-ups. UWS also provides regular premium business, where the client makes regular payments into their policy. Of UWS' 130,000 customers as at 31 December 2020, approximately 60,000 have single premium policies and approximately 70,000 have regular premium policies. In 2020, approximately 90% of UWS' premiums were into single premium products and approximately 10% into regular premium products.

Fee structures are based on initial fees, which are a basis point charge on the initial premium amount, and ongoing annual management charges, which are a basis point charge on the current portfolio value. The average fee was 43 basis points ("**bps**") per annum in 2020.

UWS' policies support various investment approaches including discretionary fund manager, advisory, and self-select solutions, meaning the adviser or the client can control the investment of the policy. A wide range of assets can be held in the policy including mutual funds, direct stocks and shares and private assets. The open architecture platform offers access to a wide range of investment funds. In addition, UWS provides guided architecture ranges from which clients can select funds.

UWS has launched a number of products in its markets designed to improve client outcomes and ensure good value for money. UWS continues to focus on product development to remain competitive, compliant with applicable regulation, and commercially attractive. UWS adjusts its product range to meet regulatory and market changes and to respond to new opportunities including entries into new regions. UWS continues to develop its online capabilities to ensure easy customer access to their policy information.

Utmost Corporate Solutions

UCS provides employee benefits including life cover, income protection and critical illness cover to its corporate clients to protect their employees. UCS specialises in the provision of benefits to multinational corporations with employees in multiple jurisdictions.

UCS operates across two divisions: Life and Health; and Pension and Savings.

Life and Health provides Group Risk products including life, disability and critical illness cover. These products provide a lump sum or regular income in the event of the death, disability or illness of an employee. Clients are typically blue-chip multinational corporations and domestic corporates with employees either in single or multiple jurisdictions. The majority of the risk in this business is reinsured.

Pension and Savings provides Group Pensions and Group or Individual Savings with access to a guided architecture range of funds. The policies are set up by corporates on behalf of their employees, who are typically expatriates.

UCS sells business into three regions: Ireland, where its clients are multinational and domestic corporates located in Ireland with Irish based employees; PanEuropean, where its clients are multinational corporations located in an EU jurisdiction with employees in multiple EU jurisdictions; and Global, which refers to expatriates working around the world.

In 2020, UCS wrote £195m annual premiums of which approximately 75% was Life and Health and approximately 25% was Pension and Savings. The business provides cover to approximately 1 million lives across 5,300 policies.

The UCS product can cover employees in multiple jurisdictions under a single policy, offering ease of administration and cost efficiency. UCS sources business directly from corporates, from brokers and from its business partner Generali Employee Benefits ("**GEB**"). UCS is part of the GEB network of which comprises employee benefits providers based around the world. UPE is the GEB network partner for multinational companies in Ireland and PanEuropean multinational companies providing pooling, global underwriting programs and captive solutions. UW is the GEB network partner for multinational companies with internationally mobile staff providing pooling, global underwriting programs and captive solutions.

UCS receives annual insurance premiums for the insurance cover it provides. The products are short term in nature and often subject to annual renewals. The majority of the risk underwritten by UCS is reinsured.

Utmost Life and Pensions

Utmost Life and Pensions is a consolidator of UK life and pensions books of business. It looked after over 380,000 customers, with £6.8bn AUA as at 31 December 2020. ULP aims to provide a safe home for its policyholders' assets through a strong capital position and efficient operational management. ULP has experience across a broad range of product types. As at 30 September 2021 ULP had £5.4bn (82%) unit linked liabilities, £0.3bn (4%) with profits liabilities, £0.5bn (8%) annuities, £0.2bn (3%) other non-profit liabilities and £0.2bn (4%) free assets giving a total of £6.7bn assets. ULP had 360,000 customers at 30 September 2021. The average unit linked AMC was 77 bps per annum. The unit linked assets were invested 21% equity, 3% money market, 75% multi asset and 1% fixed income.

ULP's products support its clients' journeys to and through retirement. ULP focuses on developing its proposition to enable it to improve outcomes for clients. In March 2020, ULP launched a Flexible Drawdown proposition available to existing customers. New business written in 2020 included the new Flexible Drawdown product and annuities sold to existing customers on the vesting of their pension savings contracts. ULP continue to consider ways to enhance the product offering for existing customers.

The business continues to seek out attractive acquisition targets which fit within the Group's qualitative and quantitative M&A framework. ULP was formed from the demutualisation and acquisition of Reliance Mutual Insurance Society Limited in April 2018 and the demutualisation and acquisition of Equitable Life Assurance Society ("**ELAS**") in January 2020. Having completed two complex acquisitions and the vast majority of the related integration work, and with a regulated UK life insurance company and, via Utmost Group, access to significant capital, ULP considers itself to be well positioned to compete on further M&A transactions in the UK run-off market. ULP is able to take on closed portfolios of unit linked and more capital-heavy in-force business, provided that the overall economics of the acquisitions make sense.

ULP strives to provide excellent customer service and is focused on the provision of reliable, consistent servicing and clear communications. The ULP customer service team are trained with skills to support the customer journey into and through retirement. ULP is focused on good customer outcomes and conducts product reviews to ensure its products, charging structures and investment options are seen to provide good outcomes and value for money. This was demonstrated through the with-profits to unit linked conversion and the launch of the new investment fund range. The business also puts in place processes to protect vulnerable customers.

Acquisition of Equitable Life Assurance Society

On 1 January 2020, ULP acquired the vast majority of the business of ELAS through a Part VII Transfer sanctioned by the High Court. In addition, ELAS became a subsidiary of ULP. Approximately 3,000 unit linked and with-profits customers in Ireland and Germany, with £79.1m of assets, and policies sold under Irish or German law, were retained in Equitable Life. On 1 January 2020, as a result in a change to the Articles of Equitable Life, ULP became its sole member.

In preparation for the acquisition, ELAS undertook a Scheme of Arrangement, which also became effective on 1 January 2020, immediately ahead of the Part VII transfer. As a result of the Scheme, eligible with-profits policies were converted to unit linked policies with no investment guarantees. In-scope customers received a one-off uplift at the point of conversion of at least 75% of their policy value. Customers were initially invested in a Secure Cash Fund prior to transfers to the relevant unit linked funds, either through customer choice or, if no choice was made, through the Age Related Strategy. For customers in the Age Related Strategy, their monies were initially invested in a Secure Cash Fund for the first six months of 2020 and then transferred into Unit Linked Managed Funds managed by JPMAM through the second half of 2020 in weekly tranches with the choice of which Managed Fund determined by their age.

ULP guaranteed that the price of the Secure Cash Fund would not drop below the initial price set on 1 January 2020. As a result of the Age Related Strategy (which was designed to protect converted policyholders from market volatility), a significant number of customers that transferred from ELAS were protected from market falls in the second quarter of 2020 caused by the uncertainty relating to the COVID-19 pandemic. The funds were then migrated into Unit Linked Funds during a period of market recovery in the six months from July 2020 onwards.

As part of the conditions of the Part VII Transfer, ULP injected additional capital to ensure it had own funds at least equal to 150% of Solvency Coverage Ratio. In addition ULP undertook a number of integration activities during 2020, and these were successfully concluded despite the COVID-19 pandemic. These activities included the migration of all operational work and relevant IT infrastructure from the Utmost office in Tunbridge Wells to the ex-ELAS office in Aylesbury. The Tunbridge Wells office was closed in Q2 2020, and Aylesbury became the registered office of ULP in June 2020.

Strategy

Utmost Group provides insurance and savings solutions in the UK and international insurance markets. Utmost Group aims to provide innovative investment and savings solutions which assist its clients in securing their financial futures. Providing a safe home for customers' policies and sharing success with customers, employees and investors is at the core of the Group's strategy.

Utmost Group has clear strategic objectives for its business in order to:

- Provide appropriate insurance and savings solutions which deliver good outcomes;

- Maintain its position as a leading consolidator for the life assurance market;

- Enhance its financial and operational performance, which supports the delivery of sustainable, strong returns for its investors;

- Make a positive difference by operating as a sustainable business.

To achieve its strategic objectives the Group is focused on the delivery of its four strategic pillars.

- Good client outcomes;

- Growth through acquisitions;

- Organic growth;

- Delivery of synergies.

Delivering good client outcomes is central to the Group's strategy. The Group's mission is to build a brighter future for its clients through preserving their wealth. The Group focuses on helping clients preserve their wealth and safeguard it for future generations. Client confidence in the Group is recognised through strong new business figures and high retention rates of both existing and transferred policyholders.

The Group has substantial acquisition growth ambitions. The Group's objective is to complete strategic M&A transactions in the UK run-off market with ambitions to add a further £25bn AUA over 2-3 years. The Group's competitive advantages include the ability to complete complex transactions, ready access to capital and its strong market position in the UK run-off market. The Group has headroom to support the financing of future deals, given the low leverage ratio.

Utmost International is the Group's open business. The Group aims to drive the organic growth of Utmost International with ambitions to generate £100m p.a. value of new business within a 3 year horizon. Organic growth has been resilient in the face of recent corporate activity and challenging market conditions throughout the pandemic. The growth strategy focuses on enhancing the existing product range and entering new territories.

The successful integration of the acquired businesses is key to driving operational and financial efficiencies and creating economies of scale. Integration is one of the Group's core competencies. When businesses are acquired or portfolio transfers undertaken, a period of integration activity will follow, carried out consistently with the Group Target Operating Model ("**TOM**") and giving appropriate priority to immediate control and governance matters. Utmost Group has considerable experience balancing the clarity of its vision and objectives, including its TOM, and being flexible enough to take on and integrate the operating infrastructure of acquired books of policies.

Sustainability

The Utmost Group aspires to make a positive difference. Its mission is to secure its clients' financial futures through the delivery of life and pension solutions, which result in greater prosperity for present and future generations. The Group's responsibility to its clients combines with a sense of responsibility in all corporate actions to the environment, to employees and to the wider societies in which it operates.

Sustainability is central to the Group's strategy. The Group's sustainability strategy supports its vision by delivering positive benefits to stakeholders and embedding sustainability across the

business. As well as being an overall positive for society, this also makes business sense in keeping with the Group's long-term vision.

The Group's sustainability strategy is framed along four pillars:

- Client outcomes;
- Responsible investments;
- Environmental impact;
- Engagement in its community.

The Group CEO has overall accountability for ensuring the Group is run in a sustainable manner. The sustainability strategy is implemented by the Sustainability Working Group, which comprises key corporate functions and representatives from each business bringing together individual expertise, best practices and innovative ideas from the operating businesses to promote and improve sustainable practices across the Group. The Sustainability Working Group reports to the Group CEO through the Group Executive Committee ("**ExCo**"). The Climate Steering Group drives the Group's response to climate related risks and reports to the Group's Audit, Risk and Compliance Committee.

Client Outcomes: The Group was founded on the belief that all stakeholders are better served as part of an active and growing franchise. The provision of good client outcomes remains central to the Group's strategy. The Group's overall purpose is to build a brighter future for its clients and better serve all stakeholders. The Group's mission is to secure its clients' financial futures through the delivery of insurance and savings solutions, which result in greater prosperity for present and future generations. In order to support its mission of providing good client outcomes, Utmost Group continually develops its proposition, aims to deliver excellent customer service and is providing additional ESG investment options to its customers.

Responsible Investments: The Group recognises the importance of its role as a long-term allocator of capital and considers ESG factors as part of its investment activity. Responsible investing is a key issue in the industry and facing wider society, as well as an important factor to clients when allocating funds. Utmost Group aims to make sustainable investment decisions and considers the sustainability impact of its investment decisions on clients, partners, employees and the wider society in which it operates. The Group is committed to taking a proactive approach to sustainable investing.

In 2022 the Group became a signatory to the UN Principles for Responsible Investment ("**UN PRI**") and a member of the Institutional Investors Group on Climate Change ("IIGCC"), demonstrating its commitment to responsible investing. The Group has committed to a net zero pathway in its investment portfolio, and plans to reduce the carbon footprint of its shareholder assets to zero by 2050 with an interim measure to halve emissions by 2030. The Group has ESG standards and Stewardship Standards in place within its Investment Policy. The Group measures and monitors the ESG risk of its shareholder assets and the funds in its guided architecture range. The Group only selects managers who are signatories to the UN PRI and provides ESG risk scores on guided architecture factsheets for customers.

Environmental Impact: The Group has a responsibility to reduce its environmental impact and to protect the environment. Utmost Group is committed to reducing and minimising the environmental impact of its operations and embedding a sustainable mindset into its corporate philosophy. The Group supports the recommendations of the Task Force on Climate-related Financial Disclosure ("**TCFD**") and will issue its first TCFD report as a part of its 2021 Annual

Report and Accounts. The Group is developing its climate risk framework in line with the recommendations of the TCFD. The Group is supportive of the climate-related work of the Association of British Insurers ("**ABI**"), the Financial Conduct Authority ("**FCA**"), the PRA and the Bank of England ("**BoE**") and will develop its climate risk and reporting framework in line with industry best-practice and regulatory requirements over the coming years.

The Group has delivered various initiatives in order to lower the carbon footprint of its offices. These include enabling employees to reduce their impact on the environment, such as encouraging the "reduce, reuse, recycle" philosophy and discouraging the use of single-use plastics. As a business operating across multiple locations, the Group encourages the use of virtual meeting software, and to complement its activities in this area, has taken the decision to offset the Group's carbon emissions generated throughout the course of 2020 and all future years.

Engagement in its Community: The Group's employees are core to the success of the Group, both individually and collectively. It is an important priority of the Group that employees enjoy a diverse and vibrant work environment which ensures they are fulfilled and committed.

Utmost Group is committed to promoting equality and diversity. The Group is committed to a policy of equal opportunity for employees and continues to select, recruit, train and promote the best candidates based on suitability for the role. The Group looks to develop diversity throughout the organisation. One metric for measuring this is gender split and currently over 30% of senior managers (defined as all Issuer and life entity board members, ExCo members, and direct ExCo member reports) are female. In 2020 the Group introduced a five-year strategy to:

- Increase diverse representation;
- Strengthen leadership focus on diversity and inclusion;
- Ensure equal opportunities for progression and development for all.

Utmost Group aims to have a positive impact not only on the lives of employees, but also on the communities in which it operates. The Group supports employees' voluntary activity by allowing them to take one day of paid work time out of the office each year to support community volunteering.

Quilter Acquisition

On 30 November 2021, the Group completed the acquisition of Quilter International (the "**Transaction**"). Utmost Group paid approximately £481m, inclusive of a 5% interest charge on the base consideration of £460 million from (and excluding) 31 December 2020 to completion. The base consideration represented 84% of the Own Funds of Quilter International of £575m as at 31 December 2020.

Upon completion of the Transaction, Quilter International became a part of Utmost International, the international life assurance business of Utmost Group. The Transaction added £24bn AUA and 90,000 policies to Utmost International, based on Quilter International data as at 30 September 2021. It confirmed Utmost International's position as one of the leading global providers of international life assurance. On a pro forma basis, Utmost International and Quilter International combined had £55bn AUA and 210,000 policies as at 30 September 2021 and wrote £3.7bn new business inflows in the nine months to 30 September 2021.

