OFFERING MEMORANDUM dated 13 September 2021

Utmost Group plc

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

£400,000,000
4.000 per cent. Subordinated Tier 2 Notes due 2031

Issue price: 100.00 per cent.

The £400,000,000 4.000 per cent. Subordinated Tier 2 Notes due 2031 (the "**Notes**") will be issued by Utmost Group plc (the "**Issuer**") on 15 September 2021 (the "**Issue Date**"). The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will be issued on the Term and Conditions set out under "*Terms and Conditions of the Notes*" (the "**Conditions**", and references to a numbered "**Condition**" should be read accordingly). Defined terms used herein and not otherwise defined have the meaning given to them in the Conditions.

The Notes will bear interest from (and including) the Issue Date at the rate of 4.000 per cent. per annum, payable (subject to deferral as provided below) in equal instalments semi-annually in arrear on 15 June and 15 December in each year, commencing on 15 June 2022 (with a long first coupon).

Payments of interest on the Notes must be deferred by the Issuer (i) on each Mandatory Interest Deferral Date (save as otherwise permitted by the Relevant Regulator in accordance with Condition 5.2) or (ii) if such payment could not be made in compliance with the Issuer Solvency Condition, all as further provided in Conditions 3.3 and 5. Any interest which is deferred by the Issuer will, for so long as it remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest will not themselves bear interest, and will be payable as provided in Condition 5.5.

The Notes will (unless previously redeemed or purchased and cancelled in accordance with the Conditions, and subject to deferral as provided below) be redeemed on 15 December 2031 (the "**Maturity Date**"), and may be redeemed at the option of the Issuer prior to such date, subject to compliance with the Regulatory Clearance Condition and the Relevant Rules: (i) on any day falling in the period commencing on (and including) 15 September 2031 and ending on (but excluding) the Maturity Date; or (ii) at any time (a) in the event of certain changes in the tax treatment applicable to the Notes, (b) in the event of (or if there will occur within six months) a Capital Disqualification Event, (c) in the event of (or if there will occur within six months) a Ratings Methodology Event, or (d) if 80 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased and cancelled. See Condition 7 for further information.

The redemption of the Notes on the Maturity Date or any other date set for redemption of the Notes in accordance with the Conditions shall be deferred by the Issuer if (a) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing on such date, or would occur if the Notes were to be redeemed, (b) the Notes could not be redeemed in compliance with the Issuer Solvency Condition, (c) the Relevant Regulator does not consent to the redemption (to the extent required by the Relevant Regulator or the Relevant Rules) or (d) the redemption would otherwise breach the provisions of the Relevant Rules applicable to obligations eligible to qualify as Tier 2 Capital. See Condition 7 for further information.

The Issuer may, alternatively, in the event of a Capital Disqualification Event or a Ratings Methodology Event, or in the event of certain changes in the tax treatment applicable to the Notes, and subject to

compliance with the Regulatory Clearance Condition and the Relevant Rules, vary or substitute the Notes, all as further described in Condition 7.

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 "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 for the purposes 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 "Risk Factors" set out on pages 19 to 43.

The Notes are expected to be assigned a rating of 'BB+' by Fitch Ratings Limited ("**Fitch**"). Fitch is established in the United Kingdom (the "**UK**") and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**EUWA**") (the "**UK CRA Regulation**"), and, as at the date of this Offering Memorandum, appears on the latest update of the list of registered credit rating agencies on the website of the Financial Conduct Authority (the "**FCA**") at *https://www.fca.org.uk/markets/credit-rating-agencies/registered-certified-cras*. The rating that Fitch has given to the Notes is expected to be endorsed by Fitch Ratings Ireland Limited, which is established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") and, as at the date of this Offering Memorandum, appears on the list of registered credit rating agencies on the European Securities and Markets Authority ("**ESMA**") website at *http://www.esma.europa.eu*.

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**

PRODUCT GOVERNANCE / PROHIBITION OF SALES TO RETAIL INVESTORS

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 the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer target market assessment) and determining appropriate distribution channels.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of the manufacturer product approval process (if any): (i) the target market of the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for the distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer target market assessment) and determining appropriate distribution channels.

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 United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (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.

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 European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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 Regulation (EU) No 1286/2014 (the "**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 PRIIPs Regulation.

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") - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 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 or the Group (as defined herein) since the date hereof or that there has been no adverse change in the financial position of the Issuer or the Group 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. None of the Managers nor the Trustee make any representation, express or implied, or accepts any responsibility or liability, 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. The Managers and the Trustee shall not be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in, this Offering Memorandum, 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 any 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 nor the Trustee undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the Notes nor to advise any investor or potential investor in the Notes of any information coming to their attention.

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, any of the Managers or the Trustee to subscribe for, or purchase, any of the Notes. 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 any of the Managers 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. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any Manager or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by such Manager or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction. 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 United States, the UK, the EEA, Switzerland, Hong Kong, Japan and Singapore (see "*Subscription and Sale*" below). 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.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may only be offered or sold in accordance with Regulation S under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States, its territories or possession (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.

PRESENTATION OF FINANCIAL INFORMATION

Whilst the Utmost group has been operating since 2013, until 2020 this was in two separate corporate structures which shared common ownership. 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**").

Certain financial information for the financial years ended 2019 and 2020 as contained and incorporated by reference in this Offering Memorandum 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.

In this Offering Memorandum, unless otherwise specified, references to:

- "**pounds**", "**sterling**", "**£**", "**p**" or "**pence**" are to the lawful currency of the United Kingdom;

- "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

- "**dollar**" or "**$**" are to the lawful currency of the United States of America; and

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

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**"); and

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

((i) to (iv) 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 being in London, and are also available on the website of Euronext Dublin 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 elsewhere in this Offering Memorandum, and references herein to a numbered "Condition" shall refer to the relevant Condition in "Terms and Conditions of the Notes".

Issue	£400,000,000 4.000 per cent. Subordinated Tier 2 Notes due 2031
Issuer	Utmost Group plc
Legal Entity Identifier (LEI)	2138004N53RFLL6JDQ41
Status and Subordination	The Notes will constitute direct, unsecured and 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 in an Issuer Winding-Up as described in Condition 3.2.
Issuer Solvency Condition	Other than in an Issuer Winding-Up, all payments by the Issuer to the Noteholders under or arising from the Notes and the Trust Deed shall be conditional upon the Issuer being solvent (as that term is defined in Condition 3.3) at the time for payment by the Issuer, and no amount shall be payable by the Issuer to the Noteholders under or arising from the Notes and the Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter. See Condition 3.3 (the "**Issuer Solvency Condition**"). For the avoidance of doubt, nothing in Condition 3.2 or Condition 3.3 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 from (and including) the Issue Date at a fixed rate of 4.000 per cent. per annum, payable (subject as provided under "*Deferral of Interest*" below) in equal instalments semi-annually in arrear on 15 June and 15 December in each year, commencing on 15 June 2022 (each an "**Interest Payment Date**") (with a long first interest period). Subject to deferral as aforesaid, the first payment of interest shall be in respect of the period from (and including) the Issue Date to (but excluding) 15 June 2022 and, thereafter, for each successive period

from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date.

Deferral of Interest

The Issuer will (save as otherwise permitted by the Relevant Regulator pursuant to Condition 5.2) be required to defer any payment of interest on the Notes in full on each Mandatory Interest Deferral Date (being an Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were to be made on such Interest Payment Date) or if such payment could not be made in compliance with the Issuer Solvency Condition.

The deferral of interest as described above will not constitute a default under the Notes for any purpose.

Arrears of Interest

Any interest which is deferred by the Issuer will, for so long as it remains unpaid, constitute Arrears of Interest. Arrears of Interest will not themselves bear interest, and will be payable by the Issuer as provided in Condition 5.5.

Redemption at Maturity

Unless previously redeemed or purchased and cancelled, the Issuer will, subject to Condition 7.2, redeem the Notes on 15 December 2031 at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) such date.

Redemption at the option of the Issuer

Subject to Conditions 7.2 and 7.10, the Issuer may, at its option, having given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying Agent, the Registrar and the Noteholders redeem all (but not some only) of the Notes, on any day falling in the period commencing on (and including) 15 September 2031 and ending on (but excluding) the Maturity Date at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption.

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

If:

(a) as a result of 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, any change in the application or official interpretation thereof 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 Tier 2 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 United Kingdom law, 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, on or after the Reference Date, on the next Interest Payment Date, either:

(i) the Issuer would be required to pay additional amounts on the Notes as provided in Condition 8; or

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

(1) the Issuer would not be entitled to claim a deduction in computing its tax liabilities in the United Kingdom, 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,

the Issuer may, in accordance with Condition 7.4 (and subject to Condition 7.10 and "*Preconditions to redemption, variation, substitution and purchases*" below), upon notice to Noteholders either:

(a) (subject as provided in Condition 7.2 and under "*Deferral of Redemption*" below) redeem all (but not some only) of the Notes at any time at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or

(b) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities,

all as more particularly described in Condition 7.4.

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

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, any applicable law, regulation or other official publication, the same will occur within a period of six months, the Issuer may at any time upon notice to Noteholders, in accordance with Condition 7.5 (and subject to Condition 7.10 and "*Preconditions to redemption, variation, substitution and purchases*" below), either:

(a) (subject as provided in Condition 7.2 and under "*Deferral of Redemption*" below) redeem all (but not some only) of the Notes at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or

(b) substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities,

all as more particularly described in Condition 7.5.

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

If a Ratings Methodology Event has occurred and is continuing or, as a result of any change in or clarification to, the methodology of the Rating Agency (or in the interpretation of such methodology by the Rating Agency), the same will occur within a period of six months, the Issuer may at any time upon notice to Noteholders, in accordance with Condition 7.6 (and subject to Condition 7.10 - and "*Preconditions to redemption, variation, substitution and purchases*" below), either:

(a) (subject as provided in Condition 7.2 and under "*Deferral of Redemption*" below) redeem all (but not some only) of the Notes at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or

(b) 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 Notes,

all as more particularly described in Condition 7.6.

Clean-up redemption at the option of the Issuer

Subject to Conditions 7.2 and 7.10, 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 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) redeem all (but not some only) of the remaining Notes at any time at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption.

Deferral of Redemption

Save as otherwise permitted by the Relevant Regulator pursuant to Condition 7.2(b), no Notes shall be redeemed by the Issuer on the Maturity Date or on any other date set for redemption pursuant to Conditions 7.4, 7.5, 7.6, 7.7 or 7.8 if (i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were to be redeemed, (ii) 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), (iii) redemption would otherwise breach the provisions of the Relevant Rules which apply to obligations eligible to qualify as Tier 2 Capital or (iv) if repayment of the

Notes cannot be made in compliance with the Issuer Solvency Condition.

If redemption of the Notes is deferred, the Issuer will redeem the Notes as provided in Condition 7.2.

The deferral of the redemption of the Notes as described above will not constitute a default under the Notes for any purpose.

