

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND ACTION BY 5PM ON 20 DECEMBER 2024

If you are in any doubt as to the contents of this document or the decision or action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 (as amended from time to time) or, if you are taking advice outside the United Kingdom, from another appropriately authorised independent financial adviser.

29 November 2024

Dear HL Colleague

**Proposals to holders of 2022, 2023 and 2024 Sharesave Options
in connection with the Acquisition of HL**

1. Why are we writing to you?

We are writing to explain how the proposed acquisition of Hargreaves Lansdown plc (*HL*) by Harp Bidco Limited (*Bidco*) (the *Acquisition*) will affect options granted to you in 2022, 2023 and 2024 under the Hargreaves Lansdown plc Savings Related Share Option Scheme 2019 (the *Sharesave Options* and the *Sharesave* respectively).

This letter is important and explains the impact of the Acquisition on your Sharesave Option(s), the choices you have (assuming the Acquisition proceeds) and what you need to do. Please read it carefully. Once you have made your choice, you will not be able to change it.

This letter describes legal processes and therefore is unavoidably “technical” in nature. The Glossary at Appendix 1 is intended to help you understand some of the terms that are used in this letter. You will also find further information about the Acquisition in the Scheme Document which is available on the HL website at www.hl.co.uk/investor-relations/offer. A copy of this letter will also be available to view on HL’s website at www.hl.co.uk/investor-relations/offer. Unless otherwise defined, terms defined in the Scheme Document shall have the same meanings in this letter.

ACTION REQUIRED: You will need to take action to realise value from the Sharesave Options that you hold. This will not happen automatically.

It is recommended that you elect for either **Choice A** or **Choice B** to exercise each of your 2022, 2023 and 2024 Sharesave Option(s) (as applicable). Under Choice A, your Sharesave Option(s) would be exercised on the Court Sanction Date. Under Choice B, your Sharesave Option(s) would be exercised 20 days after the Effective Date. The key differences between **Choice A** and **Choice B** are outlined at section 6 below, but the main difference is that under Choice A you would receive payment for your shares sooner than if you elected for Choice B.

To elect for Choice A or Choice B, please submit a Sharesave Exercise Request via the HL ESP Portal at www.esp-portal.com/clients/HL by 5pm on 20 December 2024 at the latest.

In order to elect for Choice A or Choice B, you must have an HL Fund and Share Account. If you do not have an HL Fund and Share Account, please visit <https://www.hl.co.uk/investment-services/fund-and-share-account/open-a-fund-and-share-account> and open an account **by 5pm on 20 December 2024**.

Please note that all instructions received are irrevocable; once your instruction has been submitted, it cannot be changed.

If you do nothing, your Sharesave Options will lapse 20 days after the Effective Date, unless they lapse earlier under the Sharesave Rules.

2. The Acquisition

The Acquisition will be implemented by way of a court process known as a scheme of arrangement (the *Scheme*). The Scheme is a procedure that requires both the approval of HL Shareholders (which was obtained at shareholder meetings held on 14 October 2024), and sanction (i.e. approval) of the scheme by the Court, which is currently expected to take place in the first quarter of 2025 (the *Court Sanction Date*). It is currently expected that the Scheme will become effective in the first quarter of 2025 (the *Effective Date*) and at this time HL will become owned by Bidco. These dates could, however, change, as they are dependent on when certain regulatory approvals are received (the timing of which is not currently known).

HL Shareholders will be entitled to receive £11.10 in cash for each HL Share they own at the Scheme Record Time. This will include any HL Shares you acquire on any exercise of your Sharesave Option(s) under the terms of this letter. The terms of the Acquisition are set out in full in the Scheme Document.

However, if any dividend, distribution and/or return of value, other than the 2024 Full-Year Dividend, is proposed, authorised, declared, made or paid by HL (or becomes payable by HL) in respect of HL Shares, Bidco reserves the right to reduce the cash consideration payable under the terms of the Acquisition by the amount of any such dividend, distribution and/or other return of value.

3. A reminder of your Sharesave Option(s)

Details of your outstanding Sharesave Option(s) are available on www.esp-portal.com/clients/HL.

4. Impact of the Scheme on your Sharesave Option(s)

The Acquisition will change the usual treatment of your Sharesave Option(s). Ordinarily, you would have been able to buy HL Shares using your accumulated savings following the end of the relevant three-year savings contract (or to let your Sharesave Option(s) lapse and withdraw your savings).

As a result of the Scheme, 2022, 2023 and 2024 Sharesave Options will become capable of exercise early on the Court Sanction Date, using the savings you have made at the date of exercise. Deductions from your pay will continue in the ordinary way up until the relevant Sharesave Option is exercised (or until maturity of the savings contract, if earlier). Different rules may apply if you leave employment with the HL Group before the Court Sanction Date (see section 9 of this letter).

If the Acquisition does not happen for any reason, your Sharesave Option(s) will continue as normal subject to the rules of the Sharesave (the *Sharesave Rules*).

5. What are my choices?

You will only be able to exercise your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) using the savings you have made through salary deductions up to the date of exercise. You cannot top up your savings from another source or elect for increased salary deductions.

