

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH THE COMPANIES ACT 2006. This document relates to an offer which, if implemented, will result in the cancellation of the listing of Aldermore Shares on the Official List and of trading of Aldermore Shares on the London Stock Exchange's main market for listed securities. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell, have sold or otherwise transferred all of your Aldermore Shares, please send this document (**but not any accompanying personalised documents**) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred part of your holding of Aldermore Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The accompanying Forms of Proxy are personalised. If you have recently purchased or been transferred Aldermore Shares, you should contact Aldermore's Registrars, Equiniti, on the telephone number set out on page 7 of this document, to obtain replacements of these documents.

**Recommended Cash Acquisition
of**

Aldermore Group PLC

(incorporated and registered in England and Wales with registered number 06764335)

by

FirstRand International Limited

(incorporated and registered in Guernsey with registered number 17166)

a wholly owned subsidiary of

FirstRand Limited

(incorporated and registered in the Republic of South Africa with registered number 1966/010753/06)

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

You should carefully read the whole of this document (including any documents incorporated into it by reference) and the accompanying Forms of Proxy. Your attention is drawn, in particular, to the letter from the Interim Chairman of Aldermore in Part I of this document which contains the unanimous recommendation of the Aldermore Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting. A letter from J.P. Morgan Cazenove, RBC Capital Markets and Lazard & Co., Limited explaining the Transaction in greater detail and the action to be taken by you appears in Part II of this document.

Notices of the Court Meeting and the General Meeting, both to be held at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ on 8 December 2017, are set out at Parts X and XI of this document respectively. The Court Meeting will start at 11:00 a.m. and the General Meeting at 11:15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned).

The action to be taken in respect of the Aldermore Meetings is set out on pages 7 and 8 of this document. Aldermore Shareholders will find accompanying this document a Blue Form of Proxy for use in connection with the Court Meeting and a White Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the Aldermore Meetings in person, please complete and sign both the accompanying Forms of Proxy in accordance with the instructions printed on them and return them to Aldermore's Registrars, Equiniti, as soon as possible and, in any event, so as to be received at least 48 hours before the time appointed for the relevant Aldermore Meeting. A reply paid envelope is provided for this purpose for use in the UK only.

If the Blue Form of Proxy for the Court Meeting is not returned by the specified time, it may be handed to Aldermore's Registrars, Equiniti, or the Chairman of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, unless the White Form of Proxy is returned by the specified time, it will be invalid.

If you hold your Aldermore Shares in uncertificated form (i.e. in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST participation RA19) must be received by Aldermore's Registrars, Equiniti, at least 48 hours before the time appointed for the relevant Aldermore Meeting or, in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting. The completion and return of a Form of Proxy or the appointment of a proxy or proxies through CREST will not prevent you from attending and voting in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you so wish and are so entitled.

Important Notices

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove, is authorised and regulated by the FCA in the United Kingdom. J.P. Morgan Cazenove is acting exclusively as a financial adviser to Aldermore and no one else in connection with the Transaction, and will not regard any other person as its client in relation to the Transaction and will not be responsible to anyone other than Aldermore for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in connection with the Transaction or any other matters referred to in this document.

RBC Europe Limited (trading as RBC Capital Markets), which is authorised in the United Kingdom by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively as a financial adviser to Aldermore and no one else in connection with the Transaction, and will not regard any other person as its client in relation to the Transaction and will not be responsible to anyone other than Aldermore for providing the protections afforded to clients of RBC Capital Markets, or for providing advice in connection with the Transaction or any other matters referred to in this document.

Lazard & Co., Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to Aldermore and no one else in connection with the Transaction, and will not be responsible to anyone other than Aldermore for providing the protections afforded to clients of Lazard & Co., Limited nor for providing advice in connection with the Transaction or any other matters referred to in this document. Neither Lazard & Co., Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard & Co., Limited in connection with this document, any statement contained herein, or otherwise.

Credit Suisse International, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for FirstRand Ltd and FirstRand Offeror and no one else in connection with the Transaction or other matters set out in this document. In connection with such matters, Credit Suisse International will not regard any other person as their client, nor will they be responsible to anyone other than FirstRand Ltd and FirstRand Offeror for providing the protections afforded to clients of Credit Suisse International or for providing advice in connection with the Transaction, the content of this document or any matter referred to herein. Neither Credit Suisse International nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse International in connection with the Transaction, this document, any statement contained herein or otherwise.