Quilter International's diversified business footprint and distribution network across the UK, Europe, the Middle East, Asia and Latin America, with branches in Singapore and Hong Kong and a regulated distribution office in the Dubai International Financial Centre ("**DIFC**"),

complement and strengthen Utmost International's existing position in these markets, where Utmost International sees strong, continuing demand for wealth solutions for affluent and HNW clients.

Quilter International will be merged with Utmost International's operations in the Isle of Man, Ireland, DIFC, Singapore and Hong Kong. The two product suites of Utmost International and Quilter International were merged into a single suite of products under the Utmost International brand after completion of the acquisition. Opportunities for expense and capital synergies have been created, leveraging Utmost Group's efficient operating model.

Material terms of the Quilter SPA

The Quilter SPA was entered into on 1 April 2021 between Old Mutual Wealth Holdings Limited (the "**Seller**", a subsidiary of Quilter plc), Utmost Holdings Isle of Man Limited ("**UHIOM**") as "**Purchaser**", the Issuer and OUHL (the latter two as the Purchaser's guarantors). Pursuant to the terms of the Quilter SPA, the Seller agreed to sell the entire issued share capital of Quilter International Ireland DAC ("**QIID**") and to procure the sale of Quilter International Holdings Limited ("**QIHL**") by its wholly-owned subsidiary to the Purchaser. QIH transferred together with, amongst other things, the shares it owns in its subsidiaries including Quilter International Isle of Man Limited ("**QIIOM**) and Quilter International Business Services Limited ("**QIBS**") to the Purchaser. The Issuer has undertaken to ensure the Purchaser performs each of its obligations under the Quilter SPA and indemnified the Seller against any losses that result from the Purchaser's default under the Quilter SPA, the Transitional Services Agreement (as defined below) and certain other documents entered into in connection with the acquisition) it has also given certain customary warranties with regards to its entry into and the enforceability of the Quilter SPA.

The consideration payable to the Seller pursuant to the Quilter SPA comprised a base consideration of £460m plus a 5 per cent. interest charge on this sum for the period from (and excluding) 31 December 2020 to completion of the acquisition on 30 November 2021 ("**Completion**"), representing total consideration of £481m payable in cash.

The Seller has given warranties to UHIOM that are customary for a transaction of this nature. The SPA contains customary financial thresholds, time limitations, and other limitations and exclusions in relation to the Seller's liability under the warranties given to the Purchaser.

The employees of the Quilter International group companies transferred with the Quilter International group companies and, in addition, certain employees of the Quilter plc group who were wholly or mainly dedicated to the Quilter International transferred to Quilter International on Completion (the "**UK Transferring Employees**"). The Seller and the Purchaser agreed to indemnify each other (and each other's group members) in respect of certain liabilities in connection with the UK Transferring Employees which arise before and after Completion. There are provisions in the SPA dealing with the novation or separation of certain contracts that are currently shared between Quilter International and Quilter or are used by Quilter International but are in the name of a Quilter group company

In connection with the disposal, Quilter Business Services Limited ("**QBS**"), a subsidiary of Quilter plc, and QIBS, entered into a transitional services agreement (the "**Transitional Services Agreement**") to govern the transitional support to be provided by QBS to Quilter International following Completion to ensure the successful separation of Quilter International from the Quilter plc Group. The transitional services to be provided by the Quilter plc Group shall consist of certain IT, operational and other transitional services. The maximum period of the transitional services is 24 months, with Quilter International having the right to terminate services early. QBS will receive fees for providing the transitional services. Subject to limited customary exceptions, QBS' liability is capped at 100 per cent. of the aggregate service fees paid and payable during a contract year.

Utmost Group Acquisition History

The original Utmost businesses were founded by Paul Thompson and Ian Maidens in 2013, with backing from Oaktree as a strategic investor. The table below details the acquisition history of the business.

Announced	Completed	Country	Name
October 2014	March 2015	Ireland	IBRC Assurance
July 2015	December 2015	Ireland	Scottish Mutual International
April 2016	July 2016	Ireland	Aviva International
April 2016	October 2016	Isle of Man	AXA Isle of Man
June 2016	November 2016	Ireland	Augura Life
June 2016	November 2016	Bermuda	Altraplan Bermuda
August 2016	March 2017	Ireland	Union Heritage Life Assurance
October 2016	June 2017	Ireland	AXA Life Europe OSB (by transfer scheme)
February 2017	March 2018	UK	Reliance Mutual
December 2017	June 2018	Ireland	Generali PanEurope
April 2018	December 2018	Ireland	Aegon Ireland OSB (by transfer scheme)
June 2018	January 2020	UK	Equitable Life (by business transfer)
July 2018	February 2019	Guernsey	Generali Worldwide
April 2021	November 2021	Isle of Man	Quilter International

The first international acquisitions made by the original Utmost businesses took place in 2015, with the purchase of two closed Irish insurance businesses: IBRC Assurance Company Limited and Scottish Mutual International Limited. Shortly after these acquisitions, Aviva Life International, based in Ireland, was also purchased.

In October 2016, the original Utmost businesses purchased AXA Isle of Man Limited (rebranded Utmost Limited), which was one of the largest UK providers of international bonds. Later in the year, Augura Life Ireland DAC and Altraplan Bermuda Limited were acquired by the original Utmost businesses.

During 2017, the original Utmost businesses continued to grow, with the purchase of Union Heritage Life Assurance Company DAC and the acquisition of the investment bond business of AXA Life Europe DAC, via a Section 13 portfolio transfer.

In March 2018, following the sponsored demutualisation of Reliance Mutual Insurance Society Limited ("**RMIS**"), the entire business of RMIS was transferred to a new UK life company created by the original Utmost businesses and now known as Utmost Life and Pensions Limited. This transaction was the start of the Group's business in the UK closed life consolidation market.

The original Utmost businesses expanded into European markets with the acquisition of Utmost PanEurope in June 2018 (formerly Generali PanEurope DAC), and the Group continued to pursue its intention to create a market-leading, specialist wealth manager with a global footprint, acquiring the international investment bond business from Athora Ireland plc in December 2018.

In February 2019, the original Utmost businesses expanded into global markets with the acquisition of Utmost Worldwide Limited (formerly Generali Worldwide Insurance Company Limited), and also completed an extensive rebranding exercise across the business to embed the Utmost brand. Each acquired business has now adopted the Utmost brand.

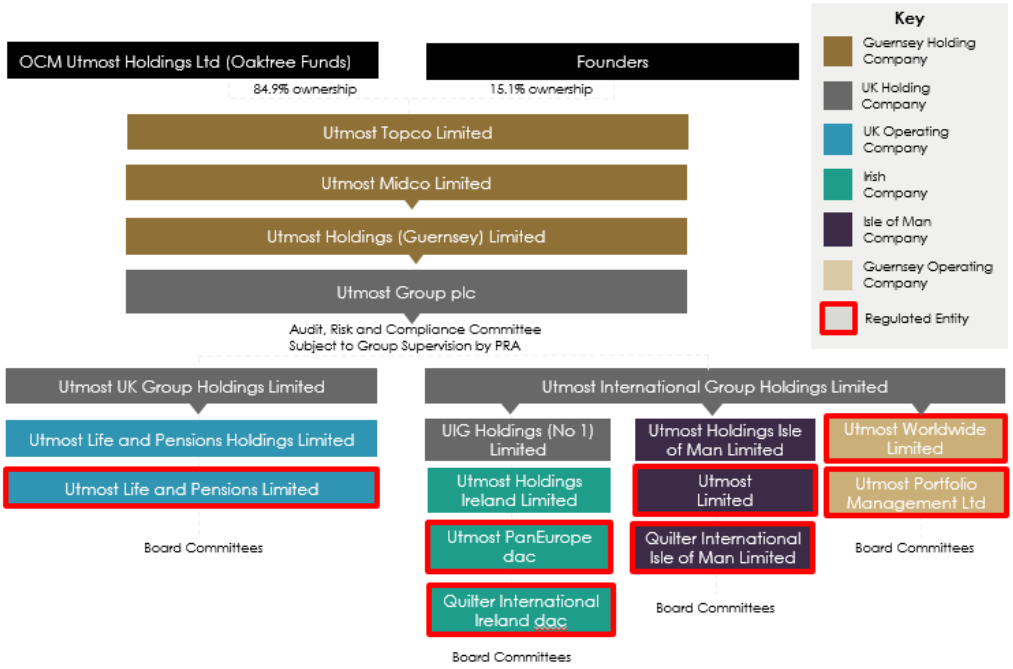
In January 2020, following the sponsored demutualisation of ELAS, the vast majority of ELAS' business was transferred to Utmost Life and Pensions Limited.

In April 2021, the Group announced the proposed acquisition of Quilter International. The acquisition completed on 30 November 2021.

Whilst the Utmost group inception date was 2013, each acquired insurance company has a long track record prior to acquisition and has an experienced management team with a long tenure in their respective business, as shown in the director and management team biographies within this Offering Memorandum.

Following the transfer of the original Utmost businesses to the Issuer in October 2020, the Issuer was assigned an Issuer Default Rating of "BBB+" by Fitch and has a "stable outlook". This rating replaced an Issuer Default Rating on a Guernsey incorporated holding company within the Utmost business.

Group Structure



The Group has insurance operating entities in the UK, Ireland, the Isle of Man and Guernsey. The key operating life companies are shown on the structure above and described below.

Utmost Life and Pensions Limited ("ULP")

ULP is a UK life and pensions company which purchases long-established businesses and books of business from major insurance groups, providing a safe home for its clients' existing policies and helping them to plan and save for the long term. The main operating subsidiary is ULP, although some policies are held with ELAS, a subsidiary of ULP. ULP is authorised by the PRA and regulated by the FCA and the PRA.

As at 31 December 2020, ULP had AUA of £6.8bn and 380,000 policyholders.

Utmost PanEurope DAC ("UPE")

UPE is an Irish life insurance entity which sells UWS and UCS products into the UK and Europe. The business has been operating since 1999 and was purchased from Assicurazioni Generali SpA ("**Generali**") in June 2018. UPE is regulated by the CBoI.

As at 31 December 2020, UPE had AUA of £15.5bn and 43,000 policyholders.

Quilter International Ireland dac ("QIID")

QIID is an Irish life insurance entity which sells UWS products into the UK, Europe and LatAm. The business has been operating since 2003 and was purchased from a subsidiary of Quilter plc ("**Quilter**") in November 2021. QIID is regulated by the CBoI.

As at 31 December 2020, QIID had AUA of £2.9bn and 6,000 policyholders.

Utmost Limited ("UL")

UL is an Isle of Man life insurance entity which sells UWS products predominantly into the UK. UL was founded in 1992 and acquired from AXA Société Anonyme in October 2016. UL is regulated by the IOM FSA and the FCA.

As at 31 December 2020, Utmost Limited had AUA of £10.6bn and 29,000 policyholders.

Quilter International Isle of Man Limited ("QIIOM")

QIIOM is an Isle of Man life insurance entity which sells UWS products from its Isle of Man entity, its branches in Hong Kong and Singapore and its distribution office in DIFC into UK, Europe LatAm, Middle East and Asia. QIIOM was founded in 1984 and acquired from a subsidiary of Quilter plc ("Quilter") in November 2021.

QIIOM and its branch operations are regulated in Isle of Man, Hong Kong and Singapore. Quilter International Middle East Limited is authorised and regulated by the Dubai Financial Services Authority.

As at 31 December 2020, QIIOM had AUA of £18.6bn and 84,000 policyholders.

Utmost Worldwide Limited ("UW")

UW is a Guernsey life insurance entity which sells UWS and UCS products from its Guernsey entity, its branches in Hong Kong and Singapore and its distribution office in DIFC to its international customer base. The business has been operational since 1993 and was acquired from Assicurazioni Generali SpA ("**Generali**") in February 2019.

UW and its branch operations are regulated in Guernsey, the Bahamas, British Virgin Islands, Cayman Islands, Hong Kong, Jersey, Singapore and Switzerland. In addition, Utmost Worldwide (DIFC) Limited, a subsidiary of UW, is regulated by the Dubai Financial Services Authority.

As at 31 December 2020, Utmost Worldwide had AUA of £3.7bn and 57,000 policyholders.

Group Financial Performance

Key Performance Indicators ("KPIs")

The Group monitors six key performance indicators:

- Assets under Administration ("**AUA**");
- Annual Premium Equivalent ("**APE**");
- Value of New Business ("**VNB**");
- Operating Profit;
- Solvency II Economic Value ("**SII EV**");
- Client Retention.

Full definitions of these KPIs can be found on pages 110 and 111 of the Utmost Group Limited 2020 Annual Report and Accounts, under the heading Alternative Performance Measures.

Utmost Group KPIs

	2019	2020
AUA *(£bn)*	30	37
APE *(£m)*	173	180
VNB *(£m)*	28	30
Operating Profit *(£m)*	87	85
SII EV *(£m)*	1,296	1,342
Client Retention *(%)*		
ULP	-	98%
UWS	-	95%
UCS	-	94%

The Group produces an Annual Report and Accounts, a Group Solvency and Financial Condition Report ("**SFCR**") as well as an Own Risk and Solvency Assessment ("**ORSA**") and a Regular Supervisory Report ("**RSR**"). In future years, the Group intends to produce a half-year financial statement. The life insurance entities publish annual financial statements and entity SFCRs (or their local equivalents).

Assets under Administration ("AUA")

The Group's AUA was £36.7bn at 31 December 2020, increasing by 22% from 31 December 2019 AUA of £30.1bn. £5.6bn of this increase resulted from the completion of the acquisition of the Equitable Life business on 1 January 2020 with the remaining change resulting from asset performance and net fund flows from clients. The majority of the assets are backing unit linked policies within UWS and ULP.

The majority of the UWS AUA is held in respect of UK-based clients and Italian-based clients. The remainder of the UWS AUA is held in respect of clients based in European markets and international markets. As the Group continues to focus on the organic growth of the business, the expectation is for a growing proportion of the UWS AUA to be held in respect of clients outside these two core markets as the Group continues to invest in new product development to support growth in key strategic markets.

Annual Premium Equivalent ("APE")

Group APE was £180m in 2020 compared to APE of £173m in 2019 (on the basis of predecessor accounting and assuming UW was owned for the whole of 2019). The sales and marketing teams worked closely with distribution partners to maintain and slightly grow new business despite the challenges of being unable to meet either distribution partners or clients in person for the vast majority of the year. Relationships with distribution partners remained strong throughout this period and the sales momentum has continued into 2021 with APE in the first half of the year having advanced to £133m.

UWS APE was £165m in 2020, compared to £147m in 2019. Business written in UL was stable year-on-year whilst the business written by UPE and UW recovered materially following an initial reduction in sales as they were integrated into the Utmost Group post-acquisition in June 2018 and February 2019 respectively.