Preconditions to redemption, variation, substitution and purchases

Prior to publishing any notice (a) that the Issuer intends to redeem the Notes before the Maturity Date or (b) of any proposed substitution, variation or purchase of the Notes, the Issuer will be required to have complied with the Regulatory Clearance Condition with respect to such redemption, variation, substitution or purchase and be in continued compliance with Regulatory Capital Requirements (but without prejudice to Condition 7.2(b)), and such redemption, substitution, variation or purchase must comply with the Relevant Rules applicable at the time.

The Issuer shall not redeem any Notes or purchase any Notes unless at the time of such redemption, payment or purchase (i) it is, and will immediately thereafter remain, solvent (as such term is defined in Condition 3.3) and (ii) it is, and will immediately thereafter remain, in compliance with all Regulatory Capital Requirements applicable to it (but without prejudice to Condition 7.2(b)).

In addition, in the case of any redemption prior to the Maturity Date pursuant to Conditions 7.4, 7.5, 7.6, 7.7 or 7.8, such redemption will only be made (i) in compliance with the Relevant Rules and (ii) if a redemption or purchase is to occur within five years following the Reference Date (and if the Relevant Rules so require at the relevant time):

(a) on the condition that the Notes are exchanged for, or redeemed out of the proceeds of a new issue of, capital of the same or higher quality; or

(b) in the case of a redemption pursuant to Condition 7.4 or 7.5, if 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:

(1) the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable), immediately after the redemption, will be exceeded by an appropriate margin, taking into account its solvency position and its medium-term capital management plan; and

(2) either (x) (in the case of a redemption pursuant to Condition 7.4) the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date, or (y) (in the case of a redemption pursuant to Condition 7.5) the relevant change in the

regulatory classification of the Notes is sufficiently certain and was not reasonably foreseeable as at the Reference Date,

in each case as more particularly described in Condition 7.10, and subject as the Relevant Rules may otherwise require at the time.

Withholding tax and additional amounts

All payments of principal, interest (including, without limitation, Arrears of 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 (currently, the United Kingdom) unless the withholding or deduction of the Taxes is required by law. In that case, the Issuer will pay such additional amounts in respect of payments of interest (including, without limitation, payments of Arrears of Interest), but not in respect of any payments of principal or other amounts, as may be necessary in order that the net payment received by each Noteholder in respect of interest payments on the Notes, after such withholding or deduction, will equal the amount which would have been received in the absence of any such withholding or deduction, subject to customary exceptions as set out in Condition 8.

Events of Default

If:

(a) default is made by the Issuer for a period of 14 days or more in the payment of any interest (including, without limitation, any Arrears of Interest) or principal due in respect of the Notes or any of them; or

(b) an Issuer Winding-Up occurs,

the Trustee on behalf of the Noteholders may at its discretion (and, subject to certain conditions, if so directed by the Noteholders shall) institute proceedings for the winding-up of the Issuer in England and Wales (but not elsewhere), and/or (as applicable) prove in the winding-up or administration of the Issuer and/or claim in the liquidation of the Issuer but may take no further action to enforce, prove or claim for any payment by the Issuer in respect of the Notes or the Trust Deed.

Upon the occurrence of an Issuer Winding-Up, the Trustee may at its discretion (and, subject to certain conditions, if so directed by the Noteholders shall) give notice to the Issuer that the Notes are, and they shall accordingly become, immediately due and payable by the Issuer at an amount equal to their principal amount together with any Arrears of Interest and any other accrued and unpaid interest and, if applicable, any damages awarded for breach of any obligations under the Notes or the Trust Deed.

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 in the circumstances described in Condition 13 without the consent of Noteholders.

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, Notes in definitive form will not be issued in exchange for interests in the Global Certificate.
Denomination	The Notes will be issued in denominations of £100,000 each and integral multiples of £1,000 in excess thereof.
Meetings and resolutions of Noteholders	The Conditions contain provisions for calling meetings (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) of Noteholders to consider matters affecting their interests generally, and also allow for resolutions of the Noteholders to be passed by way of written resolution. Whilst the Notes are in global form, the Trust Deed contains provisions for resolutions of the Noteholders to be passed by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s). These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or who did not vote on the relevant resolution, as applicable, 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 GEM 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 the assigning rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.
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	Citicorp Trustee Company Limited

Principal Paying Agent	Citibank, N.A., London Branch
Registrar	Citibank Europe Plc
Transfer Agent	Citibank Europe Plc
Selling Restrictions	Customary selling restrictions in the United States, the UK, the EEA, Switzerland, Hong Kong, Japan and Singapore. Regulation S Category 2. TEFRA not applicable.
UK MiFIR/EU MiFID Product Governance	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.
UK/EU PRIIPs Regulation	No PRIIPs Regulation KID or UK PRIIPs Regulation KID has been prepared as the Notes are not available to retail investors in the EEA or the UK.
Use of Proceeds	The net proceeds from the issue will be utilised to redeem part or all of the existing £300,000,000 6% fixed rate subordinated notes due 2030 issued by the Issuer to its immediate parent company. The proceeds from the redemption of the notes will be then either (i) injected into the Issuer as equity as part of the consideration for Quilter Acquisition (as defined below), or (ii) used towards repayment of the existing external bank debt of the Group if the Quilter Acquisition does not complete.
ISIN	XS2384717703
Common Code	238471770
CFI/FISN	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from 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 £115m.

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 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

Future 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.

The Group is in the process of completing 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**"). There is a risk that the planned integration of the Quilter International business 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 in the Quilter International business, in comparison to the Group's business, will give rise to additional complexity compared to prior acquisitions undertaken by the Group. The integration of Quilter International will require 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 has carried out detailed due diligence on the Quilter International business and has agreed warranties and indemnities with Quilter plc in the sale and purchase agreement, which 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. In addition, Utmost Group has agreed a Transitional Services Agreement with Quilter plc with a view to facilitating 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 thereunder 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 also a risk that the integration is more expensive and time-consuming than anticipated more generally. Furthermore, there can be no assurance that the Quilter Acquisition is completed. Accordingly, prospective investors in the Notes should consider the risks associated with the completion or non-completion of the Quilter Acquisition.

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, however there still remains significant uncertainty 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, 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**") are not yet known, and the future relationship between the UK and the EU remains to be determined. Future impacts of the UK's exit may include a period of reduced economic growth, reduced sales or a reduction in the value of the Group's investment portfolio. 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, Utmost Limited 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.

There are a handful of 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

The Group is subject to overall group regulation by the Prudential Regulatory Authority ("**PRA**"). The Group is regulated by the PRA at both a solo (ULP) and Group level (UGP) with 'other methods' regulation up to OCM Utmost Holdings Limited. The Group is regulated by the Central Bank of Ireland ("**CBoI**") in Ireland, 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.

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 .

Similarly 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 €750m 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 €750m 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 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 RELATED 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 subordinated

The Issuer's obligations under the Notes will constitute direct, unsecured and subordinated obligations of the Issuer. In the event (i) of a winding-up of the Issuer (except a solvent winding-up meeting certain requirements set out in the Conditions) or (ii) that an administrator of the Issuer is appointed and such administrator gives notice that it intends to declare and distribute a dividend, the payment obligations of the Issuer under the Notes will be subordinated to the claims of all Senior Creditors of the Issuer (which includes, *inter alia*, all unsubordinated creditors, any policyholders or beneficiaries under contracts of insurance of the Issuer and all creditors whose claims are in respect of unsubordinated liabilities and obligations which constitute Tier 3 Capital).

Accordingly, in a winding-up or administration of the Issuer, the assets of the Issuer would first be applied to meeting its obligations to Senior Creditors, and only if any assets remain after the claims of all Senior Creditors have been paid or provided for in full would those residual assets be applied to satisfaction of the claims in respect of the Notes and any other claims ranking *pari passu* with the claims in respect of the Notes). In such circumstances, if there were insufficient assets to meet the claims of Senior Creditors in full, the Noteholders would lose their entire investment in the Notes. If there were insufficient assets to meet the claims of Senior Creditors,

the Notes and other obligations ranking *pari passu* with the Notes, the Noteholders would lose some (which could be substantially all) of their investment in the Notes.

In addition, HM Treasury is currently consulting 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 currently proposed and if such powers were to be subsequently exercised in respect of the Issuer, 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.

There is no restriction on the amount of indebtedness or other obligations which the Issuer or any of its subsidiaries may incur, including any indebtedness or other obligations which rank in priority to, or *pari passu* with, the Notes. The incurrence of such indebtedness or other obligations may reduce the amount recoverable by Noteholders on a winding-up of the Issuer and/or may increase the likelihood of a deferral of interest payments under the Notes.

Therefore, although the Notes may pay a higher rate of interest 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.

Payments by the Issuer are conditional upon satisfaction of the Issuer Solvency Condition

Other than in an Issuer Winding-Up, all payments by the Issuer to the Noteholders under or arising from the Notes and the Trust Deed shall be conditional upon the Issuer being solvent at the time for payment by the Issuer, and no amount shall be payable by the Issuer under or arising from the Notes and the Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (the "**Issuer Solvency Condition**"). For these purposes, the Issuer will be "**solvent**" if (i) it is able to pay its debts owed to Senior Creditors of the Issuer and Pari Passu Creditors of the Issuer as they fall due and (ii) its Assets exceed its Liabilities (other than Liabilities to persons who are Junior Creditors of the Issuer). If any payment of interest, Arrears of Interest and/or principal cannot be made by the Issuer in compliance with the Issuer Solvency Condition, payment of such amounts will be deferred by the Issuer, and such deferral will not constitute a default under the Notes for any purpose.

Interest payments under the Notes must, in certain circumstances, be deferred

The Issuer is required to defer any payment of interest on the Notes in full on each Mandatory Interest Deferral Date (being an Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were to be made by the Issuer on such Interest Payment Date), save as otherwise exceptionally permitted by the Relevant Regulator pursuant to Condition 5.2.

The circumstances in which the Issuer may be required to defer payments of interest on the Notes may be difficult to predict. The deferral of interest as described above does not constitute a default under the Notes for any purpose. Any interest so deferred shall, for so long as the same remains unpaid, constitute Arrears of Interest. Arrears of Interest will not themselves bear interest.

Arrears of Interest may, subject to certain conditions, be paid by the Issuer, in whole or in part, at any time (provided that at such time a Regulatory Deficiency Interest Deferral Event is not subsisting and would not occur if payment of such Arrears of Interest were made (save as otherwise exceptionally permitted by the Relevant Regulator pursuant to Condition 5.2) and provided further that such payment can be made in compliance with the Issuer Solvency Condition) upon notice to Noteholders, but in any event shall be payable, subject to satisfaction of the Issuer Solvency Condition (except on an Issuer Winding-Up) and the Regulatory Clearance Condition, in whole (and not in part) by the Issuer on the earliest to occur of (a) the next Interest Payment Date which is not a Mandatory Interest Deferral Date, (b) an Issuer Winding-Up or (c) any redemption of the Notes pursuant to, or purchase of the Notes in accordance with, Condition 7.