You can apply now to exercise your Sharesave Option(s) and buy HL Shares with the accumulated savings you will have made at the date of exercise (unless the Sharesave Option(s) lapse earlier in accordance with the Sharesave Rules).

You can elect to exercise your Sharesave Option(s):

- **Choice A:** on the Court Sanction Date (i.e. the earliest possible date of exercise); or
- **Choice B:** 20 days following the Effective Date (i.e. the last possible date of exercise).

If you do this, you will receive:

- £11.10 per HL Share that you acquire on exercise of your Sharesave Option(s) upon the sale of those HL Shares, which will be paid into your HL Fund and Share Account; and
- a one-off cash compensation payment to compensate you for the profit you would have made if you had (i) continued to save under your Sharesave Option(s) for six months following the Court Sanction Date (or until the end of the relevant savings contract, if earlier), (ii) exercised your Sharesave Option(s) to the maximum extent possible and acquired HL Shares, and (iii) then sold the resulting HL Shares for £11.10 as part of the Scheme (the **One-off Cash Payment**).

This One-off Cash Payment will be paid to you via payroll after the Acquisition has completed. This payment will be “grossed up” – i.e. you will be paid a higher amount via payroll, such that after the deduction of tax and national insurance contributions, you will receive the full amount of the One-off Cash Payment.

By way of example, in relation to a 2022 Sharesave Option, the One-off Cash Payment (after tax) will be £3.02 for each HL Share which you would have been able to acquire if you had been able to make savings for a further six months, which is the difference between £11.10 and the £8.08 exercise price. Q1 of Appendix 2 provides a worked example to help explain this in more granular detail.

You can elect for Choice A or Choice B by accessing the HL ESP Portal at www.esp-portal.com/clients/HL and submitting an online Sharesave Exercise Request (the *Sharesave Exercise Request*) at any time between now and 5pm on 20 December 2024.

Please note that you will need to open an HL Fund and Share Account, regardless of which choice you select. If you do not have an HL Fund and Share Account, please visit <https://www.hl.co.uk/investment-services/fund-and-share-account/open-a-fund-and-share-account> and open an account **by 5pm on 20 December 2024.**

If you take no action by 5pm on 20 December 2024, your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) will lapse under the Sharesave Rules and cease to be of any value after 20 days following the Effective Date, unless they lapse earlier under the Sharesave Rules, and you will not be able to receive the One-off Cash Payment described above. You will however be able to request that your accumulated savings are returned to you through the HL ESP Portal (www.esp-portal.com/clients/HL).

Please note that all instructions received are irrevocable; once your instruction has been submitted, it cannot be changed.

6. What is the difference between Choice A and Choice B?

Choice A and Choice B are very similar. The main difference is that under Choice A your Sharesave Option(s) will be exercised earlier than under Choice B. This will mean you would receive your money for the resulting HL Shares into your HL Fund and Share Account earlier under Choice A than Choice B.

Other potential differences are:

- Under Choice B, you may be able to make an additional savings contribution compared with Choice A (which would allow you to buy additional HL Shares when you exercise your Sharesave Option(s)). However, there is no guarantee of this as it would depend on when the Court Sanction Date falls relative to your payroll deduction. If you did make an additional contribution, it would reduce the One-off Cash Payment you would receive, and so would not change your net cash received but could affect how much CGT you pay.
- The timing of the exercise and therefore the date on which you realise a capital gain under Choice B may also be later than Choice A. If the Choice A and Choice B dates fall in different tax years, you may be able to utilise different annual exemptions for CGT depending on the tax year. Note that there is no guarantee that the dates would fall in different tax years and you should take your own independent professional advice about how the date you realise a capital gain may impact your tax position.
- If you are a leaver, your Sharesave Option(s) may lapse before the Choice B exercise date.

7. Can I transfer the HL Shares into my ISA before selling them?

Under **Choice A**, it may be possible for you to transfer some or all of your HL Shares into an HL ISA before those HL Shares are acquired by Bidco. Any transfer into an ISA is only possible between the Court Sanction Date and the Scheme Record Time, and only to the extent that your annual ISA limit (£20,000 for the 2024/25 tax year) has not been utilised. Due to that period being very short, it will not be possible to transfer HL Shares into a third party ISA arrangement.

If you would like to elect for an ISA transfer, please indicate this as part of your Sharesave Exercise Request. **You should be aware that you will need an HL ISA account (in addition to an HL Fund and Share Account) if you elect for an ISA transfer.** If you do not already have an HL ISA account, it is your responsibility to open one **by 5pm on 20 December 2024.** Please visit <https://www.hl.co.uk/investment-services/isa/apply-now> to do so. You must also then complete the required ISA form as soon as possible (and in any event by 5pm on 20 December 2024).

It will not be possible to process your ISA election unless you (i) have an open HL ISA account, and (ii) have completed the required ISA form, in each case by 5pm on 20 December 2024.

You should take your own independent professional advice about the tax consequences of transferring HL Shares to your HL ISA. Please note that the amount you can transfer into your ISA will be subject to the overall annual ISA allowance of £20,000.