UCS APE was £15m in 2020 compared to £26m in 2019. The reduction in UCS APE reflected the fact that a number of material one-off cases derived from strategic partnerships launched in 2019 were not reflected in the 2020 figures. The continued support of GEB and global employee benefit brokers contributed to strong ongoing performance. Retention rates within UCS remained strong, reflecting its commitment to market-leading service and efficient claims administration in this business.

Value of New Business ("VNB")

VNB is a measure of the profitability of new business written after allowing for the cost of administering it. VNB is calculated on an economic basis, consistent with the Solvency II balance sheet and adjusted to include value that would otherwise be excluded by the application of contract boundaries. In 2020, VNB was £30m, an increase of 7% compared to 2019 when VNB was £28m. The solutions provided by UWS and UCS tailor to the bespoke and often complex requirements of their client base. As a result, the business has been able to maintain and slightly increase its margins in spite of the proliferation of purely online propositions.

Operating Profit

The Group's operating profit for 2020 is £85m, compared to £87m in 2019; the slight decrease not being driven by any specific material items, but includes some one-off costs in 2020. In 2020, approximately 55% of the Group's operating profit was contributed by ULP with the remainder contributed by the International businesses. Management expect each business to continue to contribute to the Group's operating profit, generating cash and capital to be deployed by Utmost Group.

Solvency II Economic Value ("SII EV")

SII EV is the Group's preferred measure of the economic value of the business, providing an overall view of the underlying value of the Group attributable to shareholders. SII EV is considered by management to better reflect the commercial value of the Group rather than equity as presented under IFRS, as the latter excludes components of value such as the present value of future earnings arising from in-force business.

For the operating life companies, it is largely derived from components of the Solvency II balance sheet, and the calculation methodology results in an outcome which is broadly equivalent to an old style "market consistent embedded value" before allowance for the cost of non-hedgeable risks. The Group's internal metric to calculate the value of its insurance companies is calculated as follows:

	Solvency II Own Funds
plus	Risk Margin
plus	Value of In-force business outside Contract Boundaries
plus	Foreseeable dividends
less	Intra-group balances which qualify as Tier 2 capital in the receiving entity,

where:

"**Solvency II Own Funds**" means own funds as determined in accordance with Chapter VI, Section III of Solvency II, as implemented in the PRA Rulebook: Solvency II Firms: Own Funds Module;

"**Risk Margin**" means risk margin as calculated in accordance with Article 77 of Solvency II as implemented in the PRA Rulebook: Solvency II Firms: Technical Provisions Module;

"**Solvency II**" means Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance as the same has effect in the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended), and as implemented (among other things) in the PRA Rulebook;

"**Solvency Capital Requirement**" means the Solvency Capital Requirement as calculated on a standard formula basis, in accordance with Article 103 of Solvency II, as implemented in the PRA Rulebook: Solvency II Firms: Solvency Capital Requirement Standard Formula Module; and

"**Value of In-force business outside Contract Boundaries**" means the exclusion of the realistic value of future cash flows on certain in-force contracts from the calculation of rules in the PRA Rulebook: Solvency II Firms: Own Funds Module, in accordance with European Insurance and Occupational Pension Authority guidelines (as the same have continuing effect in the United Kingdom pursuant to the PRA/Bank of England Statement of Policy dated December 2020, entitled "*Interpretation of EU Guidelines and Recommendations: Bank of England and PRA approach after the UK's withdrawal from the EU*").

For all other non-insurance entities, the SII EV is the IFRS net asset value including allowance for bank debt.

SII EV (Gross of Debt) increased from £1,457m as at 31 December 2019 to £1,642m as at 31 December 2020, reflecting the impact of the acquisition of the ELAS business in early 2020. At 30 June 2021, SII EV was £1,662m, in line with the year-end 2020 figure.

The table below summarises the components of SII EV on a Group basis:

	Utmost Group Actual 31 December 2020 *(£m)*	Utmost Group Actual 30 June 2021 *(£m)*	Utmost Group Pro Forma[1] 30 June 2021 *(£m)*	Utmost Group Pro Forma[1] 30 September 2021 *(£m)*
Group Own Funds	1,262	1,279	1,810	1,836
Policyholder Own Funds	(14)	(9)	(9)	(9)
Risk Margin	284	288	437	446
VIF outside Contract Boundary	110	104	104	104
Group SII EV (Gross of Debt)	**1,642**	**1,662**	**2,340**	**2,377**
Debt	(300)	(300)	(400)	(400)
Group SII EV (Net of Debt)	**1,342**	**1,362**	**1,940**	**1,977**

[1] *Includes impact of Quilter International acquisition and UGP £400m Tier 2 issuance*

The following table shows the split of Utmost Group's actual Gross Group SII EV (Gross of Debt) between net asset value ("NAV") and value of in-force ("VIF") at 31 December 2020:

	Utmost Group Actual 31 December 2020 *(£m)*
Gross NAV	**784**
VIF – Ireland	293
VIF – IOM	267
VIF – Guernsey	199
VIF – UK	99
VIF – Total	**858**
Group SII EV (Gross of Debt)	**1,642**

H1 2021 Financial Results

The Group reported strong financial results for the first half of 2021. The Group SII EV increased to £1,662m at 30 June 2021 from £1,642m at 31 December 2020 with the leverage ratio consistent at 18%.

Changes in Key Performance Indicators were as follows:

- Assets Under Administration increased to £38.1bn
- Annual Premium Equivalent of £133m
- Value of New Business of £21m
- Operating profit of £65m

- Client retention exceeding 95% across each Utmost business

Utmost Group's actual cash development in H1 2021 is shown in the table below:

Cash Development	***(£m)***
YE 2020	40
OpCo Dividends	68
GHO Expenses	(3)
Interest Paid	(9)
Dividends Paid	(44)
H1 2021	52

Q3 2021 Pro Forma Financials

KPIs

The table below summarises the financial KPIs of Utmost Group plc for the nine months to 30 September 2021.

KPI	**YTD 30 Sept 2021 (*£m*)**
AUA	62,000
APE	359
SII EV	2,377
Operating Profit	121
VNB	45

The Group had 570,000 clients as at 30 September 2021 on a pro forma basis of which 210,000 were Utmost Wealth Solutions clients and 360,000 were Utmost Life and Pensions clients. On a pro forma basis, the approximate regional split of Utmost International AUA as at 31 December 2020 was 49 per cent. UK, 27% Europe, 5% LatAm, 5% Middle East, 8% Asia and 5% other. On a pro forma basis, the regional split of Utmost International APE as at 31 December 2020 was 46% UK, 32% Europe, 3% LatAm, 9% Middle East, 8% Asia and 2% other. The pro forma Utmost International business is split 95:5[1] of new single to regular premiums. The pro forma average fees on Utmost International unit linked policies are 49bps[1] of which 75% are AMC and 25% are fixed. The client retention of the Utmost International business is 93 per cent[1].

1 These figures exclude UCS business

Net Flows – Net flows in both the Utmost International and Quilter International businesses remained strong in the third quarter of the year with total net flows for the nine months of £1.1bn on a pro forma basis as shown in the table below.

(£bn)	**Opening AUA 1 Jan 21**	**Inflow**	**Outflow**	**Net Flows**	**Market Movements**	**Closing AUA 30 Sept 21**
Utmost International	29.3	2.0	(1.5)	0.5	1.5	31.3
Quilter International	21.8	1.7	(1.1)	0.6	1.2	23.6
Utmost Pro forma	**51.1**	**3.7**	**(2.6)**	**1.1**	**2.7**	**54.9**

For the financial year ended 31 December 2020, net flows for the Utmost International (ex-Quilter International) business were £(0.3)bn.

Solvency Coverage – On a pro forma basis, as if the Quilter International acquisition had completed on that date, total Group Own Funds were £1,836m on 30 September 2021 and Group SCR was £1,032m leading to a pro forma SCR Coverage Ratio of 178%on 30 September 2021. The Group's actual SCR Coverage Ratio on 30 June 2021 was also 178%.

UGP Pro Forma Own Funds Build Up Q3 2021

Entity	Own Funds (£m)
Quilter International	638
Utmost International	868
UK	282
HoldCo	48
Own Funds	1,836
Of which Tier 1	1,435
Of which Tier 2	400

In the nine months to 30 September 2021, the life companies paid £78m of dividends, Group Head Office expenses were £5.2m and UGP paid £15.4m interest, leaving approximately £57.5m available for dividends up from UGP or reinvestment into the business.

Economic Value – On a pro forma basis, again as if the Quilter International acquisition had completed on that date, the Group's gross Solvency II Economic Value ("**SII EV**") on 30 September 2021 was £2,377m. Deducting the £400m of Tier 2 notes issued by the Company on 15 September 2021 gives a pro forma net Group SII EV of £1,977m and a leverage ratio of 17% of gross SII EV on 30 September 2021. Utmost Holdings (Guernsey) Limited, the Group's immediate parent company, has £125m of remaining bank debt in place. Allowing for this bank debt, the pro forma leverage ratio increases to 22% of gross SII EV at 30 September 2021.

The pro forma figures given above add the results for the Quilter International companies to the Utmost Group plc results for 30 September 2021 and adjust for the transaction financing. They do not reflect the delivery of any synergies between the two businesses. It is expected that the delivery of synergies will result in a material increase in both Own Funds and SII EV over time. The Group expects that it will take 12-18 months to deliver all of the planned synergies and the value of synergies will be able to be progressively included in the calculation as their delivery becomes more certain, with a modest proportion expected to be included at year end 2021.

Integration

Successful integration of acquired businesses is key to the Group's strategy. It enables the Group to deliver deeper synergies and is viewed by the Board of UGP (the "**Board**") as one of the Group's core competencies; it is essential to enhancing financial and operational efficiencies and creating economies of scale.

When businesses are acquired or portfolio transfers undertaken, a period of integration activity will follow, carried out consistently with the Group TOM and giving appropriate priority to immediate control and governance matters. The Group looks at integrations across five core areas: people, capital synergies, operating synergies, financial synergies and platforms. The Group looks to operate a single life company in each jurisdiction to ensure operational, capital and financial synergies.

The Group has considerable experience balancing the clarity of its vision and objectives, including its TOM, and being flexible enough to take on and integrate the operating infrastructure of acquired books of policies.

The International business operates strategic in-house client servicing and investment administration platforms, AIA and Apache. Six migrations to the Group's strategic platform have taken place including a complex with-profits and unit linked policy migration which completed in 2021.

Following the completion of the ELAS Scheme of Arrangement, a programme of integration activity took place to integrate the UK business in line with the identified TOM. All work was transferred from the ex-Reliance Life site to Aylesbury, the headquarters of the former ELAS business. An IT integration took place to migrate Reliance Life systems to AtoS infrastructure, ELAS' IT platform. Financial reporting and actuarial modelling were consolidated to single systems and third-party relationships rationalised. Supplier contracts were renegotiated to ensure favourable terms. The integration work was carried out during H1 2020 and despite the pandemic and associated country lockdowns, the majority of integration activity was completed by June 2020 with an associated operating expense reduction of approximately half from 2019 to 2021.

The Group is progressing the integration of the Quilter International business into Utmost International. It is Utmost's intention to fully integrate QIIOM and UL in the Isle of Man and QIID and UPE in Ireland.

This integration process is being implemented in parallel with fully separating the Quilter International businesses from Quilter plc. As the separation from Quilter plc will take some time, a number of services are being provided to the Quilter International businesses under the Transitional Service Agreement.

The vast majority of the Quilter International operations are in the Isle of Man with QIID in Ireland having only a handful of employees and outsourcing virtually all functions to QIBS in the Isle of Man. As a result the vast majority of the integration activity is being undertaken in the Isle of Man.

Utmost's "Implementation Programme" brings together the integration and separation work. Post completion, a "100 Day Plan" commenced consisting of key tasks which capture immediate synergies. A longer-term separation and integration programme is progressing which is expected to take a further two years to complete to fully separate from Quilter plc.

Capital

The Group applies a disciplined approach to capital management. It aims to maintain a strong capital position and has prudent capital policies in place.

It is the Group's policy to maintain a strong capital base in order to:

- satisfy the requirements of its contract holders, creditors and regulators;
- maintain financial strength to support new business growth and create shareholder value; and
- match the profile of its assets and liabilities, taking account of the risks inherent in the business.

The Group's capital resources and capital requirements are regularly monitored by the Board. The Group's policy is to hold at all times the higher of:

- the Group's internal assessment of the capital required; and
- the capital requirement of the relevant supervisory body.

Capital Management

The Group as a whole is subject to group supervision by the PRA. The Group's operating entities, branches and sales offices are subject to regulation by their local regulators.

The Utmost life companies seek to maintain a strong solvency position. The Group's policy for Utmost PanEurope, Quilter International Ireland dac and Utmost Life and Pensions is to maintain a solvency coverage ratio (representing the ratio of Own Funds / Solvency Capital Requirement ("**SCR**")) of at least 135% at all times, and at least 150% immediately after the payment of a dividend.

Note that UPE has a target solvency coverage ratio including the Withholding Tax Asset ("**WTA**")[3] of 135% at all times and 150% post-payment of any declared dividends. UPE has a target solvency coverage ratio excluding the WTA of 100% at all times and 110% post-payment of any declared dividend. The Group monitors capital on a Solvency II basis, and in accordance with local regulatory requirements.

Utmost Limited's capital policy is to maintain a solvency coverage ratio of 125% at all times, and at least 150% immediately after the payment of a dividend on a local Isle of Man solvency basis.

Quilter International Isle of Man's capital policy is to maintain a solvency coverage ratio of 125% at all times, and at least 150% immediately after the payment of a dividend on a local Isle of Man solvency basis.

QIIOM is also required to ensure that it meets the regulatory capital standards in respect of each of its branches. In the case of most of these branches, the branch solvency reporting applies to the relevant branch business only. However, QIIOM has to satisfy Hong Kong capital standards on a whole company basis. QIIOM has agreed with the HK Insurance Authority that it will maintain 150% coverage on the HK basis. Furthermore, QIIOM have a board approved internal target in relation to the HK basis to hold at least £55m in excess of the solvency requirement after the payment of a dividend.

Following the acquisition of Utmost Worldwide, Utmost agreed with the GFSC that for an initial period it would adopt a capital policy of seeking to maintain a solvency coverage ratio of at least 155% at all times and of ensuring that the solvency coverage ratio is at least 170% immediately after the payment of a dividend.. On 11 October 2021, the GFSC agreed that UW could adopt the same capital policy as the broader group i.e. to maintain a solvency coverage ratio (representing the ratio of Own Funds / Solvency Capital Requirement ("**SCR**")) of at least 135% at all times, and at least 150% immediately after the payment of a dividend.

UW is also required to ensure that it meets the regulatory capital standards in respect of each of its branches. In the case of most of these branches, the branch solvency reporting applies to the relevant branch business only. However, UW has to satisfy Hong Kong capital standards on a whole company basis.