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

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

Notwithstanding the expected maturity of the Notes on the Maturity Date (and save as otherwise exceptionally permitted by the Relevant Regulator pursuant to Condition 7.2(b)), the Issuer must defer redemption of the Notes on the Maturity Date or on any other date set for redemption of the Notes pursuant to Conditions 7.4, 7.5, 7.6, 7.7 or 7.8, (i) if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if the Notes were redeemed by the Issuer on such date, (ii) if 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), (iii) where redemption would otherwise breach the provisions of Relevant Rules which apply to obligations eligible to qualify as Tier 2 Capital or (iv) if repayment of the Notes cannot be made in compliance with the Issuer Solvency Condition.

The circumstances in which the Issuer may be required to defer repayment of the Notes may be difficult to predict. The deferral of redemption of the Notes in accordance with the Conditions will not constitute a default under the Notes for any purpose.

Where redemption of the Notes is deferred, subject to certain conditions (including, except in the case of an Issuer Winding-Up, satisfaction of the Issuer Solvency Condition), the Notes will be redeemed by the Issuer on the earliest of: (a) (if the redemption has been deferred due to the occurrence of a Regulatory Deficiency Redemption Deferral Event) the date falling 10 Business Days following cessation of the Regulatory Deficiency Redemption Deferral Event or (if redemption has been deferred due to operation of the Issuer Solvency Condition) the date falling 10 Business Days following the date on which the Issuer is solvent within the meaning of Condition 3.3 and could make payment in compliance with the Issuer Solvency Condition; (b) the date falling 10 Business Days after the Relevant Regulator has agreed to the repayment or redemption of the Notes; or (c) 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, including with respect to deferring redemption on the scheduled Maturity Date, 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.

Early redemption

The Notes may, subject as provided in Condition 7, at the option of the Issuer, be redeemed at their principal amount, together with any Arrears of Interest and any other accrued but unpaid interest to (but excluding) the date of redemption, before the Maturity Date:

(i) on any date falling in the period from (and including) 15 September 2031 to (but excluding) the Maturity Date; or

(ii) at any time in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a change in or proposed change in, or amendment or proposed amendment to, applicable law or regulation or the official interpretation thereof; or

(iii) at any time in the event of (or if there will occur within 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, for this purpose, any Further Notes) have been purchased and cancelled,

provided that any such redemption will only be made following compliance with the Regulatory Clearance Condition and in compliance with the Relevant Rules, in continued compliance with Regulatory Capital Requirements and as further provided in Conditions 7.2 and 7.10.

The circumstances in which an early redemption right may arise pursuant to Conditions 7.4, 7.5 and 7.6 may be difficult to predict. The redemption features of the Notes are likely to limit their market value. During any period when the Issuer has the right to elect to redeem the Notes, or if there is a perception in the market that any such right has arisen or may arise, the market value of the Notes will generally not be expected to rise substantially above the price at which they can be redeemed.

In addition, 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 7, the Issuer may, at its option and without the consent or approval of the Noteholders, elect to substitute the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities or (in the case of a Ratings Methodology Event) Rating Agency Compliant Notes at any time in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a change in applicable law or regulation or the official interpretation thereof, in the event of a Capital Disqualification Event or in the event of a Ratings Methodology Event. While Qualifying Tier 2 Securities and Rating Agency Compliant Notes must have terms not materially less favourable to holders than the terms of the Notes, there

can be no assurance that, due to the particular circumstances of a holder of Notes, such Qualifying Tier 2 Securities or Rating Agency Compliant Notes will be as favourable to each investor in all respects.

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 become bound to act but has failed or is unable to do so within 60 days and such failure or inability is continuing) any Noteholder for recovery of amounts which have become due in respect of the Notes will be the institution of proceedings for the winding-up in England and Wales (but not elsewhere) of the Issuer and/or proving in any winding-up or in any administration of the Issuer and/or claiming in the liquidation of the Issuer (whether in England and Wales or elsewhere), and any such claim in a winding-up or liquidation of the Issuer shall be subordinated as provided under "*The Issuer's obligations under the Notes are subordinated*" above.

Meetings, resolutions modification and waivers

The Conditions contain provisions for calling meetings of Noteholders (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) to consider matters affecting their interests generally, and also allow for resolutions of the Noteholders to be passed by way of written resolution or (when the Notes are represented by a Global Certificate) electronic consents.

These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or who did not vote on the relevant resolution, as applicable, and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that, subject to the satisfaction of the Regulatory Clearance Condition, the Trustee may, without the consent of Noteholders, agree 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 the Trust Deed in the circumstances described in Condition 14.2.

Substitution of Issuer

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 13.

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.

Limitation on gross-up obligation under the Notes

The Issuer's obligation, if any, to pay additional amounts in respect of any withholding or deduction in respect of taxes imposed in a Relevant Jurisdiction under the terms of the Notes applies only to payments of interest and not to payments of principal or any other amounts.

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 or amounts

other than interest. Accordingly, if any such withholding or deduction were to apply to any payments of principal or any other amounts under the Notes, Noteholders will receive less than the full amount which would otherwise be due to them 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.

Integral multiples of less than £100,000

The Notes will be issued in amounts of £100,000 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 £100,000 that are not integral multiples of £100,000. Should definitive Notes be required to be issued, they will be issued in principal amounts of £100,000 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 £100,000.

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of £100,000 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, the maturity date 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. 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 deferral of interest or 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 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.

Interest rate risks

The Notes will accrue interest at a fixed rate of interest. Investment in securities (such as the Notes), which bear a fixed rate of interest during a specified period involves the risk that subsequent increases in market interest rates over that period may adversely affect their market value.

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 definitive Notes. 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. A rating does 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 the assigning rating agency at any time.

Rating agencies other than Fitch could seek to rate the Issuer or the Notes, whether or not on a basis solicited by the Issuer. Any unsolicited ratings would be based on publicly available information only, and assigned without the benefit of the support and insight of the Issuer. If any further or alternative ratings are assigned to the Issuer and/or the Notes in future, and if that are lower than the rating assigned by Fitch, this could have an adverse effect on the market value of the Notes.

In general, European regulated investors are restricted under the EU 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 EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by 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 EU 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 (save for paragraphs in italics, which are for information only and do not form part of the Terms and Conditions) is the text of the Terms and Conditions of the Notes which (subject to completion and modification) will be endorsed on the Certificates issued in respect of the Notes:

The £400,000,000 4.000 per cent. Subordinated Tier 2 Notes due 2031 (the "**Notes**", which expression shall in these Conditions, unless the context otherwise requires, include any Further Notes issued pursuant to Condition 16) of Utmost Group plc (the "**Issuer**", which term shall include any substitute therefor from time to time pursuant to the terms of Condition 13) are constituted by a Trust Deed dated 15 September 2021 (the "**Trust Deed**") made between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**", which expression shall include its successor(s)) as trustee for the holders of the Notes. The issue of the Notes was (save in respect of any Further Notes) authorised by resolutions of the board of directors of the Issuer passed on 2 September 2021.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 15 September 2021 (the "**Agency Agreement**") made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent), and Citibank Europe Plc as registrar (the "**Registrar**", which expression shall include any successor registrar) and as a transfer agent (the "**Transfer Agent**", which expression shall include any successor and/or additional transfer agent(s) appointed under the Agency Agreement from time to time), (i) are available for inspection during normal business hours by the Noteholders at the specified office of the Principal Paying Agent or the Transfer Agent or (ii) may be provided by email to a Noteholder requesting a copy and upon satisfactory proof of a holding of Notes, subject to the Trustee, the Principal Paying Agent or the Transfer 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 the Agency Agreement applicable to them.

The owners shown in the records of each of Euroclear Bank SA/NV and Clearstream Banking, S.A. of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. Form, Denomination and Title

1.1 Form and Denomination

The Notes are issued in registered form in amounts of £100,000 and higher integral multiples of £1,000 (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). A note 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 use reasonable endeavours to procure be kept by the Registrar (the "**Register**").

1.2 Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) 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 in whose name a Note is registered in the Register.

2. Transfers of Notes and Issue of Certificates

2.1 Transfers

A Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or a Transfer Agent.

2.2 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 form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Note to the address specified in the form of transfer.

Except in the limited circumstances described in this Offering Memorandum (see "Overview of the provisions relating to the Notes whilst in Global Form – Exchange"), owners of interests in the Notes will not be entitled to receive physical delivery of Certificates.

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 to the address of such holder appearing on the Register or as specified in the form of transfer.

2.3 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 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.

2.4 Closed periods

No Noteholder may require the transfer of a Note to be registered during the period of 15 days ending on the due date for any payment of principal, interest or Arrears of Interest on that Note.

2.5 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 or emailed (free of charge) by the Registrar to any Noteholder who requests one.

3. Status of the Notes

3.1 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 are subordinated as described in Condition 3.2.

3.2 Subordination

If:

(a) at any time 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 13 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,

(the events in (a) and (b) each being an "**Issuer Winding-Up**"), the rights and claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee acting on its own account under the Trust Deed in respect of its costs, expenses, liabilities or remuneration) and the Noteholders against the Issuer in respect of or arising under the Notes and the Trust Deed (including any damages awarded for breach of any obligations thereunder) will be subordinated in the manner provided in the Trust Deed only to the claims of all Senior Creditors of the Issuer and shall rank:

(i) at least *pari passu* with all claims of holders of all other subordinated obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith ("**Pari Passu Obligations of the Issuer**"); and

(ii) in priority to the claims of holders of (i) all obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case)

would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith and (ii) all classes of share capital of the Issuer (together, the "**Junior Obligations of the Issuer**").

Nothing in this Condition 3.2 or in Condition 3.3 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.

3.3 Issuer Solvency Condition

Other than in the circumstances set out in Condition 3.2 and without prejudice to Condition 10.2, all payments by the Issuer under or arising from the Notes and the Trust Deed (other than payments made to the Trustee acting on its own account under the Trust Deed in respect of its costs, expenses, liabilities or remuneration but including, without limitation, any payments in respect of damages awarded for breach of any obligations thereunder) shall be conditional upon the Issuer being solvent at the time for payment by the Issuer, and no amount shall be payable by the Issuer under or arising from the Notes and the Trust Deed unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (the "**Issuer Solvency Condition**").

For the purposes of this Condition 3.3, the Issuer will be "**solvent**" if (i) it is able to pay its debts owed to Senior Creditors of the Issuer and Pari Passu Creditors of the Issuer as they fall due and (ii) its Assets exceed its Liabilities (other than Liabilities to persons who are Junior Creditors of the Issuer). A certificate as to the solvency of the Issuer signed by two Directors or, if there is a winding-up or administration of the Issuer, by two authorised signatories of the liquidator or, as the case may be, the administrator of the Issuer shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons and 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 hereof.

3.4 Set-off, etc.

By acceptance of the Notes, subject to applicable law, each Noteholder and the Trustee, on behalf of 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 whether prior to or in bankruptcy, 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 are discharged by set-off, such Noteholder will, unless such payment is prohibited by law, 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 Issuer's bankruptcy, winding-up or administration. Accordingly, such discharge will be deemed not to have taken place.