HL will make efforts to complete any ISA transfers elected for in the gap between the Court Sanction Date and the Scheme Record Time. However, given the short period between the Court Sanction Date and the Scheme Record Date, and the various administrative steps in moving HL Shares into an HL ISA, HL cannot guarantee that it can achieve this.

HL shall not be liable for any loss or other consequence you may suffer as a result of the failure to carry out the ISA transfer, including in relation to any tax treatment which you had hoped to achieve on the sale of your HL Shares to Bidco.

8. When will I receive the money?

The money you receive under **Choice A** will be paid to your HL Fund and Share Account as soon as reasonably practicable once your HL Shares are acquired by Bidco on the Effective Date and funds are received – this is expected to be within 14 days of the Effective Date.

The money you receive under **Choice B** will be paid to your HL Fund and Share Account after your HL Shares are acquired by Bidco following exercise of your Sharesave Option(s) 20 days following the Effective Date – this is expected to be later than when you would be paid under Choice A.

Please note that once the consideration for your HL Shares has been transferred to your HL Fund and Share Account, you will need to go into your HL Fund and Share Account to request that the funds are paid out to you.

9. Leaving HL

The leaver arrangements under the Sharesave will apply to your Sharesave Option(s) in the normal way if you leave the HL Group before the Effective Date:

- If you are a “good leaver” (e.g. you leave due to injury, disability, redundancy, retirement, a TUPE transfer, or transfer of your employer), your Sharesave Option(s) may be exercised within six months of the cessation of your employment (or not more than 20 days following the Effective Date, if sooner). If you are a “good leaver” and your Sharesave Option(s) are exercised on or following the Court Sanction Date, you will still receive the One-off Cash Payment referred to above (calculated by reference to the additional savings you would have been able to make were it not for the Acquisition).
- If you do not qualify as a “good leaver” and leave employment (i) less than three years after grant of the relevant Sharesave Option(s), or (ii) more than three years after grant of the relevant Sharesave Option(s) but you leave employment due to gross misconduct, your Sharesave Option(s) will lapse. If so, any **Choice A** or **Choice B** instruction you have made will not take effect and you will not receive the One-off Cash Payment.

Different rules apply on death.

10. What happens if you do nothing?

It is important that you take the appropriate course of action in relation to your Sharesave Option(s) as soon as possible.

In particular, your Sharesave Option(s) will only be exercisable for a limited period under the Sharesave Rules and **if you do nothing, your Sharesave Option(s) will lapse and cease to be of any value** in due course in accordance with the Sharesave Rules. You will however be able to request that your accumulated savings are returned to you through the HL ESP Portal (www.esp-portal.com/clients/HL).

11. What are the tax implications of exercising your Sharesave Option(s)?

A brief summary of the tax implications of exercising your Sharesave Option(s) is set out in the FAQs at Appendix 2 to this letter.

However, if you are in any doubt as to your personal tax position, you are advised to seek independent professional advice without delay.

12. What if I participate in other HL share plans?

If you participate in any other HL share plan, you will receive a separate letter or letters in relation to those awards. Please read those letters carefully.

13. Further information

You will find some FAQs at Appendix 2 to this letter, which you should review. If, after reading these, you still have an outstanding query, please contact Equiniti via the Equiniti Helpdesk within the HL ESP Portal or via telephone on + 44 (0) 371 384 2040.

If you are calling from outside the UK, calls will be charged at the applicable international rate. The Equiniti Helpdesk is open from 8:30am to 5:30pm Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Equiniti cannot give any legal, financial or tax advice.

As a reminder, you can elect for **Choice A** to exercise your 2022, 2023 and 2024 Sharesave Option(s) on the Court Sanction Date or **Choice B** to exercise your 2022, 2023 and 2024 Sharesave Option(s) 20 days after the Effective Date.

The HL Shares that you acquire as a result of exercising your Sharesave Option(s) will then be sold to Bidco for £11.10 each in cash and you will receive the proceeds free of income tax and national insurance contributions into your HL Fund and Share Account. You will then need to request payment of these proceeds via your HL Fund and Share Account.

You will also receive the One-off Cash Payment equivalent to the profit you could have made if you had continued to save for six months following the Court Sanction Date (or until the end of the relevant savings contract, if earlier), and then exercised your Sharesave Option(s) in full and sold the resulting HL Shares as part of the Acquisition. This will be processed via payroll and will be subject to income tax and national insurance contributions.

To elect for **Choice A** or **Choice B** and exercise your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) in connection with the Acquisition, **please submit a Sharesave Exercise Request via the HL ESP Portal at www.esp-portal.com/clients/HL by 5pm on 20 December 2024 at the latest. You must have an open HL Fund & Share Account (and an open HL ISA account if you elect for an ISA transfer under Choice A).**

Please note that all instructions received are irrevocable; once your instruction has been submitted, it cannot be changed.

14. Recommendation of the HL Independent Directors

The HL Independent Directors recommend that you select either **Choice A or Choice B**. You should refer to section 6 above that sets out the main differences between Choice A and Choice B, and also take your personal circumstances into account, including your tax position, when deciding your preferred timing for exercising your Sharesave Option(s).