Rand Merchant Bank, which is authorised by the South African Registrar of Banks, is acting exclusively for FirstRand Ltd and FirstRand Offeror and no one else in connection with the Transaction. In connection with

such matters, Rand Merchant Bank will not regard any other person as their client, nor will they be responsible to anyone other than FirstRand Ltd and FirstRand Offeror for providing the protections afforded to clients of Rand Merchant Bank or for providing advice in connection with the Transaction.

If you have any further questions in relation to this document or the Transaction, including in relation to the completion and return of the Forms of Proxy or submitting your votes or proxies or elections via CREST, please call the Shareholder Helpline on 0371 384 2220 (from within the UK) or on +44 121 415 0140 (if calling from outside the UK). Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme or the Transaction, nor give financial, tax, investment or legal advice.

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date.

No person has been authorised to make any representations on behalf of Aldermore, FirstRand Ltd or FirstRand Offeror concerning the Transaction which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

Notice to Overseas Shareholders

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN THIS DOCUMENT IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

General

The release, publication or distribution of this document in certain jurisdictions may be restricted by law and the availability of the Transaction to Aldermore Shareholders who are not resident in the UK may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the UK or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

The Transaction relates to shares of an English company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of the US proxy solicitation and tender offer rules or the laws of other jurisdictions outside the United Kingdom.

FirstRand Offeror reserves the right to elect, with the consent of the Panel and subject to the terms of the Cooperation Agreement, to implement the Transaction by way of a Takeover Offer. In such event, the Takeover Offer will be made in compliance with all applicable laws and regulations, including the United States tender offer rules, to the extent applicable. Such Takeover Offer would be made in the United States by FirstRand Offeror and no one else. In addition to any such Takeover Offer, FirstRand Offeror, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Aldermore Shares outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the United States and would comply with applicable law, including the US Exchange Act.

Unless otherwise determined by FirstRand Offeror or required by the Code, and permitted by applicable law and regulation, the Transaction will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such means from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that

jurisdiction, and persons receiving this document and all documents relating to the Transaction (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

To the fullest extent permitted by applicable law, the companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purposes of complying with English law, the Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Transaction in their particular circumstances.

The settlement of the Consideration will be subject to South African Exchange Control Regulations, 1961. Aldermore Shareholders who are South African residents or who are otherwise subject to the South African Exchange Control Regulations must satisfy themselves as to the full observance of such regulations. Any Aldermore Shareholder that is in any doubt about the impact of the South African Exchange Control Regulations should consult an appropriate professional adviser without delay.

Forward-looking statements

This document (including the information incorporated by reference into this document) contains statements which are, or may be deemed to be, “forward-looking statements” which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes”, “targets”, “aims”, “projects” or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of FirstRand Ltd’s, FirstRand Offeror’s or Aldermore’s operations and potential synergies resulting from the Transaction; and (iii) the effects of global economic conditions on FirstRand Ltd’s, FirstRand Offeror’s or Aldermore’s business.

Many of these important factors are outside of FirstRand Ltd’s, FirstRand Offeror’s or Aldermore’s control. No assurances can be provided as to any result or the timing of any outcome regarding matters described herein or otherwise with respect to any regulatory action, administrative proceedings, government investigations, litigation, warning letters, consent decree, cost reductions, business strategies, earnings or revenue trends or future financial results.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of FirstRand Ltd, FirstRand Offeror, Aldermore or the Combined Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of FirstRand Ltd, FirstRand Offeror, Aldermore or the Combined Group to differ materially from the expectations of FirstRand Ltd, FirstRand Offeror, Aldermore or the Combined Group, as applicable, include, among other things, general business and economic conditions globally, industry trends, competition, changes in government and other regulations, including in relation to the environment, health and safety, taxation, labour relations and work stoppages, changes in political and economic stability, disruptions in business operations due to reorganisation activities (whether or not FirstRand Offeror acquires Aldermore), interest rate and currency fluctuations, the failure to satisfy any conditions of the Transaction (including approvals or clearances from regulatory and other agencies and bodies) on a timely basis or at all, the inability of the Combined Group to realise successfully any anticipated synergy benefits when the Transaction is implemented, the inability of the Combined Group to integrate successfully FirstRand Ltd’s, FirstRand Offeror’s and Aldermore’s operations and programmes when the Transaction is implemented, or the Combined Group incurring or experiencing unanticipated costs or delays or difficulties relating to the Transaction when the Transaction is implemented. Such forward-looking statements should therefore be construed in light of such factors.