4. Interest

4.1 Interest Rate

Each Note bears interest on its outstanding principal amount from (and including) the Issue Date at the rate of 4.000 per cent. per annum.

Subject to Condition 3.3 and Condition 5, interest shall be payable (subject as follows) in equal instalments semi-annually in arrear on 15 June and 15 December of each year, the first payment to be made on 15 June 2022 (each an "**Interest Payment Date**"). The first payment shall be in respect of the period from (and including) the Issue Date to (but excluding) 15 June 2022, and thereafter for each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date.

4.2 Interest Accrual

Interest shall cease to accrue on each Note on the due date for redemption (which due date shall, in the case of deferral of a redemption date in accordance with Condition 7.2, be the latest date to which redemption of the Notes is so deferred) unless payment is improperly withheld or refused, in which event interest shall continue to accrue (in each case, both before and after judgment) as provided in the Trust Deed.

4.3 Calculation of Interest

Subject to Condition 3.3 and Condition 5, the amount of interest which will be payable on the Interest Payment Date falling on 15 June 2022 will be £29.95 per Calculation Amount.

Where it is necessary to compute an amount of interest in respect of any Note in respect of a payment date other than an Interest Payment Date, such interest shall be calculated on the basis of (a) the actual number of days in the period from (and including) the date from which interest begins to accrue (the "**Accrual Date**") to (but excluding) the relevant due date for payment (the "**Accrual Period**") divided by (b) two times the actual number of days in the period from (and including) the Accrual Date to (but excluding) the next following Interest Payment Date; except that if the Accrual Period falls within the long first interest period, the amount of interest will be determined on the basis of the sum of:

(a) the number of days in the Accrual Period falling within the period from (and including) the Issue Date to (but excluding) 15 December 2021 divided by the product of (x) the number of days from (and including) 15 June 2021 to (but excluding) 15 December 2021 and (y) two; and

(b) the number of days in the Accrual Period falling within the period from (and including) 15 December 2021 to (but excluding) 15 June 2022 divided by the product of (x) the number of days from (and including) 15 December 2021 to (but excluding) 15 June 2022 and (y) two.

Interest shall be calculated per £1,000 in principal amount of the Notes (the "**Calculation Amount**") by applying the rate of interest referred to in Condition 4.1 to such Calculation Amount, multiplying the resulting figure by the day count fraction described in the immediately preceding paragraph and rounding the resultant figure to two decimal places (with 0.005 being rounded up). The amount of interest payable in respect of a Note shall be calculated by multiplying the amount of interest per Calculation Amount determined as

aforesaid by the specified denomination of such Note and dividing the resulting figure by £1,000.

5. Deferral of Interest

5.1 Mandatory Deferral of Interest

Payment of interest on the Notes by the Issuer will be mandatorily deferred in full on each Mandatory Interest Deferral Date, save as otherwise permitted by the Relevant Regulator pursuant to Condition 5.2. The Issuer shall notify the Noteholders, the Trustee and the Principal Paying Agent of any deferral of interest on a Mandatory Interest Deferral Date as provided in Condition 5.6 (provided that failure to make such notification shall not oblige the Issuer to make payment of such interest, or cause the same to become due and payable, on such date).

A certificate signed by two Directors confirming that (a) a Regulatory Deficiency Interest Deferral Event has occurred and is continuing, or would occur if payment of interest on the Notes were to be made or (b) a Regulatory Deficiency Interest Deferral Event has ceased to occur and/or payment of interest on the Notes would not result in a Regulatory Deficiency Interest Deferral 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, shall be binding on all such persons and 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 hereof.

5.2 Waiver of Deferral of Interest by the Relevant Regulator

Notwithstanding Condition 5.1, the Issuer shall not be required to defer a payment of interest (including any Arrears of Interest) on a Mandatory Interest Deferral Date or any other date if and to the extent that:

(a) the applicable Regulatory Deficiency Interest Deferral Event occurs (or would, upon the making of such interest payment, occur) solely as a result of non-compliance with an applicable Solvency Capital Requirement;

(b) the Relevant Regulator has exceptionally waived the deferral of the relevant interest payment (in whole or in part) and has provided the Issuer with written confirmation of the same;

(c) the making of the relevant interest payment (or the relevant part thereof permitted by the Relevant Regulator to be made) would not further weaken the solvency position of the Issuer or the Insurance Group; and

(d) each relevant Minimum Capital Requirement will be complied with immediately following the making of such interest payment (or the relevant part thereof permitted by the Relevant Regulator to be made), if made.

A certificate signed by two Directors confirming that the conditions set out in this Condition 5.2 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.

5.3 No default

Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral by the Issuer of any payment of interest (i) on a Mandatory Interest Deferral Date in accordance with Condition 5.1 or (ii) as a result of the non-satisfaction of the Issuer Solvency Condition in Condition 3.3 will not constitute a default by the Issuer 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.

5.4 Arrears of Interest

Any interest on the Notes not paid on an Interest Payment Date as a result of the obligation of the Issuer to defer such payment of interest pursuant to Condition 5.1 or the operation of the Issuer Solvency Condition in Condition 3.3 shall, together with any other interest not paid on any earlier Interest Payment Dates, to the extent and so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest shall not themselves bear interest.

5.5 Payment of Arrears of Interest

Any Arrears of Interest may, subject to Condition 3.3 and to satisfaction of the Regulatory Clearance Condition, be paid by the Issuer in its sole discretion, in whole or in part, at any time (provided that at such time a Regulatory Deficiency Interest Deferral Event is not subsisting and would not occur if payment of such Arrears of Interest were made, save as otherwise permitted by the Relevant Regulator pursuant to Condition 5.2) upon the expiry of not less than 14 days' notice to such effect given by the Issuer to the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12, and in any event will become due and payable by the Issuer (subject, in the case of (a) and (c) below, to Condition 3.3 and to satisfaction of the Regulatory Clearance Condition) in whole (and not in part) upon the earliest of the following dates:

(a) the next Interest Payment Date which is not a Mandatory Interest Deferral Date; or

(b) the date on which an Issuer Winding-Up occurs; or

(c) the date fixed for any redemption of Notes pursuant to, or purchase of Notes in accordance with, Condition 7 (subject to any deferral of such redemption date pursuant to Condition 7.2).

5.6 Notice of Deferral

The Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 not less than five Business Days prior to an Interest Payment Date:

(a) (save where the Relevant Regulator has permitted the relevant interest payment to be made in full pursuant to Condition 5.2) if that Interest Payment Date is a Mandatory Interest Deferral Date and specifying that interest will not be paid because a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date, provided that if a Regulatory Deficiency Interest Deferral Event (or the determination thereof) occurs less than five Business Days prior to an

Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 12 as soon as reasonably practicable following the occurrence (or, as the case may be, the determination) of such event; or

(b) if payment of interest is to be deferred on that Interest Payment Date only as a result of the non-satisfaction of the Issuer Solvency Condition and specifying the same, provided that if the Issuer becomes aware of such non-satisfaction of the Issuer Solvency Condition less than five Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 12 as soon as reasonably practicable following it becoming so aware,

provided that, in each case, any delay or failure in making any such notification shall neither constitute a default under the Notes or for any other purpose, nor oblige the Issuer to make payment of such interest, or cause the same to become due and payable, on such Interest Payment Date.

6. Payments

6.1 Payments in respect of Notes

Payment of principal and interest will be made by transfer to the registered account of the relevant Noteholder. Payments of principal, and payments of interest and Arrears of 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 Agents. Save as provided in the previous sentence, interest and Arrears of Interest due for payment on the Notes will be paid to the holder shown on the Register at the close of business on the date (the "**record date**") being 15 days before the due date for the relevant payment.

For the purposes of this Condition 6, a Noteholder's "**registered account**" means the sterling account maintained by or on behalf of it with a bank that processes payments in sterling, details of which appear on the Register at the close of business (a) in the case of principal and of interest and Arrears of Interest due at the time of redemption of the Notes, on the second Business Day before the due date for payment and (b) in the case of any other payment of interest and Arrears of Interest, on the relevant record date.

6.2 Payments subject to applicable laws

All payments will be subject in all cases to (a) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (b) any withholding or deduction imposed or required pursuant to Sections 1471 through 1474 of the U.S. 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**").

6.3 No commissions

No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 6.

6.4 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 Business Day preceding the due date for payment or, in the case of a payment of principal, or of a payment of interest or Arrears of 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 an 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).

6.5 Partial payments

If the amount of principal or interest which is due 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.

6.6 Agents

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the 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 at all times maintain:

(a) a Principal Paying Agent; and

(b) a Registrar.

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 12.

7. Redemption, Substitution, Variation and Purchase

7.1 Redemption at Maturity

Subject to Condition 7.2 and Condition 7.10 and to satisfaction of the Regulatory Clearance Condition, unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 15 December 2031 (the "**Maturity Date**") together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the Maturity Date.

7.2 Issuer deferral of redemption date

(a) Subject as provided in Condition 7.2(b), no Notes shall be redeemed on the Maturity Date pursuant to Condition 7.1 or prior to the Maturity Date pursuant to Conditions 7.4, 7.5, 7.6, 7.7 or 7.8 if:

(i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if redemption were to be made pursuant to this Condition 7;

(ii) 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

(iii) redemption would otherwise breach the provisions of the Relevant Rules which apply to obligations eligible to qualify as Tier 2 Capital,

and, in each case, redemption shall instead be deferred in accordance with the provisions of this Condition 7.2.

(b) Notwithstanding Condition 7.2(a), the Issuer shall be entitled to redeem the Notes (to the extent permitted by the Relevant Rules) on the Maturity Date pursuant to Condition 7.1 or prior to the Maturity Date pursuant to Conditions 7.4, 7.5, 7.6, 7.7 or 7.8 if:

(i) deferral of redemption would (but for this Condition 7.2(b)) be required only by virtue of Condition 7.2(a)(i) and the applicable Regulatory Deficiency Redemption Deferral Event occurs (or would occur if redemption were to be made) solely as a result of non-compliance with an applicable Solvency Capital Requirement;

(ii) the Relevant Regulator has exceptionally waived the deferral of redemption and has provided the Issuer with written confirmation of the same;

(iii) the Notes are exchanged for or converted into new Tier 1 Capital or Tier 2 Capital instruments of the same or higher quality than the Notes; and

(iv) each relevant Minimum Capital Requirement will be complied with immediately following such redemption, if made.

A certificate signed by two Directors confirming that the conditions set out in this Condition 7.2(b) 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.

(c) The Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 no later than five Business Days prior to any date set for redemption of the Notes if such redemption is to be deferred in accordance with Condition 7.2(a), provided that if a Regulatory Deficiency Redemption Deferral Event (or the determination thereof) occurs less than five Business Days prior to the date set for redemption, the Issuer shall give notice of such deferral in accordance with Condition 12 as soon as reasonably practicable following the occurrence (or, as the case may be, the determination) of such event.