The HL Independent Directors, who have been so advised by Fenchurch Advisory Partners (*Fenchurch*) as to the financial terms of the proposals, consider the terms of the proposals set out in this letter to be fair and reasonable in the context of the Acquisition. In providing its financial advice to the HL Independent Directors, Fenchurch has taken into account the commercial assessments of the HL Independent Directors. Fenchurch is providing independent financial advice to the HL Independent Directors for the purposes of Rule 3 of the Takeover Code.

If you are in any doubt as to the contents of this document or the decision or action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 (as amended from time to time) or, if you are taking advice outside the United Kingdom, from another appropriately authorised independent financial adviser.

Important notice

Nothing in this letter or its appendices constitutes financial advice to any holder of HL Shares or options over HL Shares.

If there is a conflict between the information in this letter and appendices and the Sharesave Rules, the Scheme Document or any relevant legislation, the Sharesave Rules, the Scheme Document and the legislation will prevail.

By making an election as is set out in this letter, you agree to the Terms and Conditions set out in Appendix 3 to this letter.

Yours faithfully,

Hargreaves Lansdown plc	Harp Bidco Limited
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APPENDIX 1 GLOSSARY

Acquisition means the proposed acquisition by Bidco of the entire issued and to be issued share capital of HL, to be implemented by means of the Scheme or should Bidco so elect, and where required, with the Panel's consent (and subject to the terms of the Cooperation Agreement), by means of an Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof;

Articles Amendment has the meaning given in Appendix 3 to this letter;

Bidco means Harp Bidco Limited, a private limited company incorporated in England and Wales with registered number 15812199;

CGT means UK capital gains tax;

Court means the High Court of Justice in England and Wales;

Court Hearing means the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act;

Court Sanction Date means the date on which the Court sanctions the Scheme under section 899 of the Companies Act;

Effective Date means the date on which the Acquisition becomes effective pursuant to and in accordance with its terms;

Fenchurch means Fenchurch Advisory Partners LLP;

HL means Hargreaves Lansdown plc, a public limited company incorporated in England and Wales with registered number 02122142;

HL Group means HL and its subsidiary undertakings and where the context permits, each of them;

HL Independent Director means the HL Board from time to time, other than Adrian Collins (or his alternate director) and (to the extent applicable) any other director of HL appointed from time to time following nomination by Peter Hargreaves pursuant to the terms of the shareholder agreement between Peter Hargreaves and HL dated 20 October 2020 (and any alternate director of such director);

HL Shareholders means holders of HL Shares;

HL Shares means ordinary shares of 0.4 pence each in the capital of HL;

HMRC means HM Revenue & Customs;

One-off Cash Payment has the meaning given in section 5 to this letter;

Scheme means the scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court;

Scheme Document means the scheme circular published by HL in connection with the Scheme on 6 September 2024;

Scheme Record Time means 6.00pm (London time) on the Business Day immediately following the date of the Court Hearing;

Sharesave means the Hargreaves Lansdown plc Savings Related Share Option Scheme 2019 (as amended from time to time);

Sharesave Exercise Request has the meaning given in section 5 of this letter;

Sharesave Options means the options granted to employees and former employees of the HL Group under the Sharesave in 2022, 2023 and/or 2024; and

Sharesave Rules means the rules of the Hargreaves Lansdown plc Savings Related Share Option Scheme 2019 (as amended from time to time).

APPENDIX 2
FREQUENTLY ASKED QUESTIONS

Q1. Can you give me an example of how this will work and what I might receive?

It is not possible to give tailored examples, but we explain below what would happen in relation to a participant holding a 2024 Sharesave Option if the Court Sanction Date took place 12 months into the three-year savings contract. We have assumed that this participant is saving £100 per month and selected Choice A to exercise the 2024 Sharesave Option on the Court Sanction Date and has not elected to transfer any HL Shares into an ISA. Please remember this is only indicative.

- *If you exercised your 2024 Sharesave Option:*

	Accumulated savings	Number of HL Shares acquired	Proceeds
HL sale proceeds (not subject to income tax or national insurance deductions*)	£1,200 (12 months x £100)	215 (£1,200 savings ÷ £5.56 exercise price)	£2,386.50 (215 shares x £11.10 plus £4.60 of unused savings)
One-off Cash Payment (subject to income tax and national insurance deductions**)	<i>Six months of savings that would have been accumulated had the savings contract been completed:</i> £600 (6 months x £100)	<i>Number of HL Shares that you have not been able to acquire:</i> 107 (£600 ÷ £5.56 exercise price)	£592.78 after tax (107 shares x gain per share of £5.54 (£11.10 minus £5.56 exercise price))

* Please see Q12 “What are the tax consequences of exercising my Sharesave Option(s)?” below. CGT may apply.

** Please see Q13 “What are the tax consequences of receiving the One-off Cash Payment?” below.

Q2. Why can't I exercise my 2022, 2023 and 2024 Sharesave Option(s) in full?

The Sharesave is governed by specific tax legislation which provides for tax advantages but also means that Sharesave Options can only be exercised using savings made into your savings contract at the date of exercise. The legislation does not permit you to “top up” your savings as if you had saved for the full three years of the relevant savings contract and exercise your Sharesave Option(s) in full.