[3] The Italian withholding tax asset represents a 'tax prepayment' asset relating to prepaid withholding tax in relation to unit linked business sold by UPE to Italian policyholders on a 'Freedom of Services' basis. The amount prepaid to the tax authority is based on a percentage of total mathematical reserves ("**MR**") for the Italian business (currently 0.45%) and is paid each June subject to a cap of a specified percentage (1.8% in 2020) of MR in respect of Italian policies. The tax prepayment is recovered over time via several methods, including reclaiming tax directly from policyholders who elect to surrender their policy, or alternatively reducing the amount paid to the Italian tax authority in future periods, using specific rules which allow the prepayment to be reduced based on amounts paid five years beforehand.

The Issuer's approach to managing capital at Group level mirrors the approach at life company level, i.e. to maintain a Group solvency coverage ratio of at least 135% at all times and a Group solvency coverage ratio of at least 150% immediately after payment of a dividend.

The Group proactively engages and agrees on a suitable capital policy with each local regulator.

As at 31 December 2020, the Group solvency coverage ratio was 183%. Allowing for changes during the first half of 2021, it decreased slightly to 178% at 30 June 2021.

Capital Requirements

The nature of the business written by the Group is such that it is appropriate for the life companies to determine their Solvency II balance sheets using the Standard Formula approach. The Group does not have an internal model. The Basic SCR ("**BSCR**") and SCR composition of the Group on a pro forma basis including Quilter International as at 31 December 2020 is shown in the tables below:

	BSCR Composition Pro Forma 31 December 2020 *(£m)*
Market	555
Counterparty	70
Life	684
Health	22
Non-Life	19
Diversification	(321)
BSCR	**1,029**

The splits of the undiversified SCR on a pro forma basis at 31 December 2020 were 41% market, 5% counterparty, 51% life, 2% health and 1% non-life risk.

	SCR Composition Pro Forma 31 December 2020 *(£m)*
BSCR	1,029
Operational	45
Loss absorbency of deferred taxes	(60)
Loss absorbency of technical provisions	(33)
SCR	**982**

The tables below show a breakdown of the two key components of SCR, market risk and life risk of the Group on a pro forma basis including Quilter International as at 31 December 2020:

Market Risk Breakdown	**31 December 2020** *(£m)*
Yield	30
Equity	318
Property	7
FX	237
Spread	120
Concentration	4
Diversification	(161)
Market Risk	**555**

Life Risk Breakdown	**31 December 2020** *(£m)*
Expense	233
Lapse	505
Disability	2
Longevity	45
Mortality	17
Revision	-
Life Catastrophe	9
Diversification	(128)
Life Risk	**684**

Sensitivity Analysis

Sensitivity analysis is performed at the life company level and at Group level to measure the impact of changes in economic and operating assumptions on capital requirements. The analysis assists in identifying, calculating and monitoring risks to which the life companies and Utmost Group are exposed.

The balance sheet position is modelled, and various stresses are applied, and the resulting impact is shown compared to the Utmost Group solvency coverage ratio of 186% on a pro forma basis including Quilter International as at 31 December 2020 in the table below:

Scenario	**Description of Scenario**	**YE 2020 Impact on Solvency Coverage Ratio vs. Base Case** *(%)*
Base Case	This is the central best estimate scenario	186

Scenario	Description of Scenario	YE 2020 Impact on Solvency Coverage Ratio vs. Base Case *(%)*
Mass Lapse 40%	40% of all policies that can be surrendered immediately surrender	+22
Equity and Property (40)%	Equity and property markets fall by 40%	+8
Interest +200bps	Interest rate curves increase 200bps	6
Interest -100bps	Interest rate curves decrease 100%	(7)
GBP Appreciation +20%	GBP appreciates 20% vs. its EUR, USD	5
Expenses +10%[1]	Expenses increase 10% vs. the base case	(7)

1 Operating expenses for the Group were £106m in 2020 and £55m for H1 2021.

In all the scenarios set out in the table, the Group's solvency coverage ratio remains in line with the capital policy, which is set out in the Capital Management section of this document.

The sensitivities of the Group's own funds on a pro forma basis including Quilter International when subject to various stresses vs. the Utmost Group pro forma own funds of £1,829m at 31 December 2020 is shown in the table below:

Scenario	Description of Scenario	YE 2020 Impact on Own Funds vs. Base Case *(£m)*
Base Case	This is the central best estimate scenario	1,829
Mass Lapse 40%	40% of all policies that can be surrendered immediately surrender	(441)
Equity and Property (40)%	Equity and property markets fall by 40%	(196)
Interest +200bps	Interest rate curves increase 200bps	(11)
Interest -100bps	Interest rate curves decrease 100%	(25)
GBP Appreciation +20%	GBP appreciates 20% vs. its EUR, USD	(71)
Expenses +10%	Expenses increase 10% vs. the base case	(71)

The sensitivities of the Group's SCR on a pro forma basis including Quilter International when subject to various stresses vs. the Utmost Group pro forma SCR of £982m at 31 December 2020 is shown in the table below:

Scenario	Description of Scenario	YE 2020 Impact on SCR vs. Base Case *(£m)*
Base Case	This is the central best estimate scenario	982
Mass Lapse 40%	40% of all policies that can be surrendered immediately surrender	(314)
Equity and Property (40)%	Equity and property markets fall by 40%	(142)
Interest +200bps	Interest rate curves increase 200bps	(38)
Interest -100bps	Interest rate curves decrease 100%	24
GBP Appreciation +20%	GBP appreciates 20% vs. its EUR, USD	(61)
Expenses +10%	Expenses increase 10% vs. the base case	0

Capital Generation

Significant surplus capital is generated from the in-force book. The table shows surplus capital emergence anticipated from the in-force book, defined as any capital in excess of the capital requirements for each life company.

Utmost Group Actual Capital Generation Forecasts

The table below shows Utmost Group's actual capital generation forecasts, excluding the impact of the Quilter International acquisition.

Period	Capital Generation *(£m)*
Existing Surplus	196
2021	93
2022	97
2023	93
2024	80
2025	68
2026 Onwards	1,048
Total	**1,676**

This analysis is based on the 2020 business planning exercise completed in the fourth quarter of 2020, which forecasts the Group's financial metrics over the following 5 year horizon (2021-2025), using economic assumptions as at 30 June 2020 with no allowance for the market improvements experienced over the period. The analysis excludes the impacts of new business. Total capital emergence over the projected life of the in-force business is estimated as £1,676m. In practice, the operating life companies paid aggregate dividends and interest of £89m to Group holding companies during 2020.

Capital Impact of Writing New Business

The table below shows the capital impact of writing new business. The business invested £8m of capital to support the writing of approximately £1.8bn of new business written in 2020. This demonstrates Utmost Group's capital light approach to product design. The new business adds an additional £50m of cash emergence, further enhancing the Group's anticipated capital generation over and above what is shown in the table above. This additional return of £50m compares to the VNB of new business written in 2020 of £30m (the difference reflecting the lack of discounting, the inclusion of real-world investment returns and the return of the £8m capital invested).

	2020 *(£m)*	
New Business Written	1,852	
Capital Strain	8	0.5% of New Business Written
Capital Generation	50	6x Capital Strain

The table shows Utmost Group's actual capital impacts, excluding the impact of the Quilter International acquisition.

The in-force business can comfortably support investment in new business at both the current and expected volumes and new business written will make a substantial contribution to surplus capital generation.

Leverage

As at the date of this Offering Memorandum, the Issuer has one debt instrument in place: £400m 4.00% fixed rate subordinated Tier 2 notes due 2031 which are admitted to trading on the Global Exchange Market of Euronext Dublin. The Tier 2 notes are rated 'BB+' by Fitch.

The Group targets a leverage ratio of 20-30% of Debt to Gross SII Economic Value. At 31 December 2020 the leverage ratio was 18.3%.

The Issuer is also a guarantor under the Senior Facility Agreement (see "*Description of Existing Financing Arrangements*" below).

The Group monitors its Fitch leverage ratio. The Group looks to maintain this at the level required for an "A" Insurance Financial Strength ("**IFS**") rating or stronger.

Following the £400m Tier 2 issuance, £300m of the proceeds of the note issuance were used to repurchase £300m of internal Tier 2 loan notes held by the Issuer's immediate parent company, Utmost Holdings (Guernsey) Limited ("**UHGL**"). UHGL in turn used £110m of the repurchase consideration to repay £110m of the Senior Facilities Agreement leaving it with only £125m of bank debt with effect from 22 September 2021.

The Quilter International consideration of £481m and associated transaction costs were funded through a combination of approximately £200m of current excess capital within the business and additional equity subscription by UHGL of approximately £300m.

On a pro forma basis including the impact of the £400m Tier 2 issuance, the Debt to Gross SII EV leverage ratio of the Group at 30 September 2021 was 17% and the Fitch Leverage Ratio ("**FLR**") was 26%. The Debt to Gross SII EV including the £125m UHGL bank debt was 22%.

Were the Group to issue a benchmark £250m RT1 note and use the proceeds to pay down the remaining £125m of bank debt, the Group would have £650m outstanding debt. As at 30 September 2021, assuming the Group had taken these actions, the Group's debt to SII EV ratio would be 27% and the Group's FLR would be 22%.

Group Solvency Position

The table below summarises the Issuer's Group solvency position at 31 December 2020 and 30 June 2021.

	Utmost Group Actual 31 December 2020 *(£m)*	**Utmost Group Actual 30 June 2021** *(£m)*	**Utmost Group Pro forma 30 June 2021** *(£m)*
Ireland	384	375	431
Isle of Man	237	247	809
Guernsey	316	324	324
UK	307	280	280
HoldCos**	18	53	(34)*
Group Own Funds	**1,262**	**1,279**	**1,810**
Group SCR	**689**	**720**	**1,025**
Solvency Coverage Ratio	**183%**	**178%**	**177%**

**Includes impacts of consideration paid to acquire Quilter International, assumed above in the Holdcos figure for ease of presentation.*

***In this Offering Memorandum, the term "**HoldCo**" is used to describe any company in the Group which is a holding company and not an operating company.*

The life companies had the following solvency coverage ratios on a Solvency II basis:

Solvency Coverage Ratio	**31 December 2020** *(%)*	**30 June 2021** *(%)*
UPE	189	183
QIID	198	203
UL	154	157
QIID	198	203
UW	181	169
ULP	176	176
Group	**183**	**178** *(Pro forma: 177)*

Financial and Capital Impact of Quilter International Acquisition

The acquisition of Quilter International was announced in April 2021 and completed 30 November 2021. The impact on the Group's IFRS equity, operating profit and solvency position of the acquisition is shown below:

	Actual* *(£m)*	**Pro Forma*** *(£m)*
Assets	39,712	62,247
Liabilities	38,860	60,848
IFRS Equity	851	1,399
Operating Profit**	85	144

* *Actual and Pro Forma numbers are derived from the 2020 Financial Statements*

** *Pro forma Operating Profit of £144m is additive, with no allowance for synergies*

For further information, see the section of this Offering Memorandum headed "*Unaudited Pro Forma Financial Information relating to the Quilter Acquisition*".

Investment Management

The Group's product range is predominantly unit linked and policyholders have access to open-architecture or guided-architecture fund ranges. The Group manages some books of non-linked policies including ULP's annuity and with-profits books totalling approximately £1.0bn AUA and International's non-linked policies totalling approximately £0.7bn AUA.

The Group has limited appetite for investment risk and liquidity risk. The majority of investment risk for unit linked policies is borne by the unit linked policyholders. The annuity and with-profits policies are matched closely by duration with the majority of assets invested in investment grade securities. The assets and liabilities of the unit linked policies have a very similar liquidity profile exposing the group to minimal liquidity risk. Each life insurance company in the Group has an investment committee which provides oversight to the monitoring, systems and controls required to manage and control the Group's investment risks, and report to their Board on a quarterly basis. The Issuer's Board receives regular reporting on the Group's investment risks.

ULP Non-Linked Investment Profile

The following table summarises ULP's non-linked investment profile:

	Free Assets	**Annuity**	**Other Non Linked**	**With-Profits**
	(£m)			
Govt Bonds	171	110	159	82
Corp Bonds	0	433	26	106
Equities	4	0	0	0
Cash	98	28	22	11
Other	3	0	0	72
Total	**27**	**571**	**207**	**270**
Credit Rating	AA-	A	AA-	A+
Duration Assets / Liabilities	0.5y / --	9.9y / 9.4y	9.8y / 9.8y	8.3y/ 8.9y

International Non-Linked Investments

The following table summarises Utmost International's non-linked investments:

	S/H Free Assets	S/H Liability Backed	Shared Risk
	(£m)		
Fixed Income	404	180	357
Equities	0	0	0
Third Party Funds	53	72	12
Cash	84	67	1
Other	17	0	0
Totals	**558**	**320**	**369**
Credit Rating	AA	AA-	AA
Duration	2.3y / --	4.5y / 6.9y	3.2y / 3.2y

Rating Agencies

UPE, UL and UW were assigned inaugural credit ratings by Fitch in June 2019. The ratings were assigned and are maintained based on a range of factors including business model, risk management, framework and financial strength.

The Issuer was assigned an inaugural credit rating by Fitch in October 2020.

Fitch reaffirmed the Group's credit ratings following the announcement of the acquisition of Quilter International in April 2021, and again following the Group's annual review in July 2021, and the Group's ratings remain on stable outlook.

In November 2021, Fitch assigned credit ratings to QIIOM and QIID, the two insurance companies acquired as a part of the Quilter International acquisition.

Fitch's credit assessment of the Group is driven by the Group's strong capitalisation and leverage, strong business profile and expectations of good financial performance. Fitch recognised the Group's leading business franchise in the international life and savings market, focusing on servicing high net-worth individuals and multi-national corporates.

The financial strength ratings of the Group's significant operating life company subsidiaries are set out below:

Entity	Rating Category	Rating	Outlook
Utmost PanEurope DAC	Insurer Financial Strength	A	Stable
Utmost Limited	Insurer Financial Strength	A	Stable
Utmost Worldwide Limited	Insurer Financial Strength	A	Stable
Quilter International Isle of Man Limited	Insurer Financial Strength	A	Stable
Quilter International Ireland dac	Insurer Financial Strength	A	Stable

The Issuer is rated as follows:

Entity	Rating Category	Rating	Outlook
Utmost Group plc	Issuer Default Rating	BBB+	Stable

Fitch assigned the Issuer's Tier 2 notes issued in September 2021 a rating of 'BB+':

Entity	Rating Category	Rating	Outlook
Utmost Group plc Subordinated Tier 2 Notes	Instrument Rating	BB+	Stable

Description of Existing Financing Arrangements

As at the date of this Offering Memorandum, the Group has one debt instrument in place: £400m 4.00% fixed rate subordinated Tier 2 notes due 2031, which are admitted to trading on the Global Exchange Market of Euronext Dublin. The Tier 2 notes were issued in September 2021. Subject to deferral as provided under the terms and conditions thereof, the Tier 2 notes pay interest at 4.00% per annum, with payments being made in June and December of each year, and have a scheduled maturity date of 15 December 2031.