(d) If redemption of the Notes does not occur on the Maturity Date or, as applicable, the date specified in the notice of redemption by the Issuer under Condition 7.4, 7.5, 7.6, 7.7 or 7.8 as a result of Condition 7.2(a) above, the Issuer shall (subject, in the case of (i) and (ii) below only, to Condition 3.3 and to satisfaction of the Regulatory Clearance Condition) redeem such Notes at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest upon the earlier of:

(i) the date falling 10 Business Days after the date the Regulatory Deficiency Redemption Deferral Event has ceased (unless on such 10th Business Day a further Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or redemption of the Notes on such date would result in a Regulatory Deficiency Redemption Deferral Event occurring, in which case, unless the further deferral of redemption is waived by the Relevant Regulator pursuant to Condition 7.2(b), the provisions of Condition 7.2(a) and this Condition 7.2(d) will apply *mutatis mutandis* to determine the due date for redemption of the Notes); or

(ii) the date falling 10 Business Days after the Relevant Regulator has agreed to the repayment or redemption of the Notes (including, without limitation, where the Relevant Regulator has exceptionally waived deferral of redemption pursuant to Condition 7.2(b)); or

(iii) the date on which an Issuer Winding-Up occurs.

The Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 no later than five Business Days prior to any such date set for redemption pursuant to 7.2(d)(i) or (ii) above.

(e) If Condition 7.2(a) does not apply, but redemption of the Notes does not occur on the Maturity Date or, as appropriate, the date specified in the notice of redemption by the Issuer under Condition 7.4, 7.5, 7.6, 7.7 or 7.8 as a result of the Issuer Solvency Condition not being satisfied at such time, the Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 as soon as practicable on or following the scheduled redemption date on which the Issuer Solvency Condition is not satisfied and such redemption of the Notes has been deferred. Subject to satisfaction of the Regulatory Clearance Condition, such Notes shall be redeemed at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the redemption date on the 10th Business Day immediately following the day that:

(i) the Issuer is solvent for the purposes of Condition 3.3; and

(ii) the redemption of the Notes would not result in the Issuer ceasing to be solvent for the purposes of Condition 3.3,

provided that if on such Business Day specified for redemption a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if the Notes were to be redeemed, then (unless the further deferral of redemption is waived by the Relevant Regulator pursuant to Condition 7.2(b)) the Notes shall not be redeemed on such date and Conditions 3.3 and 7.2(d) shall apply *mutatis mutandis* to determine the due date for redemption of the Notes.

The Issuer shall notify the Trustee, the Principal Paying Agent and the Noteholders in accordance with Condition 12 no later than five Business Days prior to any date set for redemption pursuant to 7.2(e)(i) and (ii) above.

(f) A certificate signed by two Directors confirming that (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if redemption of the Notes were to be made or (B) a Regulatory Deficiency Redemption Deferral Event has ceased to occur and/or redemption of the Notes would not result in a Regulatory Deficiency Redemption Deferral 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, shall be binding on all such persons and 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 hereof.

7.3 Deferral of redemption not a default

Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of redemption of the Notes in accordance with Condition 3.3 or 7.2 will not constitute a default by the Issuer 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.

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

Subject to Conditions 7.2(a) and 7.10, if immediately before the giving of the notice referred to below:

(a) as a result of 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 Tier 2 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 United Kingdom law, 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, on or after the Reference Date (each 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 8; 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 United Kingdom, 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,

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 Agent and, in accordance with Condition 12, the Noteholders (which notice shall, subject as provided in Condition 7.14, be irrevocable and shall specify the date fixed for redemption, substitution or variation, as applicable) either:

(i) redeem all (but not some only) of the Notes, at any time at their principal amount together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which:

(A) with respect to (a)(i), the Issuer would be obliged to pay such additional amounts;

(B) with respect to (a)(ii)(1), the payment of interest would no longer be deductible for United Kingdom tax purposes; or

(C) with respect to (a)(ii)(2), 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 (a)(ii)(2),

in each case were a payment in respect of the Notes then due; or

(ii) substitute at any time all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities, and the Trustee shall (subject as provided in Condition 7.9 and to the receipt by it of the certificates of the Directors referred to in Condition 7.10 and in the definition of 'Qualifying Tier 2 Securities') agree to such substitution or variation.

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

Subject to Conditions 7.2(a) and 7.10, 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, any applicable law, regulation or other official publication, the same will occur within a period of six months, then the Issuer may at any time, having given not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 12, the Trustee and the Principal Paying Agent (which notice shall, subject as provided in Condition 7.14, be irrevocable and shall specify the date fixed for redemption, substitution or variation, as applicable) either:

(a) redeem all (but not some only) of the Notes at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or

(b) substitute all (and not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Securities, and the Trustee shall (subject as provided in Condition 7.9 and to the receipt by it of the certificates of the Directors referred to in Condition 7.10 and in the definition of 'Qualifying Tier 2 Securities') agree to such substitution or variation.

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

(a) Subject to Conditions 7.2(a) and 7.10, if at any time 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 by the relevant Rating Agency), a Ratings Methodology Event will occur within a period of six months, then the Issuer may at any time, having given not less than 15 nor more than 60 days' notice to the Noteholders in accordance with Condition 12, the Trustee and the Principal Paying Agent (which notice must be given during the Notice Period and shall, subject as provided in Condition 7.14, be irrevocable and shall specify the date fixed for redemption, substitution or variation, as applicable) either:

(i) redeem all (but not some only) of the Notes at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption; or

(ii) substitute all (and not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Rating Agency Compliant Notes, and the Trustee shall (subject as provided in Condition 7.9 and to the receipt by it of the certificates of the Directors referred to in Condition 7.10 and in the definition of 'Rating Agency Compliant Notes') agree to such substitution or variation.

(b) For the purposes of this Condition 7.6, "**Notice Period**" means the six-month period commencing on the date on which the relevant Ratings Methodology Event first occurs (or, as applicable, the date on which the Issuer certifies that the same will occur within a period of six months), provided that if the Issuer has, during such six-month period, made such application or notification to the Relevant Regulator as is then required under the Relevant Rules for the purposes of initiating the process for satisfying the Regulatory Clearance Condition, the Notice Period shall extend to the thirtieth calendar day following satisfaction of the Regulatory Clearance Condition in respect of the redemption, substitution or variation which is the subject of the notice to which the Notice Period relates.

7.7 Issuer maturity call

Subject to Conditions 7.2(a) and 7.10, the Issuer may, at its option, having given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying Agent, the Registrar and, in accordance with Condition 12, the Noteholders (which notice shall, save as provided in Condition 7.14 below, be irrevocable and shall specify the date fixed for redemption) redeem all (but not some only) of the Notes, on any day falling in the period

commencing on (and including) 15 September 2031 and ending on (but excluding) the Maturity Date at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption.

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

7.8 Clean-up redemption at the option of the Issuer

Subject to Conditions 7.2(a) and 7.10, 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 16 will be deemed to have been originally issued) has been purchased and cancelled, then the Issuer may, at its option, having given not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12, the Trustee and the Principal Paying Agent (which notice shall, save as provided in Condition 7.14 below, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the remaining Notes at any time at their principal amount, together with any Arrears of Interest and any other accrued and unpaid interest to (but excluding) the date of redemption.

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

7.9 Trustee role on redemption, variation or substitution; Trustee not obliged to monitor

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 substitution or variation of the Notes for or into Qualifying Tier 2 Securities pursuant to Condition 7.4 or Condition 7.5 above or, as the case may be, Rating Agency Compliant Notes pursuant to Condition 7.6 above, provided that the Trustee shall not be obliged to co-operate in or agree to any such substitution or variation of the terms if such co-operation or the terms of the securities into which the Notes are to be substituted or are to be varied impose, in the Trustee's opinion, more onerous obligations upon it or reduce its authorities or protections or expose it to any additional liability. If the Trustee does not so co-operate or agree as provided above, the Issuer may, subject as provided above, redeem the Notes as provided above.

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 7 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 of the occurrence of any event or circumstance within this Condition 7, it shall be entitled to assume that no such event or circumstance exists.

7.10 Preconditions to redemption, variation, substitution and purchases

(a) Prior to the publication of any notice of redemption, variation or substitution pursuant to Condition 7.4, 7.5, 7.6 or 7.8, the Issuer shall deliver to the Trustee:

(i) in respect of any redemption, variation or substitution pursuant to Condition 7.4, an opinion from a nationally recognised law firm or other tax adviser in the Relevant Jurisdiction experienced in such matters to the effect that the relevant requirement or circumstance referred to in Condition 7.4(a) applies or will apply on the next Interest Payment Date; and

(ii) in respect of any redemption, variation or substitution pursuant to Condition 7.4, 7.5, 7.6 or 7.8, a certificate signed by two Directors stating that, as the case may be:

(A) the requirement referred to in Condition 7.4(a) above applies or will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking measures reasonably available to it; or

(B) a Capital Disqualification Event or, as the case may be, Ratings Methodology Event has occurred and is continuing as at the date of the certificate or, as the case may be, will occur within a period of six months; or

(C) for the purposes of Condition 7.8, 80 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased and cancelled as at the date of the certificate; and

(D) in respect of any redemption, variation or substitution pursuant to Condition 7.4, 7.5 or 7.6, the circumstance entitling the Issuer to exercise the right of redemption, variation or substitution was not reasonably foreseeable as at the Reference Date,

and the Trustee shall, in the absence of manifest error, accept such certificate and, if applicable, opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders (it being declared that the Trustee may rely absolutely on such certification and opinion, if applicable, without liability to any person and without any obligation to verify or investigate the accuracy hereof).

(b) In addition, prior to the publication of any notice of redemption before the Maturity Date or any substitution, variation or purchase of the Notes, the Issuer will be required to have complied with the Regulatory Clearance Condition and be in continued compliance with the Regulatory Capital Requirements (but without prejudice to Condition 7.2(b), if applicable), and such redemption, substitution, variation or purchase must comply with the Relevant Rules applicable at the time. A certificate from any two Directors to the Trustee confirming such compliance shall be conclusive evidence of such compliance for the purposes of these Conditions (it being declared that the Trustee may rely absolutely on such certification without liability to any person and without any obligation to verify or investigate the accuracy hereof).

(c) The Issuer shall not redeem or purchase any Notes unless at the time of such redemption or purchase:

(i) it is, and will immediately thereafter remain, solvent (as such term is described in Condition 3.3); and

(ii) it is, and will immediately thereafter remain, in compliance with all Regulatory Capital Requirements applicable to it (but without prejudice to Condition 7.2(b), if applicable).

A certificate from any two Directors to the Trustee confirming such compliance shall be conclusive evidence of such compliance (it being declared that the Trustee may rely absolutely on such certification without liability to any person and without any obligation to verify or investigate the accuracy hereof).