However, you will receive the One-off Cash Payment equal to the profit you would have made if you had (i) continued to save under your Sharesave Option(s) for six months following the Court Sanction Date (or until the end of the relevant savings contract, if earlier), (ii) exercised your Sharesave Option(s) to the maximum extent possible, and (iii) sold the resulting HL Shares for £11.10 as part of the Scheme. This payment will be subject to deductions for income tax and national insurance deductions and so will be grossed up so that you get the full value of the One-off Cash Payment – see Q13 below.

Q3. Do I need to do anything in respect of my current monthly savings?

You do not need to take any action in respect of your current monthly savings. Deductions from your pay will continue in the ordinary way up until the relevant Sharesave Option is exercised (or until maturity of the savings contract, if earlier).

In fact, if you were to stop your contributions then your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) may lapse and you may not be able to acquire HL Shares.

Q4. How will I know when the Court Hearing takes place?

This will be announced on the London Stock Exchange, on HL's website and in the press. It is not expected to occur until the first quarter of 2025.

Q5. What happens if the Scheme is never sanctioned by the Court?

In this case there would be no effect on your Sharesave Option(s). If you have submitted the Sharesave Exercise Request, it would have no effect. Instead, you would continue to make savings and, in the normal course, your Sharesave Option(s) would become exercisable under the Sharesave Rules.

Q6. Do I need to provide any additional cash to exercise my 2022, 2023 and 2024 Sharesave Option(s)?

No. Your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) may only be exercised using the savings you have made at the date of exercise. You do not need to provide any other funds in order to exercise your 2022, 2023 and 2024 Sharesave Option(s).

Q7. If I submit the Sharesave Exercise Request, when will my 2022, 2023 and 2024 Sharesave Option(s) be exercised?

If you validly submit the Sharesave Exercise Request for Choice A by 5pm on 20 December 2024, your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) will be exercised on the Court Sanction Date, unless they lapse earlier in accordance with the Sharesave Rules (for example if you leave employment in certain circumstances).

If you validly submit the Sharesave Exercise Request for Choice B by 5pm on 20 December 2024, your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) will be exercised 20 days following the Effective Date (i.e. the last possible date of exercise), unless they lapse earlier in accordance with the Sharesave Rules (for example if you leave employment in certain circumstances).

If you do not submit the Sharesave Exercise Request by 5pm on 20 December 2024, you can still contact Equiniti to exercise your Sharesave Option(s) after the Effective Date (i.e. during the 20-day exercise period following the Effective Date) but there may be deadlines imposed on this in due course to ensure there is enough time to process your request.

Q8. When will I receive my payments if I exercise my Sharesave Option(s)?

Choice A: The proceeds of the sale of all of your HL Shares from your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) will be paid into your HL Fund and Share Account within 14 days of the Effective Date (unless you have elected to transfer some or all of your HL Shares into an HL ISA - see below). No income tax or national insurance contributions will be deducted from the sale proceeds. Any One-off Cash Payment will be paid to you via payroll (subject to deductions for income tax and national insurance contributions). Please see Q12 and Q13 below for more information on the tax treatment.

Choice B: The proceeds of the sale of your HL Shares from your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) will be paid into your HL Fund and Share Account as soon as practicable following the purchase of your HL Shares by Bidco. Any One-off Cash Payment will be paid to you via payroll (subject to deductions for income tax and national insurance contributions) following the Effective Date.

Any residual amount of your savings which is not used to exercise Sharesave Option(s) (being an amount of savings which does not purchase a full share at the relevant exercise price) will be returned to you by Equiniti via a cheque sent to the address registered with HL.

Q9. What happens if I do nothing?

If you do not submit the Sharesave Exercise Request, your Sharesave Option(s) will lapse and cease to be exercisable 20 days after the Effective Date, unless they lapse earlier under the Sharesave Rules.

Following this date, you will not be able to exercise your Sharesave Option(s) to acquire any HL Shares and so will not have any HL Shares to sell to Bidco for £11.10 per HL Share. Instead, you will only be able to request the repayment of the savings you have made into your savings contract(s) via the HL ESP Portal (www.esp-portal.com/clients/HL).

Q10. What happens if I leave HL?

The normal rules of the Sharesave in respect of leaving employment continue to apply. This means that your Sharesave Option(s) will either lapse or be capable of exercise in accordance with the rules, depending on your reason for leaving:

Circumstances of your leaving	Effect on Sharesave Option(s)
<p>In “good leaver” circumstances, for example:</p> <ul style="list-style-type: none"> • injury; • disability; • redundancy; • retirement; or • TUPE transfer. 	<p>You will have up to six months from leaving to exercise your Sharesave Option(s) before they lapse (or a period of no more than 20 days from the Effective Date, if sooner).</p> <p>If you elect for Choice A or Choice B and submit the Sharesave Exercise Request, this will be actioned if your Sharesave Option(s) have not already been exercised or have not lapsed by the proposed date of exercise.</p>
<p>You do not qualify as a “good leaver” and leave employment less than three years after grant of the relevant Sharesave Option(s).</p>	<p>The relevant Sharesave Option(s) would lapse.</p> <p>This letter would stop being relevant to you and, even if you have elected for Choice A or Choice B and submitted the Sharesave Exercise Request, it would not have any effect.</p>

Q11. Can I transfer the proceeds into my LISA or SIPP?