None of Aldermore, FirstRand Ltd or FirstRand Offeror, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document (including the information incorporated by reference into this document) will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

Other than in accordance with the legal or regulatory obligations applicable to it (including, in the case of Aldermore, under the Listing Rules and the Disclosure and Transparency Rules of the FCA), none of Aldermore, FirstRand Ltd or FirstRand Offeror is under any obligation and Aldermore, FirstRand Ltd and FirstRand Offeror each expressly disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement in this document or incorporated by reference into this document be interpreted to mean that earnings or earnings per ordinary share for Aldermore or FirstRand Ltd, as appropriate, for the current or future financial years will necessarily match or exceed the historical published earnings or earnings per ordinary share for Aldermore or FirstRand Ltd, as appropriate.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of Aldermore or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an “**Opening Position Disclosure**” following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) Aldermore and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Code applies must be made by no later than 3:30 p.m. (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of Aldermore or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a “**Dealing Disclosure**”.

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

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

Opening Position Disclosures must also be made by Aldermore and by any offeror and Dealing Disclosures must also be made by Aldermore, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel’s website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel’s Market Surveillance Unit on +44 (0) 20 7638 0129.

Publication and availability of this document

A copy of this document will be available free of charge (subject to any applicable restrictions with respect to persons resident in Restricted Jurisdictions) on Aldermore’s website at <https://www.investors.aldermore.co.uk>

and the FirstRand Group's website at <https://www.firststrand.co.za> by no later than noon (London time) on the date following the publication of this document. For the avoidance of doubt, save as expressly referred to herein, the contents of those websites are not incorporated into and do not form part of this document.

Electronic communications

A hard copy of this document will be sent to all holders of Aldermore Shares in issue at the date of this document and to other persons with information rights (subject to any applicable restrictions with respect to persons resident in Restricted Jurisdictions). You may request a hard copy of this document (and any information incorporated by reference in this document), free of charge, by contacting Aldermore's Registrars, Equiniti, of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (or on 0371 384 2220 (from within the UK) or on +44 121 415 0140 (if calling from outside the UK)). You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form. Unless you have previously elected to receive hard copies of any such documents, announcements or information, hard copies of future documents, announcements and information in relation to the Transaction shall not be sent unless specifically requested.

Rounding

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

This document is dated: 13 November 2017

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ACTION TO BE TAKEN

Voting at the Aldermore Meetings

The Scheme will require approval at the meeting of Scheme Shareholders convened by order of the Court to be held at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ. The Court Meeting will start at 11:00 a.m. on 8 December 2017. Implementation of the Scheme also requires approval of Aldermore Shareholders of the Special Resolution at the General Meeting to be held at the same venue at 11:15 a.m. on 8 December 2017 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Aldermore Meetings are set out at Parts X and XI of this document.

Aldermore Shareholders entitled to vote at the Aldermore Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Court Meeting and/or General Meeting. A proxy need not be an Aldermore Shareholder.

Please check that you have received the following with this document:

- a Blue Form of Proxy for use in respect of the Court Meeting on 8 December 2017; and
- a White Form of Proxy for use in respect of the General Meeting on 8 December 2017.

If you have not received all of these documents, please contact Aldermore's Registrars, Equiniti, on the Shareholder Helpline referred to below.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of shareholder opinion. You are therefore strongly encouraged to complete, sign and return both your Forms of Proxy in accordance with the instructions thereon, or to appoint a proxy electronically through CREST, as soon as possible.