UHGL has an existing Senior Facility Agreement ("**Loan Facility A**") in place with a syndicate of banks: Lloyds Bank plc, National Westminster Bank Plc, ABN Amro Bank N.V. and ING Bank N.V. The amount outstanding as at the date of this Offering Memorandum is £125m. Interest is payable at a rate between 2.75% and 3.75% over SONIA depending on the ratio of debt to the Solvency II Economic Value of the Group. An Interest Reserve Account is in place which holds sufficient cash to cover the next twelve months of interest at all times. The Issuer and various of its subsidiaries are guarantors under Loan Facility A.

On 31 March 2021, in preparation for the execution of the Quilter SPA regarding the acquisition of Quilter International, UHGL entered into a Third Amended and Restated Senior Facility Agreement with the syndicate of banks which provides for an additional £275m term loan facility known as "**Loan Facility B**" to support the consideration payable upon completion of the acquisition. The Issuer was a guarantor to Loan Facility B, which was entered into by its parent, UHGL. Following the Issuer's Tier 2 issuance, Facility B was cancelled given the Issuer raised sufficient funds from the Tier 2 notes for the Quilter acquisition.

Excess cash not required to cover Group Head Office ("**GHO**") costs or to meet commitments under the debt facilities is available to be reinvested in the business, to fund future acquisitions, or to be returned to the Group's shareholders. Cash being returned to shareholders would be used to pay dividends to UHGL in the first instance.

Capital surplus above a Trigger Event

Under the Conditions of the restricted Tier 1 Notes being issued pursuant to this Offering Memorandum, the Notes will be mandatorily converted to Conversion Shares if a Trigger Event occurs. A Trigger Event will occur if, at any time:

(a) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement;

(b) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or

(c) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed.

The Group has substantial capital headroom to these trigger events on an Utmost Group pro forma basis at 30 June 2021 and at 30 September 2021, as demonstrated in the tables below:

Trigger 1 - Eligible own funds equal to or less than 75% Solvency Capital Requirement ("**SCR**")

	Utmost Group Pro Forma 30 June 2021 *(£m)*	**Utmost Group Pro Forma 30 Sept. 2021** *(£m)*
SII OFs	1,810	1,836
75% of SCR	769	774
Surplus	**1,041**	**1,061**

Trigger 2 - Eligible own funds equal to or less than 100% Minimum Capital Requirements ("**MCR**")

	Utmost Group Pro Forma 30 June 2021 *(£m)*	**Utmost Group Pro Forma 30 Sept. 2021** *(£m)*
SII OFs	1,481	1,511
100% of MCR	355	381
Surplus	**1,126**	**1,130**

Trigger 3 - Eligible own funds equal less than 100% SCR for period of over 3 months

	Utmost Group Pro Forma 30 June 2021 *(£m)*	**Utmost Group Pro Forma 30 Sept. 2021** *(£m)*
SII OFs	1,810	1,836
100% of SCR	1,025	1,032
Surplus	**785**	**803**

As at 30 September 2021, Utmost Group plc had Distributable Items of £995m (30 June 2021: £1bn; 31 December 2020: £1.012bn). Distributable Items will be supported by dividends from the life company subsidiaries.

Board of Directors

The Directors of the Issuer are listed in the table below together with any significant external appointments:

Name	Function on the Board	Principal Activities performed outside the Issuer
James Annand Fraser	Independent Chairman	Non-Executive Director and Chairman of specialist lending business Duologi
Gavin Neil Palmer	Independent Non-Executive Director	No other directorships
Andrew Paul Thompson	Utmost Group CEO	Director of multiple Utmost Group holding companies
Ian Graham Maidens	Utmost Group CFO	Director of multiple Utmost Group holding companies
Christopher Helmut Boehringer	OUHL Representative	Director of multiple Utmost Group holding companies Director of multiple Oaktree holding and Oaktree investee companies
Katherine Margaret Ralph	OUHL Representative	Director of multiple Utmost Group holding companies Director of multiple Oaktree holding and Oaktree Investee companies

The business address of each of the directors for the purposes of this Offering Memorandum is Saddlers House, 5th Floor, 44 Gutter Lane, London, EC2V 6BR.

Potential Conflicts of Interest

Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest (including intra group directorships), the director must comply with the relevant procedures. This includes the declaration of potential conflicts of interest at the outset of each meeting, absenting themselves from any meetings at which the relevant situation is considered, and not reviewing documents or information made available to the directors in relation to the situation in question.

The directors of the Issuer may, from time to time, hold directorships or other significant interests with companies outside of the Group which may have business relationships with the Group. Directors have a statutory duty to avoid conflicts of interest with the entities within the Group, and, in particular, the Issuer. The articles of association of the Issuer allow its directors to authorise conflicts of interest. The boards of the entities within the Group have adopted policies and effective procedures to manage and, where appropriate, approve conflicts or potential conflicts of interest. Under these procedures, directors are required to declare all directorships of companies which are not part of the Group, along with other appointments which could result in conflicts or could give rise to a potential conflict.

Christopher Boehringer and Katherine Ralph have been appointed as non-executive directors to the board of the Issuer as representatives of OUHL. From time to time, circumstances may arise in which the duties of these individuals as non-executive directors of the Issuer may conflict with their interests as the representatives of OUHL.

The Group CEO and Group CFO have interests in certain classes of ordinary shares, non-voting preference shares and non-voting S shares of UTL both directly, through corporate vehicles owned by them and through family trusts. From time to time, circumstances may arise where the duties of each of these individuals as directors of the Issuer may conflict with their interests as holders of UTL securities.

There are no other potential conflicts of interest between the duties of each of the directors of the Issuer and his/her private interests or other duties. The Group has appropriate procedures in place to identify and manage conflicts of interest should they arise.

Board of Directors Biographies

James Annand Fraser, Independent Chairman

James Fraser is the Chairman of Utmost Group plc. He is also a Non-Executive Director and Chairman of the Risk and Compliance Committee of Duologi, a specialist lending business.

Prior to this, James was a Partner and Head of Financial Services at Permira Advisers, a leading private equity firm. He served as a Non-Executive Director on a number of Permira's portfolio companies including Tilney Group, where he was also Chairman of the Risk and Audit Committee, and Just Group plc, now a FTSE 250 insurance group. Previously he was a Partner and Co-Head of Financial Services at L.E.K. Consulting, a global strategy consulting firm.

James holds a BSc (Hons) in Computational Science from the University of St Andrews and an MBA from INSEAD.

Gavin Neil Palmer, Independent Non-Executive Director

Gavin is an Independent Non-Executive Director of Utmost Group plc and Chairman of the Audit, Risk and Compliance Committee. Prior to this, Gavin was an Actuarial Partner at KPMG with extensive experience advising UK and European insurance companies.

Previously, Gavin worked as a Principal at Tillinghast / Towers Perrin, a specialist actuarial consultancy, where he was Chief Executive Officer and Chairman of Towers Perrin Capital Markets. Initially he trained as a life actuary at London and Manchester Assurance.

Gavin is a Fellow of the Institute of Actuaries and holds an MA in Mathematics from the University of Oxford.

Andrew Paul Thompson, Utmost Group Chief Executive Officer

Paul is the Chief Executive Officer of Utmost Group plc and co-founded the Group in 2013. Since then he has built Utmost Group into a successful provider of insurance and savings solutions in the UK and International insurance markets.

Paul was an investment banker specialising in financial institutions before joining Britannic Group as Group Finance Director in 2002. Following his appointment as Group CEO at Britannic Group he repositioned the Group as a life assurance consolidator before merging with Resolution plc, becoming Group CEO of the merged group until its acquisition in 2008.

Paul subsequently worked as Head of Financial Services at Pamplona Capital Management, a private equity fund.

Paul holds an MA from the University of Cambridge.

Ian Graham Maidens, Utmost Group Chief Financial Officer

Ian is the Chief Financial Officer of Utmost Group plc and co-founded the Group in 2013. Since then he has built Utmost Group into a successful provider of insurance and savings solutions in the UK and International insurance markets.

Ian was a director of Resolution plc where he held the position of Group Chief Actuary and Head of Corporate Development. Following the acquisition of Resolution plc, Ian was a Founding Partner of Resolution Limited. Ian was instrumental to the success of the UK Life business, which created the Friends Life Group, acquired by Aviva in 2015. Prior to this, Ian worked as a Principal at Tillinghast / Towers Perrin, a specialist actuarial consultancy. Initially he trained as a life actuary at National Provident Institution.

Ian is a Fellow of the Institute of Actuaries and holds a BSc in Mathematics from the University of Southampton.

Chris Helmut Boehringer, OUHL Representative

Chris is a Non-Executive Director of Utmost Group plc. Chris is a Managing Director and Head of Europe Opportunities Funds at Oaktree Capital Management, based in London. Prior to joining Oaktree in 2006, Chris worked at Goldman Sachs in London, and was Co-Founder and Director of FITravel Corporation, an internet-based distribution system for travel products.

Chris held previous roles at Warburg Dillon Read/SG Warburg in London, Hong Kong and New York, and at LTU GmbH & Co. in Duesseldorf.

Chris holds a BA in Economics from Harvard University and an MBA from INSEAD.

Katherine (Katy) Margaret Ralph, OUHL Representative

Katy is a Non-Executive Director of Utmost Group plc. Katy is a Managing Director in the Opportunities Funds team at Oaktree Capital Management in London, where she provides transactional and restructuring advice. She also serves on a number of Oaktree portfolio company boards across a number of sectors and jurisdictions.

Prior to this, Katy spent over nine years at Linklaters LLP in the Restructuring and Insolvency team in London where she specialised in cross-border restructurings and insolvency.

Katy holds both a BA (Hons) in History and an MA from the University of Cambridge, and graduated cum laude with an LLM in Banking, Corporate and Finance Law from Fordham University. She is qualified to practice law in both England & Wales and New York State.

Management Team Biographies

Each operating entity of the Utmost Group has an experienced management team. The biographies of the CEO and CFO of each operating entity are shown below:

Stephen Shone, CEO, Utmost Life and Pensions Limited

Stephen Shone is CEO of Utmost Life and Pensions Limited, a role he has held since 2018. He joined Utmost Group in 2017 as CFO of Utmost Limited in the Isle of Man.

Stephen was Group Finance Director of Royal London from 1999 to 2013 during which time he was a key player in a number of acquisitions and funds under management increased from £6bn to £72bn. On leaving Royal London, he joined Aviva plc as Managing Director of UK Existing Business. Prior to Royal London, Stephen was Group CFO of Irish Life plc.

Jeremy Deeks, CFO, Utmost Life and Pensions Limited

Jeremy Deeks is CFO of Utmost Life and Pensions Limited, a role he has held since 2019. Previously Jeremy worked as CFO of Prudential plc's UK & Europe Insurance business. Prior to this, Jeremy held various senior finance roles within Prudential plc, where he worked for over 18 years.

Jeremy started his career in Deloitte, becoming a Senior Manager specialising in Assurance and Advisory work to the insurance sector.

Jeremy is a Chartered Accountant.

Leon Steyn, CEO, Utmost International Guernsey

Leon Steyn is CEO of Utmost International Guernsey, Utmost International's operations in Guernsey, including its life company, Utmost Worldwide Limited, a role he has held since 2020. Previously, Leon served as CFO of Utmost International Guernsey, a role he held since September 2012. Prior to this, Leon held various senior finance positions including Head of Integration at Kleinwort Benson and CFO of Close Brothers Wealth Management.

Leon is an accountant holding the ACA qualification, completing his training at Moore Stephens in South Africa. He also worked in the UK at Ernst & Young.

Leon holds a General Management Program Diploma from Harvard Business School and a B.Com (Hons) and B.Com (Accounting) from Stellenbosch University.

Charles Bangor-Jones, CFO, Utmost International Guernsey

Charles is CFO of Utmost International Guernsey, a role he has held since 2020. He joined Utmost as part of the acquisition of Generali Worldwide in 2019. He joined Generali Worldwide Limited in 2013 in the role of Chief Internal Audit Officer and subsequently served as Chief Operating Officer.

Prior to this, Charles was a Director in the Private Banking CFO Division of Credit Suisse. He oversaw all finance aspects of the company's private banking undertakings in the UK, Channel Islands, Gibraltar and the UK offshore business, including overseeing the purchase of Morgan Stanley's European Wealth Management business. He had previously held various finance roles across the Credit Suisse business.

Charles is a Fellow of the Institute of Chartered Accountants, England & Wales and holds a BA (Hons) in Urban Studies from the University of Sheffield.

Mike Foy, CEO, Utmost International Isle of Man

Mike is Chief Executive Officer of Utmost International's Isle of Man operations. Mike held the role of CEO of Utmost Limited following the acquisition of Axa Isle of Man by Utmost in 2016. In

November 2021, Utmost acquired Quilter International, at which point Mike's role expanded to oversee the enlarged Isle of Man operations.

Mike is a highly experienced insurance executive. Mike joined AXA Wealth International in 1999. He held a number of strategic roles across the AXA UK Group, ultimately becoming CEO of AXA Wealth International in 2016. He led the disposal of AXA Wealth International to Utmost Group and supported the ultimate creation of the "Utmost" brand.

He is a Fellow of the Institute of Directors.

Karl Moore, CFO, Utmost Limited

Karl is the CFO of Utmost Limited, one of Utmost International's life companies in the Isle of Man, a role he has held since 2018. Karl leads the financial and actuarial teams and provides robust, operationally sound financial and investment control for Utmost Limited.

Prior to this Karl was the Finance Director at Barclays Wealth and Investment Management since 2004. During his tenure, Karl led a number of system and legal entity migrations and was the finance lead for the sale of their global offshore trust business.

Karl is a Fellow of the Association of Chartered Certified Accountants and holds the ACCA qualification. He holds the Certificate and the Diploma in Company Direction from the Institute of Directors. Karl holds a BA in Accounting and Finance from the University of Wales Bangor.

Joly Hemuss, CFO, Quilter International Isle of Man

Joly is the CFO of Quilter International Isle of Man. He joined Utmost Group in November 2021 as a part of the acquisition of Quilter International.

He joined Quilter International in 2013. Prior to this he was Head of Risk and then CFO at Zurich International. Joly has 25 years' experience in International Life businesses.

Paul Gillett, CEO, Utmost International Ireland

Paul Gillett is CEO of Utmost International Ireland, Utmost International's operations in Ireland including its life company, Utmost PanEurope DAC. He joined Utmost Group in 2018 as part of the Generali PanEurope DAC acquisition where he held the role of CEO. Paul joined Generali in 1997 and held various senior management positions, establishing Generali PanEurope in 2003.

Previously, Paul held positions at Deloitte Consulting and Royal Sun Alliance Group.

Paul is a Chartered Accountant. He is an Associate of the ICAEW in the UK.

Henry O'Sullivan, CFO, Utmost International Ireland

Henry O'Sullivan is CFO of Utmost International Ireland, Utmost International's operations in Ireland including its life company, Utmost PanEurope DAC. He has held this role he has held since 2018. Henry joined the Group in 2016 as a part of the Aviva Life International life acquisition and subsequently held the role of Finance Director of Utmost's Irish operations.