It is not possible to transfer your HL Shares themselves to a Lifetime ISA (**LISA**) or Self-Invested Personal Pension (**SIPP**). However, once the HL Shares have been sold and you have received the sale proceeds into your HL Fund and Share Account, it may be possible for you to transfer the proceeds into a LISA or a SIPP.

You should take your own independent professional advice about transferring the sale proceeds of your HL Shares to your LISA or SIPP.

Q12. What are the tax consequences of exercising my Sharesave Option(s)?

This information is intended as a general guide only and applies only to participants treated as resident for tax purposes in the UK throughout the time between the date their Sharesave Option(s) were granted and the time they are exercised. It does not constitute tax advice to any individual participant. Tax law can and does change and you should not necessarily assume that the current tax position will continue.

Your tax position may also be impacted if you transfer your HL Shares into an ISA before selling them as part of the Scheme.

Please note that none of HL, Bidco or Equiniti can provide you with legal, personal tax or financial advice. If you are in any doubt as to the contents of this letter or the action you should take, you are recommended to consult an independent financial adviser who, if you taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 (as amended from time to time) or, if you are taking advice outside the United Kingdom, from another appropriately authorised independent financial adviser.

a) Income tax and national insurance contributions

When you exercise your Sharesave Option(s), you will **not** be liable to pay any income tax or national insurance.

b) CGT

You will make a capital gain on the disposal of your HL Shares. Your capital gain is the difference between the price you pay for the HL Shares (the “base cost”) and the price you receive when you sell your HL Shares. The base cost for the HL Shares you acquire on exercise of your Sharesave Options corresponds to the exercise price. This means the gain for each Sharesave Option is calculated as follows:

- For 2022 Sharesave Options, the capital gain per HL Share will be £3.02 (i.e. the difference between your 2022 Sharesave Option exercise price of £8.08 and £11.10).
- For 2023 Sharesave Options, the capital gain per HL Share will be £4.84 (i.e. the difference between your 2023 Sharesave Option exercise price of £6.26 and £11.10).
- For 2024 Sharesave Options, the capital gain per HL Share will be £5.54 (i.e. the difference between your 2024 Sharesave Option exercise price of £5.56 and £11.10).

Your total capital gain on each Sharesave Option will generally be the relevant gain multiplied by the number of HL Shares you acquire on the exercise of the relevant Sharesave Option. You should note that if you already hold HL Shares and/or are acquiring HL Shares under other HL share plans, that may affect how you calculate your capital gain as the “share identification” rules may apply (see below).

It is expected that your gain will arise in the tax year ending 5 April 2025. If you make no other capital gains in the period from 6 April 2024 to 5 April 2025 and the capital gain you make on the sale of your HL Shares is no more than any annual exempt allowance available to you at that time (as at the date of this letter, the annual exempt allowance for 2024/25 is £3,000), you will not incur a liability to CGT. This is because you are entitled to make £3,000 of capital gains from all sources in the 2024/25 tax year before paying CGT.

However, if your total capital gains (from all sources) exceed £3,000 (or such other annual exempt allowance amount as may from time to time be in force) in the period 6 April 2024 to 5 April 2025 (or such other period if your gain arises in a later tax year), you will need to declare your total capital gains and pay CGT on the excess. Capital gains are (as at the date of this letter) taxed at 18% for basic rate taxpayers and 24% for higher or additional rate taxpayers. You would need to complete a self-assessment tax return in order to report your gains. Tax returns in paper form, which can be downloaded from the HMRC website (<https://www.gov.uk/self-assessment-forms-and-helpsheets>), must be submitted by 31 October following the tax year end (and HMRC will calculate your tax for you if your return is submitted by this date). Alternatively, you may file your tax return electronically up to 31 January in the calendar year following the end of the relevant tax year (and the online system will automatically calculate your tax for you).

If you need to submit a self-assessment tax return but do not normally do so, you must register with HMRC for self-assessment by 5 October following the end of the tax year in respect of which you need to submit the tax return. More information on CGT can be found at <https://www.gov.uk/capital-gains-tax>.

If you transfer your HL Shares into an HL ISA before selling them as part of the Scheme, any capital gain you realise may be sheltered within the ISA and so you may not be liable to pay CGT.

Note that if you exercise more than one Sharesave Option, your base cost will be averaged across all the HL Shares that you acquire upon exercise (including any of the HL Shares that you transfer into an ISA). For example, if you hold a 2022 Sharesave Option over 40 HL Shares and a 2023 Sharesave Option over 60 HL Shares, your base cost per HL Share would be £6.988, calculated as follows:

- 2022 Sharesave Option: 40 HL Shares x £8.08 = £323.20.
- 2023 Sharesave Option: 60 HL Shares x £6.26 = £375.60.
- This results in 100 HL Shares with an aggregate exercise price of £698.80, or £6.988 per HL Share.

If you were to transfer 30 of those 100 HL Shares into an ISA, your base cost for the remaining 70 HL Shares would still be £6.988 per HL Share, meaning you would realise a capital gain of £4.112 for each of those 70 HL Shares (the £11.10 sale price minus the £6.988 base cost). This would result in a total capital gain of £287.84 for the 70 HL Shares (£4.112 x 70).