The Forms of Proxy must be received by Aldermore's Registrars, Equiniti Limited, of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than the following times and dates:

- Blue Forms of Proxy for the Court Meeting by 11:00 a.m. on 6 December 2017;
- White Forms of Proxy for the General Meeting by 11:15 a.m. on 6 December 2017; and
- in the case of an adjournment of either Aldermore Meeting, not later than 48 hours before the time and date set for the adjourned Aldermore Meeting. This will enable your votes to be counted at the Aldermore Meetings in the event of your absence.

Alternatively, Blue Forms of Proxy (but NOT White Forms of Proxy) may be handed to Aldermore's Registrars, Equiniti, or the Chairman of the Court Meeting before the start of the Court Meeting on 8 December 2017 and will still be valid. In the case of the General Meeting, unless the White Form of Proxy is returned by the time and date mentioned above, it will be invalid.

The completion and return of a Form of Proxy will not prevent you from attending and voting in person at the Court Meeting, the General Meeting or any adjournment thereof, if you so wish and are so entitled.

Please see below for further details in respect of multiple proxy voting instructions and the process for appointing a proxy if you hold your Aldermore Shares through CREST.

Multiple proxy voting instructions

You are entitled to appoint more than one proxy. A space has been included on the Forms of Proxy to allow you to specify the number of Aldermore Shares in respect of which that proxy is appointed.

If you wish to appoint more than one proxy in respect of your shareholding, photocopy the Forms of Proxy or please contact Aldermore's Registrars by telephone on 0371 384 2220 (from within the UK) or on +44 121 415 0140 (from outside the UK) for further Forms of Proxy. Lines are open from 8:30 a.m. to 5:30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Please note that calls may be monitored or recorded and the Registrars cannot provide advice on the merits of the Scheme, nor give any financial, tax, investment or legal advice.

Voting instructions for Aldermore Shareholders holding shares through CREST

Aldermore Shareholders who hold Aldermore Shares through CREST and who wish to appoint a proxy or proxies for the Aldermore Meetings (or any adjournment(s) thereof) by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Aldermore’s Registrars (ID is RA19) at least 48 hours before the Court Meeting or General Meeting, as applicable (or, in the case of an adjournment of either Aldermore Meeting, at least 48 hours before such Aldermore Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Aldermore’s Registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Aldermore may treat as invalid a CREST Proxy Instruction in the circumstances set out in the Uncertificated Securities Regulations 2001.

Aldermore Share Plans

Participants in the Aldermore Share Plans will be written to separately to inform them of the effect of the Scheme on their rights under the Aldermore Share Plans.

Shareholder Helpline

0371 384 2220 (+44 121 415 0140 if calling from outside the UK).

If you have not received all of the relevant documents or have any questions relating to this document, either of the Aldermore Meetings, the completion and return of the Forms of Proxy or submitting your votes or proxies through CREST, please call the Shareholder Helpline, between 8:30 a.m. and 5:30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales).

Calls to the Shareholder Helpline from outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that Shareholder Helpline operators cannot provide advice on the merits of the Scheme nor give any financial, tax, investment or legal advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme. All references in this Scheme Document to times are to London time unless otherwise stated.

<u>Event</u>	<u>Time and/or date⁽¹⁾</u>
Publication of this document	13 November 2017
Latest time for lodging Blue Forms of Proxy for the Court Meeting	11:00 a.m. on 6 December 2017 ⁽²⁾
Latest time for lodging White Forms of Proxy for the General Meeting	11:15 a.m. on 6 December 2017 ⁽³⁾
Voting Record Time	6:30 p.m. on 6 December 2017 ⁽⁴⁾
Court Meeting	11:00 a.m. on 8 December 2017
General Meeting	11:15 a.m. on 8 December 2017 ⁽⁵⁾
<i>The following dates and times associated with the Scheme are subject to change and will depend, amongst other things, on the date on which regulatory (and other) Conditions to the Scheme are satisfied or, if capable of waiver, waived and on the date on which the Court sanctions the Scheme. Aldermore will give adequate notice of all of these dates and times, when known, by issuing an announcement through a Regulatory Information Service. Further updates and changes to these times shall, at Aldermore's discretion, be notified in the same way.</i>	
Court Hearing to sanction the Scheme	A date expected to be no later than 14 days after the satisfaction or waiver of Conditions 3.2 and 3.3 relating to the approval of the Transaction by the PRA, FCA and the South African Registrar of Banks ("D") ⁽⁶⁾
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Aldermore Shares	D+1
Suspension of listing of, and dealings in, Aldermore Shares	5:00 p.m. on D+1
Scheme Record Time	6:00 p.m. on D+1
Effective Date of the Scheme	D+2 – D+9 ("S")⁽⁷⁾
Delisting of Aldermore Shares	By 5:00 p.m. on S+1
Despatch of cheques, despatch of electronic payments and crediting of CREST accounts for cash consideration due under the Scheme	within 14 days of the Effective Date
Long Stop Date	30 April 2018 ⁽⁸⁾