(d) Any redemption pursuant to Condition 7.4, 7.5, 7.6, 7.7 or 7.8 and any purchase pursuant to Condition 7.12 will only be made:

(i) in compliance with the Relevant Rules; and

(ii) if a redemption or purchase is to occur within five years following the Reference Date (and if the Relevant Rules so require at the relevant time):

(A) on the condition that the Notes are exchanged for, or redeemed out of the proceeds of a new issue of, capital of the same or higher quality; or

(B) in the case of a redemption pursuant to Condition 7.4 or 7.5, if 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:

(1) the Solvency Capital Requirement of the Issuer and/or the Insurance Group (as applicable), immediately after the redemption, will be exceeded by an appropriate margin, taking into account its solvency position and its medium-term capital management plan; and

(2) either (x) (in the case of a redemption pursuant to Condition 7.4) the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date, or (y) (in the case of a redemption pursuant to Condition 7.5) the relevant change in the regulatory classification of the Notes is sufficiently certain and was not reasonably foreseeable as at the Reference Date.

If on the proposed date for any redemption of the Notes the relevant pre-conditions to redemption under this Condition 7.10 are not met, redemption of the Notes shall instead be deferred and such redemption shall occur only in accordance with Condition 7.2. If on the proposed date for any purchase of Notes pursuant to Condition 7.12 the relevant pre-conditions to purchase under this Condition 7.10 are not met, the purchase of the Notes shall instead be cancelled.

A certificate from any two Directors to the Trustee confirming compliance with the relevant pre-conditions to redemption or purchase shall be conclusive evidence of such compliance and the Trustee may rely absolutely on such certification without liability to any person and without any obligation to verify or investigate the accuracy hereof.

7.11 Compliance with stock exchange rules

In connection with any substitution or variation of the Notes in accordance with Condition 7.4, 7.5 or 7.6, 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.

7.12 Purchases

Subject to Condition 7.10, the Issuer or any of the Issuer's Subsidiaries may at any time 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 Issuer and the relevant purchaser, surrendered for cancellation to the Principal Paying Agent.

7.13 Cancellations

All Notes redeemed or substituted by the Issuer pursuant to this Condition 7, and all Notes purchased and surrendered for cancellation pursuant to Condition 7.12, 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.

7.14 Notices Final

Subject and without prejudice to Conditions 3.3, 7.2 and 7.10, any notice of redemption as is referred to in Conditions 7.4, 7.5, 7.6, 7.7 or 7.8 above shall be irrevocable and upon expiry of 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.

8. Taxation

8.1 Payment without withholding

All payments of principal, interest (including, without limitation, Arrears of 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 in respect of interest payments (including, without limitation, payments of Arrears of Interest), but not in respect of any payments of principal or 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:

(a) *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

(b) *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

(c) *Payment by another Paying 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 Agent in a Member State of the European Union (provided that there is such a Paying Agent appointed at the relevant time); or

(d) *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

(e) where such withholding or deduction arises out of any combination of paragraphs (a) to (d) 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 under this Condition 8.1 on account of any FATCA Withholding Tax.

8.2 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 8 or under any undertakings given in addition to, or in substitution for, this Condition 8 pursuant to the Trust Deed.

9. Prescription

Claims against the Issuer in respect of principal, interest and any other amounts in respect of the Notes will be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest, including, without limitation, Arrears of Interest, or any other amounts) from the Relevant Date.

10. Events of Default

10.1 Rights to institute and/or prove in a winding-up of the Issuer

The right to institute winding-up proceedings in respect of the Issuer is limited to circumstances where a payment of principal, interest or other amount in respect of the Notes by the Issuer under the Notes or the Trust Deed has become due and is not duly paid. For the avoidance of doubt (without prejudice to Condition 10.2), no amount shall be due from the Issuer in circumstances where payment of such amount could not be made in compliance with the Issuer Solvency Condition or is deferred by the Issuer in accordance with Conditions 5.1 or 7.2.

If:

(a) default is made by the Issuer for a period of 14 days or more in the payment of any interest (including, without limitation, any Arrears of Interest) or principal due in respect of the Notes or any of them; or

(b) an Issuer Winding-Up occurs,

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 prefunded to its satisfaction):

(i) in the case of (a) above, institute proceedings for the winding-up of the Issuer in England and Wales (but not elsewhere) and prove in the winding-up; and/or

(ii) in the case of (b) above, prove in the winding-up or administration of the Issuer (whether in England and Wales or elsewhere) and/or claim in the liquidation of the Issuer (whether in England and Wales or elsewhere),

but (in either case) 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 10.1, 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 an indication of no objection from, the Relevant Regulator which the Issuer shall confirm in writing to the Trustee and upon which the Trustee may rely conclusively without liability to any person.

10.2 Amount payable on a winding-up or administration

Upon the occurrence of an Issuer Winding-Up (including, for the avoidance of doubt, a winding-up initiated pursuant to Condition 10.1(i)), 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 prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and payable at the amount equal to their principal amount together with any Arrears of Interest and any other accrued and unpaid interest and, if applicable, any damages awarded for breach of any obligations under the Notes or the Trust Deed.

Claims against the Issuer in respect of such amounts will be subordinated in accordance with Condition 3.2.

10.3 Enforcement

Without prejudice to Conditions 10.1 or 10.2, 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 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 10.3 shall, however, prevent the Trustee (subject to Condition 10.1) instituting proceedings for the winding-up of the Issuer in England and Wales and/or proving in any winding-up or administration of the Issuer (whether in England and Wales or elsewhere) and/or claiming in any liquidation of the Issuer in respect of any payment obligation of the Issuer (whether in England and Wales or elsewhere), in each case where such payment obligation arises from the Notes or the Trust Deed (including, without limitation, payment of any principal, interest or Arrears of Interest in respect of the Notes or any damages awarded for breach of any obligations under the Notes or the Trust Deed).

10.4 Entitlement of Trustee

The Trustee shall not be bound to take any of the actions referred to in Condition 10.1, 10.2 or 10.3 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 prefunded to its satisfaction.

10.5 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 Noteholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 10.

10.6 Extent of Noteholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 10, 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.

11. 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 12) 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.

12. 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 such publication or, if so published more than once or on different dates, on the date of the first publication.

13. Substitution of Issuer

Subject to the satisfaction of the Regulatory Clearance Condition, 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 3.2, 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 10 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 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) if the Substitute Obligor is, or becomes, subject in respect of payments made by it of principal, interest (including, without limitation, Arrears of Interest) and/or any other amounts in respect of 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 8 with the substitution in the definition of "Relevant Jurisdiction" (for the purposes of both Condition 8 and Condition 7.4) of references to the Original Territory with references to the Substituted Territory whereupon the Trust Deed and the Notes will be read accordingly;

(f) 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

(g) 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 13.

Any substitution effected in accordance with this Condition 13 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 12.

14. Meetings of Noteholders, Modification, Waiver and Authorisation

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders (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) 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 may be convened by the Issuer, the Trustee or by 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 and whether or not voting in favour.

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 7.4, 7.5 or 7.6 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 13.

14.2 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.

14.3 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 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

14.4 Notification to the Noteholders

Any modification, abrogation, waiver, authorisation, determination or substitution made in accordance with this Condition 14 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 12.

14.5 Regulatory Clearance Condition

Any modification to, or waiver in respect of, these Conditions or any provisions of the Trust Deed will be subject to the Issuer having notified the Relevant Regulator of such modification or waiver and satisfaction of the Regulatory Clearance Condition.

15. Indemnification of the Trustee and its contracting with the Issuer

15.1 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.

15.2 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.

15.3 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.

16. 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**"), provided that the issue date of such Further Notes falls not less than ten years prior to the Maturity Date, 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.

17. Governing Law

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

18. 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.

19. Defined Terms

In these Conditions:

"**Accrual Date**" has the meaning given to it in Condition 4.3;

"**Accrual Period**" has the meaning given to it in Condition 4.3;

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

"**Agents**" means the Registrar, the Principal Paying Agent, the Transfer Agent and the other Paying Agents appointed from time to time under the Agency Agreement;

"**Arrears of Interest**" has the meaning given in Condition 5.4;

"**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;

"**Business Day**" means:

(a) except for the purposes of Condition 2 and 6.4, 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 Agent with whom a Certificate is deposited in connection with a transfer is located; and

(c) for the purpose of Condition 6.4, 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;

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 2 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 2 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 2 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 1.1;

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

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

"**European Economic Area**" means the countries comprising the European Union together with Norway, Liechtenstein and Iceland;

"**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);

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

"**FATCA Withholding Tax**" has the meaning given in Condition 6.2;

"**Further Notes**" has the meaning ascribed to it in Condition 16;

"**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;

"**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 Date**" has the meaning given in Condition 4.1;

"**Issue Date**" means 15 September 2021;

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

"**Issuer Solvency Condition**" has the meaning given in Condition 3.3;

"**Issuer Winding-Up**" has the meaning given in Condition 3.2;

"**Junior Creditors of the Issuer**" means creditors of the Issuer whose claims rank, or are expressed to rank, junior to the claims of the Noteholders, including holders of securities which are Junior Obligations of the Issuer;

"**Junior Obligations of the Issuer**" has the meaning given in Condition 3.2;

"**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 Deferral Date**" means each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest were to be made on such Interest Payment Date;

"**Maturity Date**" has the meaning given in Condition 7.1;

"**Member State**" means a member of the European Economic Area;

"**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 1.2;

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

"**Notice Period**" has the meaning given in Condition 7.6;

"**Original Territory**" has the meaning given in Condition 13;

"**Pari Passu Creditors of the Issuer**" means creditors of the Issuer whose claims rank, or are expressed to rank, *pari passu* with the claims of the Noteholders, including holders of securities which are Pari Passu Obligations of the Issuer;

"**Pari Passu Obligations of the Issuer**" has the meaning given in Condition 3.2;

"**Paying Agents**" means the Principal Paying Agent and any successor, replacement and/or additional paying agent(s) appointed from time to time under the Agency Agreement;

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

"**Qualifying Tier 2 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 Directors 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 2 Capital; (2) bear the same rate of interest as the Notes and preserve the 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) do not 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; and (7) preserve in full any rights to Arrears of Interest and accrued and unpaid interest on the Notes immediately prior to substitution or variation; and

(c) are listed and admitted to trading either (i) on the same stock exchange as the Notes were so listed and admitted to trading immediately prior to the relevant variation or substitution of the Notes for such Qualifying Tier 2 Securities, or (ii) on 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 Notes**" means securities issued directly or indirectly by the Issuer that are:

(a) Qualifying Tier 2 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 at any time thereafter) or (ii) (if later) as at (or in connection with an issue of Further Notes on) the Reference Date (where, in each case, any such 'equity content' was assigned to the Notes 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 Directors 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 Reference 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' which was first assigned by such Rating Agency to the Notes (whether on or around the Issue Date or at any time 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 16 (where, in each case, any such 'equity content' was assigned to the Notes 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;

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

"**Register**" has the meaning given in Condition 1.1;

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

"**Regulatory Capital Requirements**" means any applicable capital resources requirement or applicable overall financial adequacy rule required by the Relevant Regulator or the Relevant Rules, as such requirements or rule are in force from time to time;

"**Regulatory Clearance Condition**" means, in respect of any proposed act on the part of the Issuer, the Relevant Regulator having approved or consented to, or otherwise having confirmed that it does not object 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);