You should take your own advice from an appropriately authorised independent financial adviser on whether transferring your HL Shares into an ISA is appropriate for you.

If you hold other HL Shares or share options and/or if you have sold shares, or sell shares in the same period, then you may have additional capital gains to include in the calculations described above. You should also be aware that so-called “share identification rules” (which affect the order in which you are treated as selling shares and the calculation of your base cost) may affect the calculation of your tax liability.

It is possible that future changes to tax treatment may arise between the date of this letter and the date of the taxable event relating to your HL Shares so you may wish to take updated advice nearer that time.

Q13. What are the tax consequences of receiving the One-off Cash Payment?

The One-off Cash Payment will be subject to income tax (at the marginal rate that applies to you based on your PAYE code and circumstances) and national insurance contributions. However, the amount you receive will have been “grossed up” so that you receive the full amount of profit after deductions for income tax and national insurance contributions. HL will pay this bonus to you via payroll and will deduct these liabilities directly. This amount will then be included in your P60 confirmation of earnings of the year and you will need to report this payment in the appropriate place on your personal tax return. Please note that this grossed up One-off Cash Payment is not pensionable.

You will not be liable to pay CGT in relation to the One-off Cash Payment.

It is possible that future changes to tax treatment may arise between the date of this letter and the date of the taxable event relating to your cash payment so you may wish to take updated advice nearer that time in relation to any income tax and national insurance contribution deductions that will be processed via payroll.

APPENDIX 3 TERMS AND CONDITIONS

These terms and conditions are important: they apply both to this letter and to the online Sharesave Exercise Request. You should read these terms and conditions carefully before submitting the Sharesave Exercise Request. You should keep a copy of these terms and conditions for future reference.

1. In the event of any differences between this letter and the rules of the Hargreaves Lansdown plc Savings Related Share Option Scheme 2019 which govern the Sharesave Options to which this letter relates or the applicable legislation, the rules or applicable legislation (as appropriate) will prevail. Copies of the rules are available on the HL ESP Portal.

Submitting the Sharesave Exercise Request

2. The Sharesave Exercise Request will be of no effect unless it is submitted in accordance with the instructions set out on the HL ESP Portal by 5pm on 20 December 2024. This includes ensuring that you have an open HL Fund and Share Account (and, if you are electing for an ISA transfer under Choice A, you have an open HL ISA account and have also completed the relevant ISA form as directed by HL).

Exercise of 2022, 2023 and 2024 Sharesave Option(s) pursuant to the Sharesave Exercise Request

3. By submitting the Sharesave Exercise Request you confirm that you have had the opportunity to review the Scheme Document (which is available at www.hl.co.uk/investor-relations/offer), this letter and the HL ESP Portal, and have read and irrevocably agree to their respective terms and conditions.
4. By submitting the Sharesave Exercise Request, you confirm that each of your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable) are valid, have not lapsed and are free from all mortgages and third-party interests. You acknowledge that any Sharesave Option certificate and/or notification in respect of your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable) will become void once such Sharesave Options have been exercised.
5. By submitting the Sharesave Exercise Request, you acknowledge that you wish to exercise your 2022, 2023 and/or 2024 Sharesave Option(s), as applicable, to the fullest extent possible and that, in order to achieve the exercise of your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable), you will be (i) irrevocably electing to close your linked savings arrangements, and (ii) directing Equiniti to arrange for your accrued savings to be remitted to HL to fund the exercise of your 2022, 2023 and/or 2024 Sharesave Option(s), as applicable.
6. The exercise of your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable) pursuant to the Sharesave Exercise Request will take effect on the date determined by the board of HL in accordance with the terms of this letter.
7. By submitting the Sharesave Exercise Request you accept that the consideration payable pursuant to the Acquisition for the HL Shares acquired on exercise of your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable) will be paid as set out in this letter into the same bank account as your salary is paid. If you are a former employee, you will need to confirm these details to HL in advance of the Court Sanction Date.
8. Any surplus cash amount in your savings arrangements not used to acquire HL Shares (being an amount less than the relevant exercise price in respect of one HL Share under your 2022, 2023

and/or 2024 Sharesave Option(s), as applicable) will be returned to you by Equiniti via a cheque sent to the address registered with HL. If you are a former employee, you will need to confirm these details to HL in advance of the Court Sanction Date.

9. If the Scheme is not sanctioned by the Court, your Sharesave Exercise Request will have no effect on your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable), which will not be exercised in connection with the Scheme.

Investment decision and taxation

10. Exercising your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable) is a personal decision, and if you are in any doubt as to the decision or action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 (as amended from time to time) or, if you are taking advice outside the United Kingdom, from an appropriately authorised independent financial adviser. For legal reasons, neither HL, Bidco or Equiniti nor any of their respective employees can give any legal, financial or tax advice. By submitting the Sharesave Exercise Request you acknowledge that you have not relied on any investment, tax or other advice from HL, Bidco, Equiniti or any member of their respective groups of companies, or any employees, officers or agents thereof.