Henry worked in a number of management roles at Aviva during his tenure from 2006-2014 including the CEO of Aviva Life International. Prior to this, he also worked in a number of finance roles at Ulster Bank and AIB Group plc.

Henry holds a Bachelor of Business Studies (Hons). He is a qualified accountant in Ireland holding the FCCA qualification. He is also a member of the Institute of Directors in Ireland.

Risk Management

The Risk Management Framework at Utmost Group is designed to embed proactive and effective risk management across the operating businesses. It seeks to ensure that all risks are identified and managed effectively and that Utmost Group is appropriately rewarded for the risk it takes.

The Risk Management Framework at Utmost Group is regularly refreshed in line with the risk environment and emerging best practice. The framework, owned by the Utmost Group Board, covers all aspects of risk management.

Risk culture

A core objective of the Risk Management Framework is to embed a positive and open risk management culture within Utmost Group. The risk culture is embedded through the following:

- The Chief Risk Officers of all operating businesses are members of senior management and in the execution of their roles, integrate risk management thinking into the decision-making process.

- The strategic planning process and the ORSA process in each operating business must be aligned in order to include a risk-based forward-looking view in the development of the strategic plan.

- The Risk Function in each operating business is involved in material initiatives which may impact on the risk profile of that operating business or Utmost Group as a whole. The role of each Risk Function is to integrate the risk management assessment methodologies into the decision-making process by supporting the business in identifying, assessing and managing the risks associated with these initiatives.

Each Risk Function works closely with the business units within its own operating business, providing advisory services.

Risk strategy

The risk strategy at Utmost Group provides an overarching view of how risk management is incorporated consistently across all levels of the business, from decision-making to strategy implementation.

It assists the Group to achieve its strategic objectives by supporting the operating businesses with improved client and shareholder outcomes. This is achieved not by risk avoidance, but through the identification and management of an acceptable level of risk ("**risk appetite**") and by ensuring that Utmost Group is appropriately rewarded for the risks it takes.

To ensure that all risks are managed effectively, Utmost Group is committed to:

- Embedding a risk aware culture;

- Maintaining a strong system of internal controls;

- Enhancing and protecting client and shareholder value by continuous and proactive risk management;

- Maintaining an efficient capital structure; and

- Ensuring that risk management is embedded into day to day management and decision-making processes.

Risk appetite

The risk appetite is the level of risk that Utmost Group is willing to accept in pursuit of its strategic objectives. Risk limits and tolerances are outlined and documented within the Risk Appetite Statement of each operating business.

A set of comprehensive risk metrics have been developed to support the above risk preferences and translate statements and preferences into quantitative and measurable risk limits and indicators, and to embed them into the operating processes in order to ensure proper monitoring and steering of business activity.

Utmost Group embeds its risk appetite into key decision-making processes by looking at four main dimensions, namely capital, liquidity, earnings and expenses, and has defined consistent risk metrics to ensure that its risk profile is managed within the stated appetite and regulatory requirements, triggering actions whenever tolerance levels are breached.

Risk governance

In accordance with local laws and Solvency II requirements, Utmost Group has established a risk management system. This is defined as a set of strategies, guidelines, processes and procedures aimed at identifying, measuring, monitoring and reporting on a continuous basis the risks to which the operating businesses are exposed.

Risk governance is aimed at establishing an effective organisational structure based on a clear definition of risk roles and responsibilities, and on a set of policies, guidelines and operating procedures. The annual operating plan for each operating business is assessed to ensure that Utmost Group operates within its stated risk appetite.

As part of its governance structure, Utmost Group has established a series of Board Committees in each of its businesses with specific delegated authorities. Further detail on the Board structure and activities of the Committees is set out in the 2020 Annual Report and Accounts, on page 49 of the Governance report. The Risk and Compliance Committees in each of the businesses receive a consolidated risk report on a quarterly basis, detailing the risks facing the relevant business and the overall position against risk appetite limits.

Corporate governance requirements in each jurisdiction require an annual review of the effectiveness of risk management systems. This assessment provides assurance to management and the subsidiary Boards that the risk management framework has been implemented and is operating effectively across the businesses.

Three Lines of Defence

The internal control and risk management system is put in place across the operating businesses through an ongoing process which involves the subsidiary Boards and senior management of each operating business and the overall organisational structure. The operating business functions involved in the risk management process operate according to the three lines of defence approach:

First line of defence

Operational management who perform day to day operational activities and self assessment of their risks, including:

- Business entities and functions

- Policies, processes and operating procedures

Second line of defence

Control functions who perform oversight of operational management (first line), ensuring adherence to the risk management framework. Second line of defence functions include:

- Risk and Compliance

- Actuarial

Third line of defence

Independent review and challenge to the level of assurance provided by operational management and control functions (first and second lines). The third line of defence performs assurance activities over the effectiveness of the overall risk management system. Third lines of defence include:

- Internal Audit

- Other Independent Reviews.

Across the organization, there are 39 second line and 10 third line of defence staff. The Group is in the process of introducing a group-wide risk system to embed a consistent application of Risk Management methodologies across the Group.

Risk and Control Self-Assessment ("RCSA")

The RCSA is a process through which risks and the effectiveness of controls are assessed and examined for all business activities. The objective is to provide reasonable assurance that all business objectives will be met. The operating businesses first line management perform RCSAs to identify, assess, manage, monitor and report risks on an ongoing basis within their respective areas of responsibility. This is illustrated in the Risk Management Framework diagram which is set out in the 2020 Annual Report and Accounts, on page 37-38 of the Risk management report.

Own Risk and Solvency Assessment ("ORSA")

The ORSA process is a key component of the risk management system which is aimed at assessing the adequacy of the solvency position and the risk profile of each business on a current and forward-looking basis. The ORSA process documents and assesses the main risks to which each operating business is exposed, or might be exposed to on the basis of its strategic plan. It includes the assessment of the risks in scope of the SCR calculation, but also the other risks not included in the SCR calculation. In terms of risk assessment techniques, stress test and sensitivity analysis are also performed with the purpose of assessing the resilience of the risk profile to changed market conditions or specific risk factors.

All results are documented in the ORSA reports, which are reviewed by the relevant Risk and Compliance Committees and Boards. After discussion and approval, the ORSA reports are submitted to the regulator. The information included in the ORSA reports is sufficiently detailed to

ensure that the relevant results can be used in the decision-making process and business planning process. ORSA reports are produced on an annual basis.

In addition to the annual ORSA reports, a non-regular ORSA report will be produced if the risk profile of an operating business or the Group as a whole changes significantly. Triggers which would prompt the undertaking of a non-regular ORSA report are monitored on an ongoing basis and reported to the Risk and Compliance Committee of the relevant business quarterly.

Risk and capital assessment

Utmost Group and its operating businesses operate frameworks for the identification and assessment of the risks to which they may be exposed and calculating how much capital is required to be held in relation to those exposures, in alignment with the applicable solvency regulations. The frameworks establish a basis, not only for the approach to risk assessment, management and reporting but also for determining and embedding the capital management policies across the business. Risk assessment activity is a continuous process and is performed on the basis of identifying and managing the significant risks to the achievement of the objectives of Utmost Group. Stress and scenario tests are used extensively in each business to support the assessment of risk and provide analysis of their financial impact. Independent reviews conducted by the operating business risk functions provide further assurance to management and the Boards that individual risk exposures and changes to the Group's risk profile are being effectively managed.

Reinsurance

Reinsurance is used as part of Utmost Group's risk management approach. Reinsurance is intended to protect Utmost Group from material losses and concentration of risk, particularly on the UCS Life and Health portfolio. It is a tool to manage capital and liquidity positions and manage balance sheet volatility.

The Group uses reinsurance in various books of business, the key reinsurance contracts covering UCS' Life & Health portfolio, to reinsure the majority of the mortality and morbidity risk, certain UWS policies, where floating charges are in place in respect of certain fund links, and the ULP annuity portfolio, part of which is fully reinsured and part of which has reinsured longevity risk. A combination of proportional (quota share and surplus) and non-proportional / excess of loss approaches are utilised.

The Group is exposed to credit risk as a result of insurance risk transfer contracts with reinsurers. There are a limited number of reinsurers with acceptable credit ratings of at least "A-" which leads to some concentration of risk. At both 2020 and 2019 year-end positions, the Group's material reinsurance counterparties have a credit rating of at least "A-" by a major rating agency. The reinsurance partners are regularly monitored with an annual attestation of appropriateness by senior management and the life entity Boards. Reinsurance provides protection against concentrations of risk, particularly on the Group Risk portfolio. Reinsurance recoverables and collateralisation reduce the net counterparty exposure considerably.

Gross IFRS reserves of £3,635m were held in respect of the Group's insurance contracts. A reinsurance recoverable asset of £1,234m was held in respect of these contracts. A floating charge of approximately £600m and reinsurance deposits of approximately £60m reduce the net counterparty exposure to approximately £500m.

Reinsurance Counterparty Exposure

	As at 31 December 2020 *(£m)*
Gross Reserves	**3,635**
Retained Reserves	2,401
Reinsurance Recoverables	**1,234**
Collateral Charge	639
Net Counterparty Exposure	**595**

Group Policy Framework

The Group has a policy suite in place which considers the risk exposures of the Group and its businesses. The policies have been designed to establish the key principles and requirements for managing these risks. The framework recognises the business entities operate within different regulatory regimes. The framework enables the Group to discharge its regulatory obligations with regards to oversight, while enabling each business entity to operate in accordance with its respective Board risk appetite and local regulatory requirements.

Anti-Money Laundering ("AML") Framework

AML compliance is a core pillar of the Group's operational risk framework. It supports the tight controls governing overseas offices. The framework includes due diligence on distributors including regulatory license checks, customer onboarding and ongoing monitoring including client risk assessments, Politically Exposed Persons ("**PEP**") and sanctions checks. The Risk and Compliance teams ensures the businesses comply with the AML framework and ensures the framework is fit for purpose.

Management Information ("MI")

The Group Board oversees risk governance and is responsible for embedding the Group's risk strategy and appetite, setting the risk strategy and appetite at the life company level, and for overseeing the effectiveness of risk management processes (including the risk management framework).

The Board ensures that key risks are identified and managed, risk appetite is adhered to, relevant regulatory requirements have been identified and adequate arrangements are in place to ensure regulatory compliance.

Following the appointment of the non-executive Chairman, a Group Audit, Risk and Compliance Committee will be established to oversee the risk and compliance management arrangements of the Group. In addition, each life company has its own Risk and Compliance Committee to oversee risk governance at the life company level.

Overall monitoring and reporting against the risk universe takes place in business unit management committees and is then reported to senior management, life company boards and the Group via regular risk reporting. The Group Board receives regular MI reporting to monitor the ongoing performance of the Group and identify any issues.

Governance

The Board of the Issuer is comprised of two representatives of Oaktree, the Founders, an independent chairman and an independent non-executive director. UTL has certain matters reserved to it in accordance with the Investment Deed between Oaktree, the Founders, and the principal holding companies including the Issuer. UTL has delegated these matters to the Board of the Issuer.

The operating companies within the Group are governed by their constitutional documents, local law and regulation, and the Investment Deed. As such, each operating company has its own governance structures, all of which are broadly aligned across the Group.

The Board sets the strategic goals for the Group. It ensures that each of the operating businesses has adequate resources to ensure delivery of the Group's strategy, reviews the operating and financial performance, and oversees the execution of the strategy of each operating business. The Board aims to maintain a high standard of corporate governance across the Group and upholds a sound structure for setting strategy.

Unaudited Pro Forma Financial Information relating to the Quilter Acquisition

This section of this Offering Memorandum contains unaudited pro forma financial information of the enlarged group following Completion of the Quilter Acquisition, comprising the Group and Quilter International (the "**Enlarged Group**").

The unaudited pro forma statement of net assets and the unaudited pro forma income statement (together the "**Unaudited Pro Forma Financial Information**") set out in this section "*Unaudited Pro Forma Financial Information relating to the Quilter Acquisition*" of this Offering Memorandum have been prepared on the basis set out under "*Notes to the Unaudited Pro Forma Financial Information*" below to illustrate the effect of the Quilter Acquisition and the associated refinancing on the Utmost Group's net assets as if Completion of the Quilter Acquisition had taken place as at 31 December 2020 and on the income statement of the Utmost Group for the year ended 31 December 2020 as if Completion of the Quilter Acquisition had taken place on 1 January 2020.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and by its nature addresses a hypothetical situation and, therefore, does not represent the Enlarged Group's actual financial position or results.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. Potential investors should read the whole of this Offering Memorandum and not rely solely on the financial information contained in this section "*Unaudited Pro Forma Financial Information relating to the Quilter Acquisition*".

The financial information contained in this section has been prepared using the Group's accounting policies from the 2020 Annual Report and Accounts.

The Unaudited Pro Forma Financial Information does not purport to represent what the Enlarged Group's financial position or results actually would have been if the Quilter Acquisition had been completed on the dates indicated nor do they purport to represent the financial condition of the Enlarged Group at any future date.

In addition to the matters noted above, the unaudited pro forma income statement does not reflect the effect of any gain on bargain purchase of the acquisition or the amortisation of any acquired value of in-force business of the acquisition.