"**Regulatory Deficiency Interest Deferral Event**" means any event (including, without limitation, any event which causes any Solvency Capital Requirement or Minimum Capital Requirement applicable to the Issuer or the Insurance Group to be breached and such breach is an event) which under the Relevant Rules would require the Issuer to defer payment of interest in respect of the Notes (on the basis that the Notes are intended to qualify as Tier 2 Capital of the Issuer and/or the Insurance Group under the Relevant Rules);

"**Regulatory Deficiency Redemption Deferral Event**" means any event (including, without limitation, where an Insolvent Insurer Winding-up has occurred and is continuing and any event which causes any Solvency Capital Requirement or Minimum Capital Requirement applicable to the Issuer or the Insurance Group to be breached and the continuation of such Insolvent Insurer Winding-up is, or as the case may be such breach is, an event) which under the Relevant Rules would require the Issuer to defer or suspend repayment or redemption of the Notes (on the basis that the Notes are intended to qualify as Tier 2 Capital of the Issuer and/or the Insurance Group under the Relevant Rules);

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

"**Relevant Date**" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12;

"**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 interest (including Arrears of Interest) on the Notes;

"**Relevant Regulator**" means the UK 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 the domestic law of the United Kingdom by virtue of 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 2 Capital and on the basis that the Notes are intended to continue to have the characteristics of Tier 2 Capital of the Issuer and/or the Insurance Group under the Relevant Rules (notwithstanding the occurrence of a Capital Disqualification Event);

"**Senior Creditors of the Issuer**" means:

(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; and

(c) all subordinated creditors of the Issuer (including, without limitation, creditors 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 3 Capital), 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 Tier 2 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;

"**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 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), as amended (including, without limitation, by Commission Delegated Regulation (EU) 2019/981);

"**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);

"**sterling**" or "**£**" means the lawful currency of the United Kingdom;

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

"**Substitute Obligor**" has the meaning given in Condition 13;

"**Substituted Territory**" has the meaning given in Condition 13;

"**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;

"**Taxes**" has the meaning given in Condition 8.1;

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

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

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

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

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

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

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:

(i) 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

(ii) an Event of Default (as defined in the Trust Deed) has occurred and is continuing; or

(iii) 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 12 and "*Notices*" below) 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 ten 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 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 Issuer's Subsidiaries 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

Notwithstanding the provisions of Condition 4.3, for so long as all of the Notes are represented by the Global Certificate, interest payable to the Registered Holder 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 Agent and the relevant clearing system(s) may approve for this purpose) rather than in the manner as required by Condition 12. 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.

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 three-quarters 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 from the issue will be utilised to redeem part or all of the existing £300,000,000 6% fixed rate subordinated notes due 2030 issued by the Issuer to its immediate parent company. The proceeds from the redemption of the notes will be then either (i) injected to the Issuer as equity as part of the consideration for the Quilter Acquisition, or (ii) used towards repayment of the existing external bank debt of the Group if the Quilter Acquisition does not complete.

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".

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.$156 billion 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. $625 billion of investments (as at 30 June 2021).

Ownership and Corporate Governance

The immediate parent company of the Issuer is Utmost Holdings (Guernsey) Limited ("**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 84.5% 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 15.5% 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 non-executive director who will chair the Issuer's Audit, Risk and Compliance Committee. A candidate has been identified to perform the role of non-executive Chairman, who will be independent on appointment. The candidate will be appointed on receipt of regulatory approval, which is expected before the end of 2021.

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 Regulation

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 Utmost Life and Pensions Limited ("**ULP**"), based in the UK.

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 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. 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 approximately £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 looks 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. Its liabilities are approximately 81% unit linked, 8% annuity, 7% other non-profit and 4% with-profits. The average annual management charge across the entire book is 73 bps per annum.

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 double the value of new business over 5 years. 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. The Group has ESG standards 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 Principles for Responsible Investment ("**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**"), is developing its climate risk framework in line with their recommendations and is in the process of implementing a climate risk policy. 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

The Group has entered into an agreement to acquire Quilter International (the "**Transaction**"), subject to regulatory approvals. Under the terms of the Transaction, Utmost Group will pay approximately £483m, inclusive of a 5% interest charge on the base consideration of £460 million from 1 January 2021 to completion, assuming completion on 31 December 2021. The consideration of £483m represents 84% of the Own Funds of Quilter International of £575m as at 31 December 2020. Completion is expected in Q4 2021 (see below further information on the material terms of the sale and purchase agreement (the "**Quilter SPA**") in relation to the Transaction.

Upon completion of the Transaction, Quilter International will become a part of Utmost International, the international life assurance business of Utmost Group. The Transaction is expected to add £22bn AUA and 90,000 policies to Utmost International. It will confirm Utmost International's position as one of the leading global providers of international life assurance. On a combined basis, Utmost International will have £52bn AUA, 220,000 policies and would have written over £330m APE of new business in 2020. In 2020, Quilter International wrote approximately £1.6bn of new business premiums.

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**"), will 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.

The Group's intention is that Quilter International will be merged with Utmost International's operations in the Isle of Man, Ireland, DIFC, Singapore and Hong Kong. There will be a single suite of products under the Utmost International brand soon after completion of the acquisition

with opportunities for expense and capital synergies by 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 has agreed to sell the entire issued share capital of Quilter International Ireland DAC ("**QII**") and to procure the sale of Quilter International Holdings Limited ("**QIH**") by its wholly-owned subsidiary to the Purchaser. QIH will transfer 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.

Completion of the Transaction ("**Completion**") is conditional on the satisfaction of various conditions, including regulatory conditions, some of which remain outstanding.

The consideration payable to the Seller pursuant to the Quilter SPA comprises a base consideration of £460m plus a 5 per cent. interest charge on this sum for the period from 1 January 2021 to Completion, representing estimated total consideration of approximately £483m payable in cash on Completion (assuming Completion on 31 December 2021). The Seller has the option of Quilter International declaring a pre-completion dividend of up to £15m in which case the base consideration of £460m will be reduced by a commensurate amount The Purchaser may also be required to pay additional consideration if, between 1 April 2021 and completion of the Quilter SPA, certain subsidiaries of the target require additional capital pursuant to any applicable law, requirement from or direction by a regulatory authority or required regulatory capital or solvency capital ratio, and the Seller or Quilter UK Holding Limited makes a capital contribution or subscribes for additional shares in either QII or QIH in order to fund such capital requirement. The additional consideration is capped at a maximum aggregate amount of £65m.

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 Seller has given customary covenants to the Purchaser in relation to the conduct of Quilter International during the period between signing of the SPA and Completion.

The employees of the Quilter International group companies will transfer with the Quilter International group companies and, in addition, certain employees of the Quilter plc group who are wholly or mainly dedicated to the Quilter International business will transfer to Quilter International on Completion (the "**UK Transferring Employees**"). The Seller and the Purchaser have 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. If any of the Conditions are not satisfied (or waived, if applicable) by 31 March 2022 (or, at the election of the Seller by notice in writing to the Purchaser on or prior to the 31 March 2022, 30 September 2022, or such other date

as may be agreed in writing between the Seller and the Purchaser), except for certain surviving provisions, the terms of the Quilter SPA shall lapse and cease to have effect and Completion will not take place. The waiver of any of the Conditions shall require the express written agreement of both the Purchaser and the Seller.

In connection with the disposal, Quilter Business Services Limited ("**QBS**"), a subsidiary of Quilter plc, and QIBS, will enter 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	Expected Q4 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.

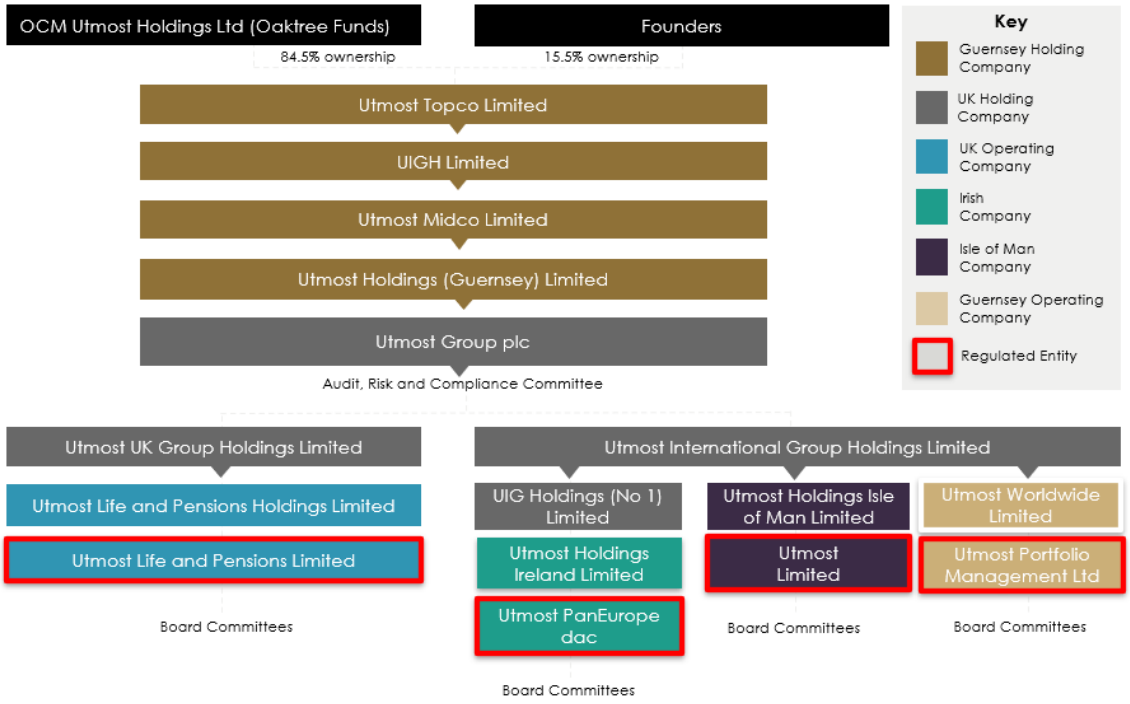
In January 2020, following the sponsored demutualisation of ELAS, the vast majority of ELAS' business was transferred to Utmost Life and Pensions Limited.

In April 2021, the Group announced the proposed acquisition of Quilter International, which is expected to become a part of the Utmost International business in Q4 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.

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.

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;

"**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:

	31 December 2020 £m	**30 June 2021 £m**
Group Own Funds	1,262	1,279
Policyholder Own Funds	(14)	(9)
Risk Margin	284	288
VIF outside Contract Boundary	110	104
Group SII EV (Gross of Debt)	**1,642**	**1,662**
Debt	(300)	(300)
Group SII EV (Net of Debt)	**1,342**	**1,362**

The following table shows the split of Gross Group SII EV (Gross of Debt) between net asset value ("**NAV**") and value of in-force ("**VIF**") at 31 December 2020:

	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

Net flows for H1 2021 for Utmost International and Quilter International are shown in the table below:

£bn	Opening AUA	Inflow	Outflow	Net Flows	Market	Closing AUA
Utmost International	29.3	1.3	(1.1)	0.2	1.2	30.7
Quilter International	21.8	1.1	(0.7)	0.4	1.0	23.2
Utmost Pro-Forma	51.1	2.4	(1.8)	0.6	2.2	53.9

UGP 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

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. Five migrations to the Group's strategic platform have taken place with a further migration due to complete in 2021 with the intention of securing expense reductions.