General

11. Options granted under the Sharesave will in most cases remain exercisable for 20 days after the Effective Date. If you have left, or leave employment with HL, your Sharesave Options may lapse before this date, depending upon the circumstances of your leaving.
12. You acknowledge that, where for the benefit of administration of the Sharesave or to obtain or maintain favourable tax treatment, your Sharesave Exercise Request may be processed by HL, Bidco and/or Equiniti within the 20 days following the Effective Date (but prior to the lapse of the relevant Sharesave Option(s)). In this case, you may receive the £11.10 per HL Share and One-off Cash Payment at a slightly later date than if your Sharesave Option(s) were exercised on the Court Sanction Date.
13. HL Shares issued on the exercise of your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable) following the Scheme becoming effective will be automatically transferred to Bidco as a result of an amendment which has been made to the articles of association of HL (the **Articles Amendment**). HL Shares which are transferred pursuant to the Articles Amendment will be transferred for the same consideration as HL Shares under the Scheme (i.e. £11.10 in cash per HL Share).
14. None of HL, Bidco, Equiniti, nor any member of their respective groups of companies, nor any employees, officers or agents thereof can be held responsible for any failure in the electronic delivery of the Sharesave Exercise Request or any other document or any consequent loss.
15. If your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable) lapse (to any extent) prior to the date on which the relevant terms of the Sharesave Exercise Request become effective, the Sharesave Exercise Request will be of no effect in respect of your 2022, 2023 and/or 2024 Sharesave Option(s) (as applicable).
16. The information collected in the Sharesave Exercise Request will be used for data processing for which Equiniti is responsible and will be transmitted to any person(s) who require such information for the purposes of carrying out your instructions, and such persons will include HL and Bidco.

17. This letter and the Sharesave Exercise Request are each governed by and will be construed in accordance with the laws of England and you agree to submit to the exclusive jurisdiction of the English courts in respect of any dispute.

NOTES

Words and expressions defined in the Scheme Document and the Sharesave Rules will, unless the context otherwise requires, have the same meaning in this letter and the Sharesave Exercise Request.

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

The HL Independent Directors accept responsibility for the information contained in this letter (including any expressions of opinion), except for that information for which the Bidco Directors, CVC Responsible Persons, Platinum Ivy Responsible Persons and Nordic Capital Responsible Persons accept responsibility in accordance with the paragraphs below. To the best of the knowledge and belief of the HL Independent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The CVC Responsible Persons, whose names are set out in paragraph 2.3 of Part IX (*Additional Information*) of the Scheme Document, and the CVC Bidco Representatives (each as defined in the Scheme Document), each accept responsibility for the information contained in this letter (including any expression of opinion) relating to them (and their close relatives, related trusts and other persons connected with them), the CVC Group, Bidco and the Topco Group (including, without limitation, information relating to Bidco's strategy and future intentions for HL). To the best of the knowledge and belief of the CVC Responsible Persons and the CVC Bidco Representatives (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, save as provided otherwise in this Document, neither the CVC Responsible Persons nor the CVC Bidco Representatives accept responsibility for any information (or expressions of opinion) contained in this letter relating to Nordic Capital, Nordic Capital XI Delta, Platinum Ivy, AIDA PED or ADIA.

The Platinum Ivy Responsible Persons, whose names are set out in paragraph 2.4 of Part IX (*Additional Information*) of the Scheme Document, and the Platinum Ivy Bidco Representatives (each as defined in the Scheme Document), each accept responsibility for the information contained in this letter (including any expressions of opinion) relating to them (and their close relatives, related trusts and other persons connected with them), Platinum Ivy, ADIA PED, ADIA, Bidco and the Topco Group (including, without limitation, information relating to Bidco's strategy and future intentions for HL). To the best of the knowledge and belief of the Platinum Ivy Responsible Persons and the Platinum Ivy Bidco Representatives (who have taken all reasonable care to ensure that such is the case), the information contained in this letter (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, save as provided otherwise in this letter, neither the Platinum Ivy Responsible Persons nor the Platinum Ivy Bidco Representatives accept responsibility for any

information (or expressions of opinion) contained in this letter relating to the CVC Group, Nordic Capital or Nordic Capital XI Delta.

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

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

Fenchurch has given and not withdrawn its consent to the publication of this letter with the inclusion herein of the references to its name in the form and context in which it appears.

Bidco is a private limited company incorporated in England and Wales on 1 July 2024, which is indirectly owned by CVC Private Equity Funds, Nordic Capital XI Delta, SCSp (acting through its general partner, Nordic Capital XI Delta GP SARL) and Platinum Ivy B 2018 RSC Limited. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. Each of the HL Shares that you acquire on the exercise of your 2022, 2023 and 2024 Sharesave Option(s) (as applicable) will be purchased by Bidco for £11.10 per HL Share.

Accidental omission to dispatch this letter to, or any failure to receive the same by, any person to whom the proposals in the letter are made or should be made, will not invalidate the proposals in any way.

All acceptances and elections in respect of the proposals set out in this letter will be irrevocable and cannot subsequently be revoked.

The proposals set out in this letter and all acceptances and elections in respect of the proposals shall be governed by and construed in accordance with English law.