Unaudited pro forma income statement

£k	Utmost Group for the year ended 31 December 2020 (Note 1)	Quilter International Isle of Man for the year ended 31 December 2020 (Note 2)	Quilter International Ireland for the year ended 31 December 2020 (Note 2)	Pro forma Enlarged Group
Net premiums earned	67,944	300	36	68,280
Fee and charges receivable	162,621	183,200	14,583	360,404
Other operating income	9,348	-	-	9,348
	239,913	**183,500**	**14,619**	**438,032**
Investment return	1,632,153	986,900	74,375	2,693,428
Policyholder claims, net of reinsurance	(196,970)	(100)	(18)	(197,088)
Transfer to unallocated surplus	9,975	-	-	9,975
Change in insurance contract liabilities, net of reinsurance	(230,821)	-	-	(230,821)
Change in investment contract liabilities, net of reinsurance	(1,216,267)	(982,100)	(75,252)	(2,273,619)
	(1,634,083)	**(982,200)**	**(75,270)**	**(2,691,553)**
Administrative expenses	(114,412)	(51,600)	(5,547)	(171,559)
Amortisation of acquired value of in-force business	(52,802)	-	-	(52,802)
Fees and commission expenses	(44,444)	(80,200)	(5,799)	(130,443)
	(211,658)	**(131,800)**	**(11,346)**	**(354,804)**
Gain arising on bargain purchases	86,176	-	-	86,176
Profit for the year before interest and tax	**112,501**	**56,400**	**2,378**	**171,279**
Finance costs	(10,276)	(200)	(1,079)	(11,555)
Profit for the year before tax	**102,225**	**56,200**	**1,299**	**159,724**
Tax (charge) / credit	(22,833)	(900)	78	(23,655)
Profit for the year after tax	**79,392**	**55,300**	**1,377**	**136,069**

Unaudited pro forma net assets

£k	Utmost Group as at 31 December 2020 (Note 1)	Quilter International Isle of Man as at 31 December 2020 (Note 2)	Quilter International Ireland as at 31 December 2020 (Note 2)	Acquisition adjustments (Note 3)	Refinancing (Note 4)	Pro forma Enlarged Group
Acquired value of in-force business	483,144	-	-	615,695	-	1,098,839
Deferred acquisition costs	44,516	360,600	47,180	(407,780)	-	44,516
Other intangible assets	608	-	-	-	-	608
Property, plant and equipment	20,755	6,800	-	-	-	27,555
Reinsurers' share of insurance contract liabilities	1,233,992	-	-	-	-	1,233,992
Withholding tax asset	114,718	-	-	-	-	114,718
Deferred tax asset	7,725	-	-	-	-	7,725
Financial investments at fair value held to cover linked liabilities	35,089,618	18,704,400	2,901,932	-	-	56,695,950
Other investments	2,279,887	197,600	115	-	-	2,477,602
Other receivables	144,817	213,000	76,180	(191,968)	-	242,029
Deposits	10,000	-	-	-	-	10,000
Assets held for sale	3,450	-	-	-	-	3,450
Cash and cash equivalents	278,452	122,000	8,883	(481,000)	392,500	320,835
Total assets	**39,711,682**	**19,604,400**	**3,034,290**	**(465,053)**	**392,500**	**62,277,819**

£k	Utmost Group as at 31 December 2020 (Note 1)	Quilter International Isle of Man as at 31 December 2020 (Note 2)	Quilter International Ireland as at 31 December 2020 (Note 2)	Acquisition adjustments (Note 3)	Refinancing (Note 4)	Pro forma Enlarged Group
Investment contract liabilities	34,312,054	18,902,000	2,923,470	-	-	56,137,524
Insurance contract liabilities	3,635,177	-	-	-	-	3,635,177
Reinsurance liability	40,469	-	-	-	-	40,469
Unallocated surplus	96,470	-	-	-	-	96,470
Borrowings	302,564	-	-	-	100,000	402,564
Deferred tax liabilities	38,780	-	-	-	-	38,780
Reinsurance payables	134,098	-	-	-	-	134,098
Payables related to direct insurance contracts	26,337	-	-	-	-	26,337
Deferred front end fees	52,256	322,500	55,736	(378,236)	-	52,256
Other payables	222,032	126,700	35,790	-	-	384,522
Total liabilities	**38,860,237**	**19,351,200**	**3,014,996**	**(378,236)**	**100,000**	**60,948,197**
Net assets	**851,445**	**253,200**	**19,294**	**(86,817)**	**292,500**	**1,329,622**

Notes to the Unaudited Pro Forma Financial Information:

1) The financial information of the Utmost Group for the year ended 31 December 2020 and the financial information of the Utmost Group as at 31 December 2020 have been extracted, without material adjustment, from the published financial statements of the Utmost Group for the year ended 31 December 2020 which are incorporated by reference in this Offering Memorandum.

2) The financial information of Quilter International Isle of Man and Quilter International Ireland for the year ended 31 December 2020 and the financial information of Quilter International Isle of Man and Quilter International Ireland as at 31 December 2020 have been extracted, without material adjustment, from the financial statements of Quilter International Isle of Man Limited and Quilter International Ireland dac respectively. Quilter

International Isle of Man Limited and Quilter International Ireland dac represent substantially all of the Quilter International business that Utmost Group has acquired.

3) The adjustments arising as a result of the Quilter Acquisition are set out below:

   i An acquired value of in-force business balance representing the present value of future profits on the investment contracts of Quilter International will be recognised as of the acquisition. The acquired value of in-force business balance included in the Unaudited pro forma net assets above has been calculated as at 31 December 2020 whereas the actual acquired value of in-force business balance, to be determined in the preparation of the full year 2021 financial statements, will be calculated as at the Completion date. The Unaudited pro forma income statement above does not include the effect of any amortisation on the acquired value of in-force business on the Completion date of the Quilter Acquisition.

   ii The deferred acquisition costs, fee income receivable (included within 'Other receivables' in the Unaudited pro forma net assets) and deferred front end fees of Quilter International are eliminated on acquisition under the fair value accounting requirements of IFRS 3 - Business Combinations. The respective balances included in the Unaudited pro forma net assets above have been calculated as at 31 December 2020 whereas the actual balances, to be determined in the preparation of the full year 2021 financial statements, will be calculated as at the Completion date of the Quilter Acquisition.

   iii The adjustment to cash and cash equivalents represents the consideration of £481m which is the consideration payable by the Utmost Group for the Quilter Acquisition.

4) This adjustment represents the additional equity received by the Utmost Group from its parent company in respect of the Quilter Acquisition, and the impact of the £400m of external Tier 2 notes issued by the Issuer on 15 September 2021. The figure of £392.5m comprises £292.5m of additional share capital issued by Utmost Group plc to Utmost Holdings (Guernsey) Limited as part of the financing of the Quilter Acquisition (with consideration to be received in cash) and £100m representing the excess cash resulting from issuing £400m of external Tier 2 notes which replaced £300m of internal Tier 2 notes.

5) Following the proposed issuance of £300,000,000 Restricted Tier 1 Contingent Convertible Notes by the Issuer, it is expected that a dividend of £290,000,000 will be paid to the Issuer's immediate parent company, Utmost Holdings (Guernsey) Limited. The Issuer has more than sufficient distributable reserves to permit such a dividend payment. There is no impact on the Group's net assets from these steps, and accordingly no adjustment is shown in the pro forma information.

6) No adjustment has been made to reflect the financial performance of the Utmost Group or the Quilter International Group since 31 December 2020.

Regulation of the Issuer and the Group

The Issuer is the ultimate parent company of the Group. Its principal activity is to act as a holding company for the life assurance businesses operated by its principal subsidiaries, ULP, UPE, UL and UW. In the United Kingdom, the Group's business is subject to FSMA, and the Group is regulated by the PRA (as regards prudential and organisational requirements). The PRA has direction over the parent undertaking and, as all other subsidiaries in the Group sit directly or indirectly under the Issuer, the PRA acts as the supervisor of the Group. The PRA also undertakes group supervision of the wider Utmost group at OUHL level on an "Other Methods" basis.

The PRA is part of the Bank of England, with responsibility for promoting the stable and prudent operation of the UK financial system through the authorisation and regulation of all deposit-taking institutions, insurers and certain large investment firms. The PRA's general objective is promoting the safety and soundness of PRA-authorised firms. In relation to insurers, it also has an "insurance" objective of contributing to securing an appropriate degree of protection for those who are or may become policyholders of PRA-authorised insurers.

In addition to FSMA, the Group must also comply with the rules and guidance of the PRA under FSMA. Important sources of these rules and guidance are set out in the PRA Rulebook (the "**PRA Rulebook**").

Some of the Group's activities are carried out outside of the UK. Reference is drawn to non-UK regulation where appropriate. Note that changes to law and regulation may also affect the regulation of UK business, following the UK withdrawal from the EU ("**Brexit**"), should the UK and EU regulatory systems diverge. The Group continues to consider the potential implications of Brexit and has taken steps such as seeking legal advice, engaging in resource planning and ensuring the appropriate procedures are in place while the uncertainty continues. The Group is also regulated by local regulators outside of the UK where it has operating life companies.

Utmost Life and Pensions is authorised by the PRA and regulated by the FCA and the PRA. ULP is subject to the full requirements of Solvency II, as implemented in the PRA Rulebook: Solvency II Firms, in regulations applicable in the UK made to implement Solvency II (the "**UK Delegated Acts**"), and as further elaborated by Supervisory Statements and other guidelines. The FCA has responsibility for regulating conduct of business activities carried out in the United Kingdom. ULP must comply with the FCA Handbook of Rules and Guidance (the "**FCA Handbook**") and in certain Supervisory Statements ("**Supervisory Statements**") appearing on the Bank of England's website.

Utmost PanEurope and Quilter International Ireland dac are regulated by the CBoI and are subject to the requirements of Solvency II. The CBoI supervises the Irish business up to and including Utmost Holdings Ireland Limited, the highest Irish entity in the corporate structure. Additionally, the CBoI undertakes group supervision of the wider Utmost group at Utmost Topco Limited level on an "Other Methods" basis. Utmost PanEurope and Quilter International Ireland are monitored against the CBoI Corporate Governance Requirements for Insurance Undertakings.

Utmost Limited is regulated by the IOM FSA. The IOM FSA does not undertake group supervision of the Group. The solvency regime introduced by the Isle of Man with effect from 1 July 2018 is broadly similar to the Solvency II regime and, in addition to complying with the Isle of Man solvency regime, the Isle of Man business also calculates its solvency position in accordance with the Solvency II requirements as transposed into the PRA Rulebook.

The principal regulator of Quilter International Isle of Man ("**QIIOM**") is the IOM FSA. The IOM FSA does not undertake group supervision of the Group. QIIOM is also regulated by the

Singapore and Hong Kong regulators, where it has overseas branches. With the exception of the Hong Kong branch, QIIOM is required to report the solvency position of its branches to its branch regulators under the relevant local capital regimes. QIIOM is also currently required to report the solvency position of its whole business to the Hong Kong Insurance Authority under the Hong Kong capital regime.

The principal regulator of Utmost Worldwide Limited is the GFSC. The GFSC does not undertake group supervision of the Group. UW is also regulated by various regulators where it has overseas branches including Singapore, Hong Kong, the Cayman Islands, British Virgin Islands, the Bahamas and Switzerland.

UW has agreed with the GFSC that its capital position should be calculated in accordance with the Solvency II requirements as transposed into the PRA Rulebook. With the exception of the Hong Kong branch, UW is required to report the solvency position of its branches to its branch regulators under the relevant local capital regimes. UW is also currently required to report the solvency position of its whole business to the Hong Kong Insurance Authority under the Hong Kong capital regime.

United Kingdom Regulatory Environment

Both the FCA and the PRA have extensive powers to supervise and intervene in the affairs of the firms that they are responsible for regulating, for example, if they consider it appropriate in order to protect policyholders against the risk that the firm may be unable to meet its liabilities as they fall due, that the Threshold Conditions (explained below) are not being - or may not be - met, that the firm or its parent has failed to comply with obligations under the relevant legislation or rules, that the firm has furnished them with misleading or inaccurate information or that there has been a substantial departure from any proposal or forecast submitted to the relevant regulator.

The regulators also have the power to take a range of informal and formal disciplinary or enforcement actions in relation to a breach by a firm of FSMA, the rules in the PRA Rulebook and the FCA Handbook, as appropriate, including public censure, restitution, fines or sanctions and the award of compensation. The regulators may also cancel or vary (including by imposing limitations on) the firm's authorisation, including in the case of an insurer cancelling permission to write new policies, thereby putting the firm into run-off.

The Financial Services Act 2012 also conferred new powers on the PRA. For example the PRA has the following powers that can, in certain circumstances, be applied directly to qualifying parent undertakings where those parent undertakings are not themselves regulated:

A. Power of direction

B. A rule-making power for information gathering; and

C. A supporting disciplinary power to fine or censure a qualifying parent undertaking for breaches of a direction or an information rule.

Permission to carry on insurance business

Subject to the exemptions provided in FSMA, no person may effect or carry out contracts of insurance (referred to below as carrying on "insurance business") in the United Kingdom unless authorised to do so under FSMA by the PRA (and with the consent of the FCA). The PRA has authority to grant regulatory permission to provide insurance for one or more of the classes of business recognised by the EU insurance directives, as transposed into UK law following the UK's withdrawal from the EU.

In deciding whether to grant authorisation, the PRA is required (with input from the FCA as required by FSMA) to determine whether the applicant satisfies the requirements of FSMA, including the applicant's ability to meet a set of "**Threshold Conditions**". These are the minimum conditions that must be satisfied (both at authorisation and on an ongoing basis) in order for a firm to gain and continue to have permission to undertake regulated activities in the United Kingdom. For dual regulated insurers, a firm must meet both the PRA's and the FCA's Threshold Conditions.

At a high level, the Threshold Conditions require an insurer's head office to be in the United Kingdom, for the business to be conducted in a prudent manner (and in particular that it maintains appropriate financial and non-financial resources) that the insurer is fit and proper and appropriately staffed and that its group is capable of being effectively supervised.

Once authorised, in addition to continuing to meet the Threshold Conditions for authorisation, firms are also required to comply with the high-level Principles for Businesses of the FCA, other requirements in the FCA Handbook, the Fundamental Rules of the PRA and the requirements of the PRA Rulebook.

FCA Handbook

The FCA Handbook sets out the FCA's rules and guidance. There is a clear focus in the FCA Handbook on ensuring the fair treatment of customers, in particular in relation to the way firms sell and administer insurance policies and other products.

PRA Rulebook

The PRA Rulebook sets out the PRA's rules and other provisions. Further detail on relevant PRA rules and other provisions can be found in the section "Solvency II" below.

FSMA, secondary legislation made under FSMA (and other legislation, including the EUWA), the FCA Handbook and the PRA Rulebook are also used to implement the requirements contained in a number of EU Directives and EU Regulations, as implemented in United Kingdom law (including by virtue of the EUWA, where applicable), relating to financial services and to insurance businesses in particular.

Solvency II

Solvency II is the EU-wide regime for the prudential regulation of insurance and reinsurance undertakings. Originally adopted by the European Parliament and Council in 2009, Solvency II became effective in the UK on 1 January 2016 while the UK was still a member state of the EU. Solvency II is a framework directive; most of the details of the rules are set out in the Solvency II Regulation.

Solvency II has been transposed into national law; in the United Kingdom, this has been done primarily through UK secondary legislation, the PRA Rulebook, and supplemented by the UK Delegated Acts. Now that the UK has left the EU, and a new trade deal has been agreed, the UK is awaiting (though it is not clear whether it will receive) a declaration from the EU that its adoption of the Solvency II regime into UK law is equivalent to current EU requirements. Added to this, HM Treasury and the PRA have been consulting widely on potential reforms to Solvency II, and this process is ongoing. For the Group's UK businesses, rules and guidance from the PRA, as the Group's regulator, will be followed as it becomes available.

One of the key aims of Solvency II was to introduce a harmonised prudential framework for insurers promoting transparency, comparability and competitiveness amongst European insurers.

Solvency II has three pillars that have guided how the Group manages risk and how it reports to regulators, policyholders and shareholders:

A. Pillar I relates to the quantitative requirements and introduces a risk based methodology to calculating Group SCR. Insurers are required to calculate the level of capital required based on their unique risk profile.

B. Pillar II incorporates qualitative governance requirements, including the way the risk management function operates within the business and how key systems and controls are documented and reviewed.

C. Pillar III relates to enhanced and standardised disclosure requirements, including increased transparency of the risk strategy and risk appetite of the business.