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 currently planning the integration of the Quilter International business. It is Utmost's intention to fully integrate QIIoM and UL in the Isle of Man and QII and UPE in Ireland.

This integration process will be 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 will be provided to the acquired Quilter International businesses under the Transitional Service Agreement.

The vast majority of the Quilter International operations are in the Isle of Man with QII 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 will be undertaken in the Isle of Man.

Utmost has established an "Implementation Programme" which brings together the integration and separation work. The programme has a pre-completion phase and a post-completion phase. The latter is split into Utmost's normal "100 Day Plan" of key tasks to undertake immediately after completion and the longer-term separation and integration programme which is expected to take a further two years to complete.

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 regulation by the PRA.

The Utmost life companies seek to maintain a strong solvency position. The Group's policy for UPE and ULP 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**")[1] 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.

Following the acquisition of Utmost Worldwide, Utmost agreed with the GFSC that for an initial period it will 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. 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.

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.

	BSCR Composition 31 December 2020 £m
Market	445
Counterparty	64
Life	447
Health	22

[1] 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.

Non-Life	19
Diversification	(248)
Basic SCR ("BSCR")	748

	SCR Composition 31 December 2020 £m
BSCR	748
Operational	33
Loss absorbency of deferred taxes	(60)
Loss absorbency of technical provisions	(33)
SCR	689

The tables below show a breakdown of the two key components of SCR, market risk and life risk:

Market Risk Breakdown	**31 December 2020 £m**
Yield	28
Equity	262
Property	8
FX	154
Spread	113
Concentration	4
Diversification	(123)
Market Risk	445

Life Risk Breakdown	**31 December 2020 £m**
Expense	118
Lapse	345
Disability	2
Longevity	45
Mortality	14
Revision	-
Life Catastrophe	8
Diversification	(86)
Life Risk	447

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 actual solvency coverage ratio of 183%.

Scenario	**Description of Scenario**	**YE 2020 Impact on Solvency Coverage Ratio vs. Base Case (%)**
Base Case	This is the central best estimate scenario	183%
Mass Lapse 40%	40% of all policies that can be surrendered immediately surrender	+35%
Equity and Property (40)%	Equity and property markets fall by 40%	+11%
Credit +200bps	Credit spreads increase 200bps	(4)%
Interest +100bps	Interest rate curves increase 100bps	6%
Interest -100bps	Interest rate curves decrease 100%	(10)%
GBP Appreciation +20%	GBP appreciates 20% vs. its EUR, USD	10%
Expenses +10%[1]	Expenses increase 10% vs. the base case	(10)%

[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.

Scenario	Description of Scenario	YE 2020 Impact on Own Funds vs. Base Case
Base Case	This is the central best estimate scenario	£1,262m
Mass Lapse 40%	40% of all policies that can be surrendered immediately surrender	£(213)m
Equity and Property (40)%	Equity and property markets fall by 40%	£(202)m
Credit +200bps	Credit spreads increase 200bps	£(64)m
Interest +100bps	Interest rate curves increase 100bps	£6m
Interest -100bps	Interest rate curves decrease 100%	£(24)m
GBP Appreciation +20%	GBP appreciates 20% vs. its EUR, USD	£(54)m
Expenses +10%	Expenses increase 10% vs. the base case	£(70)m

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.

Group Capital Generation

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.

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).

Capital Impact of Writing New Business

	2020 £m	
New Business Written	£1,852m	
Capital Strain	£8m	0.5% of New Business Written
Capital Generation	£50m	6x Capital Strain

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 Group has one debt instrument in place: £300,000,000 6% fixed rate subordinated Tier 2 notes due 2030 which are listed on The International Stock Exchange and are held in their entirety by Utmost Holdings (Guernsey) Limited. As further described under "*Use of Proceeds*" above, the net proceeds from the issue of the Notes will be utilised to redeem part or all of these notes. 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 also 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. Fitch indicates that for an "A" IFS or stronger, a Fitch leverage ratio of less than 28% on their metrics is required.

The Group anticipates initially funding the Quilter International acquisition from £275m additional bank debt at the UHGL level. As a result, the leverage ratios at the UGP level would decrease to 13% given the increase in Gross SII EV and unchanged debt position at UGP. Fitch's measure of leverage ratio (which includes the bank debt at UHGL level) would increase slightly.

Group Solvency Position

The table below summarises the Issuer's Group solvency position at 31 December 2020 and 30 June 2021.

	31 December 2020	**30 June 2021**
Ireland	£384m	£375m
Isle of Man	£237m	£247m
Guernsey	£316m	£324m
UK	£307m	£280m
HoldCos*	£18m	£53m
Group Own Funds	£1,262m	**£1,279m**
Group SCR	£689m	**£720m**
Solvency Coverage Ratio	183%	**178%**

** 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%
UL	154%	157%
UW	181%	169%
ULP	176%	176%
Group	183%	178%

Financial and Capital Impact of Quilter International Acquisition

The acquisition of Quilter International was announced in April 2021 and is expected to complete in Q4 2021. The expected impact on the Group's IFRS equity, operating profit and solvency position of the acquisition is shown below. The impact of the acquisition on the Group's solvency position is expected to leave its solvency coverage ratio in a range of 175-185% on a *pro forma* basis[2]**.** The Gross SII EV increases to £2,256m on a *pro forma* basis[2].

[2] The *pro forma* information in this section is prepared on the assumption the Transaction completed on 31 December 2020.

£m	Actual	Pro Forma[2]
Assets	39,712	62,247
Liabilities	38,860	60,848
IFRS Equity	851	1,399
Operating Profit*	85	144

* *Pro-forma Operating Profit of £144m is additive, with no allowance for synergies*

£m	Actual	Pro Forma[2]
Own Funds	1,262	1,732
SCR	689	982
Solvency Coverage Ratio	183%	176%

£m	Actual	Pro Forma[2]
Gross SII EV	1,642	2,256

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:

£m	Free Assets	Annuity	Other Non Linked	With-Profits
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
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'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

The Issuer is rated as follows:

Entity	**Rating Category**	**Rating**	**Outlook**
Utmost Group plc	Issuer Default Rating	BBB+	Stable

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.

Description of Existing Financing Arrangements

As at the date of this Offering Memorandum, the Group has one debt instrument in place: £300,000,000 6% fixed rate subordinated Tier 2 notes due 2030 which are listed on The International Stock Exchange and are held in their entirety by Utmost Holdings (Guernsey) Limited. The Tier 2 notes pay interest at 6% per annum, with payments being made in May and November of each year and matures on 9 November 2030. As further described under "*Use of Proceeds*" above, the net proceeds from the issue of the Notes will be utilised to redeem part or all of these notes.

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 is £235m. 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 is a guarantor to Loan Facility B, which was entered into by its parent, UHGL. Loan Facility B will not be drawn to the extent that the Issuer raises funds by issuing the Notes.

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.

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
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

Name	Function on the Board	Principal Activities performed outside the Issuer
		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

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 Worldwide Limited

Leon Steyn is CEO of Utmost Worldwide Limited, a role he has held since 2020. Previously, Leon served as CFO of Utmost Worldwide Limited, 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 Worldwide Limited

Charles is CFO of Utmost Worldwide Limited, a role he has held since 2020, and serves as an Executive Director on its Board. He joined Utmost Worldwide 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 Limited

Mike is Chief Executive Officer of Utmost Limited, a role he has held since 2016.

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, a role he has held since 2018. Karl leads the financial and actuarial teams and provides robust, operationally sound financial and investment control for the Group's Isle of Man companies.

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.

Paul Gillett, CEO, Utmost PanEurope DAC

Paul Gillett is CEO of 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 PanEurope DAC

Henry O'Sullivan is CFO of Utmost PanEurope DAC, a 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 and an independent non-executive director. The Board has identified a candidate to perform the role of non-executive Chairman who will be independent on appointment. The candidate will be appointed on receipt of regulatory approval, which is expected before the end of 2021. 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 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

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 in 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 Utmost Group (or, if Completion occurs, the Enlarged Group) at any future date.

It should also be noted that Completion of the Quilter Acquisition remains subject to satisfaction or waiver of various conditions, a number of which remain outstanding, and accordingly there can be no assurance that the Quilter Acquisition will complete.

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	(460,000)	340,600	289,935
Total assets	**39,711,682**	**19,604,400**	**3,034,290**	**(444,053)**	**340,600**	**62,246,919**

£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	-	-	-	-	302,564
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)**	**-**	**60,848,197**
Net assets	**851,445**	**253,200**	**19,294**	**(65,817)**	**340,600**	**1,398,722**

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 will acquire (subject to Completion of the Quilter Acquisition).

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 on 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 will be calculated on 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 will be calculated on the Completion date of the Quilter Acquisition.

   iii. The adjustment to cash and cash equivalents represents the consideration of £460m which is the agreed base consideration payable by the Utmost Group for the Quilter Acquisition. The final consideration to be paid will be dependent on the date of Completion of the Quilter Acquisition, as further described in the section "*Description of the Issuer and the Group – Quilter Acquisition*" above.

4) This adjustment represents the additional equity to be received by the Utmost Group from its parent company. The £340.6m represents additional share capital to be issued by Utmost Group plc to Utmost Holdings (Guernsey) Limited with consideration for the share capital received in cash.

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 is regulated by the CBoI and is 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 is 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 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 has 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 comments below, which are of a general nature and are based on the Issuer's understanding of current UK law and HM Revenue & Customs published practice, describe the UK withholding tax treatment of payments of interest in respect of the Notes. They are not exhaustive. They do not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. Some aspects may not apply to certain classes of person (such as persons connected with the Issuer) to whom special rules may apply. 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.

United Kingdom tax considerations

The Notes issued 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. Euronext Dublin is a recognised stock exchange for these purposes. Securities will be treated as listed on Euronext Dublin if they are included in the Official List and are admitted to trading on the GEM. 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 13 September 2021 (the "**Subscription Agreement**"), Barclays Bank PLC, Lloyds Bank Corporate Markets plc and NatWest Markets Plc (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 and expenses. 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 have not been and will not be registered under the Securities Act and the Notes may not be offered, sold or delivered within the United States 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 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.

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.

United Kingdom

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 European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that

customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

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 European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) 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.

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.

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 Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time (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 - In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 2 September 2021.

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 15 September 2021, 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 XS2384717703 and Common Code 238471770. See 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

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 International 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 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 the Maturity Date of the Notes is 3.998 per cent., on a semi-annual basis (assuming, solely for this purpose, that no payments of interest are deferred and on the assumption that the Notes were to be redeemed on the Maturity Date). The yield is calculated as at the Issue Date on the basis of the issue price and the interest rate of 4.000 per cent. per annum. 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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