Solvency II contains rules covering, among other things:

- Technical provisions against insurance and reinsurance liabilities;
- The valuation of assets and liabilities;
- The maintenance of an MCR and a higher and more risk sensitive SCR;
- What regulatory capital is eligible to cover technical provisions, the MCR and the SCR, and to what extent specific tiers of capital may so count;
- What regulatory capital or assets are to be treated as being restricted to specific uses and not therefore fungible or transferable across the firm's entire operations;
- To what extent a firm's internal regulatory capital models may be used to calculate the SCR;
- Governance requirements including risk management processes;
- Considerably expanded reporting requirements covering (i) matters to be reported privately to the firm's supervisor leading to a full supervisory review process and (ii) matters to be published in a "Solvency and Financial Condition Report";
- Rules providing for the SCR to be supplemented by a "regulatory capital add on" in appropriate cases, the add on to be imposed by the relevant supervisor;
- Rules on insurance products which are linked to the value of specific property or indices; and
- The application of the above requirements across insurance groups, including a specific regime for insurance groups with centralised risk management and an enhanced role for the "group supervisor" of international groups, who will be required to work in conjunction with a "college of supervisors" responsible for specific solo members of the group.

Solvency II classifies different forms of capital into three "tiers", based on its ability to absorb losses. Tier 1 capital, such as common equity and retained earnings, is the highest quality of capital and must be able to absorb losses on a day-to-day, "going-concern" basis. Tier 2 capital, such as subordinated debt, is of a lower quality. Tier 3 capital is the lowest quality of capital permitted and has more limited loss-absorbing capacity.

As well as calculating the SCR, insurers must also calculate the MCR. The MCR is the quantity of capital below which policyholders would be exposed to an unacceptable level of risk which would result in withdrawal of the insurers' authorisation by the regulator. Together, the SCR and MCR act as trigger points in the "supervisory ladder of intervention" introduced by Solvency II.

In May 2021, the Issuer submitted its Group Solvency and Financial Condition Report for the year ended 31 December 2020 to the PRA, which provides a standardised disclosure of performance, risk management and capital position.

It is possible for an insurance company or group to have an "internal model" approved by its regulator to calculate its SCR instead of using the "standard formula" calculation method specified within the Solvency II rules. Neither the Group nor any of its subsidiaries utilises an internal model to calculate its SCR.

It is also possible for an insurance company or group to utilise "Transitional Measures on Technical Provisions" ("**TMTP**") to calculate its solvency position under Solvency II. The use of TMTP increases the Own Funds of a company\group, however TMTP have to be amortised over the sixteen year period from 1 January 2016. Neither the Group nor any of its subsidiaries currently include an allowance for TMTP in calculating their technical provisions.

The Financial Ombudsman Service ("FOS")

Authorised firms must have appropriate complaints handling procedures. However, once these procedures have been exhausted, qualifying complainants may turn to the FOS which is intended to provide speedy, informal and cost-effective dispute resolution of complaints made against authorised firms by individuals, small and medium-sized business customers and some charities and trusts. The FOS is empowered to order firms to pay fair compensation for loss and damage and may order a firm to take such steps as it determines to be just and appropriate to remedy a complaint.

The Financial Services Compensation Scheme ("FSCS")

The FSCS is intended to compensate individuals, small businesses and certain other categories of customer for claims against a UK authorised firm where the authorised firm is unable or unlikely to be able to meet those claims (generally, when it is insolvent or has gone out of business). The scheme is also intended to promote confidence in the financial system by limiting the systemic risk that the failure of a single firm might trigger a wider loss of confidence in the relevant financial sector. The scheme covers banking, insurance, investment business and mortgage advice, reflecting the different kinds of business undertaken by authorised firms. It is funded primarily by levies on participating firms that consist of (i) a management expenses levy comprising a base costs levy that relates to the cost of running the FSCS each year and a specific cost for the running costs attributable to a specific funding class and (ii) a compensation costs levy which relates primarily to the costs incurred by the FSCS in paying compensation.

EU Insurance Guarantee Schemes

Currently there are no rules at the EU level requiring the member states of the EU ("**EU Member States**") to adopt insurance guarantee schemes such as that established by the FSCS. The European Commission published a white paper in 2010 discussing the necessity of insurance guarantee schemes and indicated that it is considering proposing a directive with regard to such schemes. As at the date of this Offering Memorandum, no proposals for this directive have been published.

Gender discrimination issues

In 2011, the Court of Justice of the European Communities ruled against the use of gender in setting premiums or benefits under insurance contracts. The effect of this ruling was postponed to 21 December 2012. The decision of the Court of Justice was implemented into United Kingdom law by the Equality Act 2010 (Amendment) Regulations 2012, which amends the Equality Act 2010. The amendments to the Equality Act 2010, which took effect on 21 December 2012, remove a provision in the Equality Act 2010 which had previously allowed gender sensitive pricing of insurance premiums and benefits. It affects, among other things, the pricing of annuities, life insurance policies and the annuity rates which may be offered when pension policies mature.

Transfers of insurance business

Any transfer of United Kingdom insurance business (as defined under FSMA) must be effected in accordance with Part VII of FSMA and relevant secondary legislation, which requires a scheme of transfer to be prepared and approved by the High Court in England and Wales (the "**Court**").

Amongst other things, a report of an independent expert is required on the terms of the scheme, which would consider whether the proposed transfer would be prejudicial to policyholders. The regulators also have an important role in a transfer under Part VII of FSMA, including in relation to certain approvals for specific steps in the transfer process (such as the approval by the PRA (in consultation with the FCA) of the appointment of the independent expert and the form of the independent expert's report) and in advising the Court whether a transfer should be approved. A Part VII scheme of transfer enables direct insurers and reinsurers to transfer all or part of their books of insurance business to another approved insurer by operation of law without the need for individual policyholder consents, although policyholders have the right to object to the proposed scheme at the Court hearing. A scheme of transfer may also allow for the transfer of assets and other contracts related to the insurance business so as to give proper effect to the transfer. A transfer of insurance business means a transfer of insurance policies and should be distinguished from the change of control of a business effected by a transfer of shares in an insurance company.

Equivalent regimes for the transfer of insurance business between insurers, including the approval by an appropriate court, exist in Ireland, the Isle of Man and Guernsey.

Data protection

The General Data Protection Regulation ("**GDPR**") which came into effect on 25 May 2018, regulates the processing of personal data. The regulation contains measures that seek to harmonise data protection procedures and enforcement across the EU. It binds on data controllers in all EU Member States directly without the need for implementation by the EU Member States. The penalties for breach of the regulation are substantial (up to 4 per cent. of annual worldwide turnover or €20m, whichever is greater). The UK Data Protection Act 2018 ("**DPA 2018**") which replaced the Data Protection Act 1998, supports the GDPR in the UK. Following the end of the Brexit transition period, an amended version of the GDPR (known as the UK GDPR) continues to apply in the UK in parallel with an amended version of the DPA 2018. In Ireland, the GDPR is supported by the Data Protection Act 2018 which was signed into law on 24 May 2018, replacing its previous data protection framework established under the Data Protection Acts 1988 and 2003.

Taxation

The following is a general description of certain UK tax considerations relating to the Notes, as well as a description of FATCA. It is not intended as tax advice and does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. It relates to the position of persons who are the absolute beneficial owners of the Notes and who hold the Notes as investments, and some aspects do not apply to certain classes of taxpayer (such as Noteholders who are connected or associated with the Issuer for relevant tax purposes). The statements in this section do not constitute tax or legal advice. Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice. This summary is based upon the law as in effect on the date of this Offering Memorandum and is subject to any change in law that may take effect after such date.

Investors should also note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

United Kingdom

General

The comments below are of a general nature and are not exhaustive. They are based on the Issuer's understanding of current UK law as applied in England and Wales and HM Revenue & Customs published practice. There can be no assurance that HM Revenue & Customs will apply its published practice, and both law and practice may be subject to change, sometimes with retrospective effect. The comments assume that there will be no substitutions of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the Conditions). Further, they relate only to certain material UK withholding taxation matters at the date hereof in relation to payments of principal and interest (as that term is understood for UK tax purposes) in respect of the Notes. They do not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK should consult their own professional advisers. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the UK.

United Kingdom tax considerations

The Notes will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of Section 1005 Income Tax Act 2007 (the "**Act**")), or admitted to trading on a "multilateral trading facility" operated by a UK, Gibraltar or EEA regulated recognised stock exchange (within the meaning of section 987 of the Act). The GEM of Euronext Dublin is a multilateral trading facility operated by an EEA regulated recognised stock exchange for these purposes. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of UK income tax.

In other cases, absent any other relief or exemption such as a direction by HM Revenue & Customs that interest may be paid without withholding or deduction for or on account of UK income tax to a specified Noteholder following an application by that Noteholder under an applicable double tax treaty, an amount must generally be withheld on account of UK income tax at the basic rate (currently 20 per cent.) from payments of interest on the Notes.

FATCA withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provided that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect of payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Subscription and Sale

Pursuant to a subscription agreement dated 25 January 2022 (the "**Subscription Agreement**"), Barclays Bank PLC, Lloyds Bank Corporate Markets plc and NatWest Markets Plc (together, the "**Joint Lead Managers**") and ABN AMRO Bank N.V. and ING Bank N.V. (the "**Co-Managers**" and, together with the Joint Lead Managers, the "**Managers**") have agreed with the Issuer, subject to the satisfaction of certain conditions, jointly and severally to subscribe for the Notes at the issue price of 100.00 per cent. of their principal amount less certain commissions. The Joint Lead Managers, on behalf of the Managers, are entitled to terminate and to be released and discharged from their obligations under the Subscription Agreement in certain circumstances prior to payment to the Issuer.

United States

The Notes and the Conversion Shares have not been and will not be registered under the Securities Act and the Notes and the Conversion Shares may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US 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 Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes 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 Notes 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:

(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 Directive (EU) 2016/97 as amended or superseded (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

UK

Each Manager has represented, warranted and agreed that: (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and (ii) it has complied and will comply

with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the UK.

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 Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(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 IDD, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of UK MiFIR.

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 Notes 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 Notes, 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 Notes 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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act 129 of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Manager has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Offering Memorandum 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 Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

Notification under Section 309B(1)(c) of the SFA - Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) 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).

Switzerland

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Each Manager has represented, warranted and undertaken that:

(a) it will not make a public offer of the Notes, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the FinSA except to professional clients as such term is defined or interpreted under the FinSA ("**Professional Investors**");

(b) the Notes will not be admitted by it to trading on a trading venue (exchange or multilateral trading facility) in Switzerland; and

(c) it will not offer, sell, advertise or distribute the Notes, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the FinSA, except to Professional Investors.

Neither this Offering Memorandum nor any other offering or marketing material relating to the offering, nor the Notes, have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to supervision by any Swiss regulatory authority, such as the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

General

No action has been or will be taken by the Issuer or any of the Managers that would permit a public offering of the Notes or possession or distribution of this document or other offering material relating to the Notes in any jurisdiction where, or in any circumstances in which, action for these purposes is required. This document does not constitute an offer and may not be used for the purposes of any offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised.

Neither the Issuer nor any of the Managers represent that the Notes may at any time lawfully be sold in or from any jurisdiction in compliance with any applicable registration requirements or pursuant to an exemption available thereunder or assumes any responsibility for facilitating such sales.

General Information

Except where otherwise defined in this General Information section, terms which are defined in "*Terms and Conditions of the Notes*" above have the same meaning when used in this General Information section, and references herein to a numbered "Condition" shall refer to the relevant Condition in "*Terms and Conditions of the Notes*".

Corporate approvals

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on 12 January 2022.

Listing and admission to trading

It is expected that listing of the Notes on the Official List of Euronext Dublin and admission of the Notes to trading on the GEM will be granted on or around 27 January 2022, subject only to the issue of the Global Certificate. Prior to official listing and admission to trading however, dealings will be permitted by Euronext Dublin in accordance with its rules. Transactions will normally be effected for delivery on the second working day after the day of the transaction.

Clearing

The Notes have been accepted for clearance and settlement through Euroclear and Clearstream, Luxembourg with ISIN XS2434427709 and Common Code 243442770. The CFI and FISN codes may be obtained from the website of the Association of National Numbering Agencies or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

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

Significant / material adverse change

Save for the completion of the acquisition of Quilter International (in which regard, see the sections "*Description of the Issuer and the Group – Quilter Acquisition*" and – "*Capital Requirements*" and "*Unaudited Pro Forma Financial Information relating to the Quilter Acquisition*" of this Offering Memorandum and the *pro forma* consolidated financial reporting in respect of Net Flows, Solvency Coverage and Economic Value to 30 September 2021 contained in the Issuer's announcement entitled "*Completion of Acquisition of Quilter International*" as incorporated by reference in this Offering Memorandum) there has been no significant change in the financial performance or financial position of the Issuer or the Group since 31 December 2020 (being the last day of the period in respect of which the Issuer published its latest financial statements).

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2020 (being the last day of the period in respect of which the Issuer published its latest annual audited financial statements).

Litigation

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the period of 12 months prior to the date of this Offering Memorandum, a significant effect on the financial position or profitability of the Issuer or the Group.

Material contracts outside ordinary course of business

Save for the SPA and Transitional Service Agreement (in respect of which, see "*Description of the Issuer and the Group - Quilter Acquisition*" above), there are no material contracts entered into other than in the ordinary course of the Group's business which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders under the Notes.

Documents available

For so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the GEM, electronic copies of the following documents will be available for inspection at the specified offices of the Principal Paying Agent during normal business hours on any weekday (Saturdays and public holidays excepted):

(i) the 2020 Financial Statements, the 2019 Financial Statements, the H1 2021 Update, the Quilter Acquisition Completion Announcement and the 2020 SFCR;

(ii) this Offering Memorandum, the Trust Deed and the Agency Agreement; and

(iii) the constitutional documents of the Issuer.

The Offering Memorandum will also be available on the website of Euronext Dublin at: https://live.euronext.com/.

For so long as the Notes are admitted to listing on the Official List of Euronext Dublin and to trading on the GEM, any notices to Noteholders will be published on the website of Euronext Dublin at: https://live.euronext.com/.

Yield

The yield to (but excluding) the First Reset Date of the Notes would (if the Notes were to be redeemed on the First Reset Date and if all interest payments were to be paid in full without cancellation) be 6.126 per cent, on a semi-annual basis. The yield is calculated as at the Issue Date on the basis of the issue price. It is not an indication of future yield.

Rights of Trustee

The Trust Deed provides that the Trustee may rely conclusively without liability to any person on certificates or reports from any auditors or other parties in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document in connection therewith contains any limit on the liability of such auditors or such other party.

Auditors

PricewaterhouseCoopers LLP ("**PwC**"), registered auditors with the Institute of Chartered Accountants in England and Wales, have audited, and rendered an unqualified audit report on, in accordance with International Standards on Auditing issued by the International Federation of Accountants through the International Auditing and Assurance Standards Board, the consolidated financial statements of the Issuer, for the year ended 31 December 2020.

PwC has no material interest in the Issuer.

Managers transacting with the Issuer and the Group

The Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions (including, in some cases, credit agreements, credit lines, derivatives and other financing arrangements) with, and may perform services for the Issuer and its affiliates in the ordinary course of business. The Managers and their respective affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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 its own account and for the accounts of its customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Managers or certain of 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, the 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 securities, including potentially the Notes.

Any such positions could adversely affect future trading prices of Notes. 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.

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