Notes:

- (1) The dates and times given are indicative only and are based on Aldermore's current expectations and may be subject to change (including as a result of changes to the regulatory timetable). If any of the times and/or dates above change, the revised times and/or dates will be notified to Aldermore Shareholders by announcement through a Regulatory Information Service.
- (2) The Blue Form of Proxy for the Court Meeting may, alternatively, be handed to Aldermore's Registrars, Equiniti, or the Chairman of the Court Meeting, at the start of the Court Meeting (or any adjournment thereof). However, if possible, Aldermore Shareholders are requested to lodge the Blue Forms of Proxy at least 48 hours before the time appointed for the Court Meeting.
- (3) The White Form of Proxy for the General Meeting must be lodged with Aldermore's Registrars, Equiniti, by no later than 11:15 a.m. on 6 December 2017 in order for it to be valid, or, if the General Meeting is adjourned, no later than 48 hours before the time fixed for the holding of the adjourned meeting. If the White Form of Proxy is not returned by such time, it will be invalid.
- (4) If either Aldermore Meeting is adjourned, the Voting Record Time for the adjourned Aldermore Meeting will be 6:30 p.m. on the date which is two days before the date set for the adjourned Aldermore Meeting.
- (5) To commence at the time fixed or, if later, immediately after the conclusion or adjournment of the Court Meeting.
- (6) The Court Hearing to sanction the Scheme is to be held on such date as Aldermore and FirstRand Offeror may agree.
- (7) "S" is expected to be in the first quarter of 2018.
- (8) This is the latest date by which the Transaction may become Effective unless Aldermore, FirstRand Offeror and FirstRand Ltd agree, and (if required) the Court and the Panel allow, a later date.

PART I
LETTER FROM THE INTERIM CHAIRMAN OF ALDERMORE

(Registered in England and Wales with registered number 06764335)

Directors:

Danuta Gray *Interim Chairman*
Phillip Monks *Chief Executive Officer*
James Mack *Chief Financial Officer*
Christine Palmer *Chief Risk Officer*
Chris Patrick *Non-executive Director*
John Hitchins *Independent Non-executive Director*
Peter Shaw *Independent Non-executive Director*
Chris Stamper *Independent Non-executive Director*
Cathy Turner *Independent Non-executive Director*

Registered office:
Aldermore Group PLC
4th Floor Block D
Apex Plaza, Forbury Road
Reading, Berkshire
RG1 1AX
United Kingdom

13 November 2017

To Aldermore Shareholders and, for information only, participants in the Aldermore Share Plans and persons with information rights in Aldermore.

Dear Aldermore Shareholder,

RECOMMENDED ACQUISITION OF ALDERMORE GROUP PLC BY FIRSTRAND INTERNATIONAL LIMITED

1 Introduction

On 6 November 2017, the Boards of Directors of Aldermore, FirstRand Offeror and FirstRand Ltd announced that they had agreed the terms of a recommended offer for the entire issued and to be issued share capital of Aldermore by FirstRand Offeror, a wholly owned indirect subsidiary of FirstRand Ltd, to be implemented by way of a Court-sanctioned scheme of arrangement of Aldermore under Part 26 of the Companies Act.

I am writing to you to set out a summary of the terms of the Transaction and to explain why your Board considers the terms of the Transaction to be fair and reasonable and why it unanimously recommends that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution at the General Meeting, both of which will be held on 8 December 2017 at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ. The Court Meeting will start at 11:00 a.m. and the General Meeting will start at 11:15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned).

This letter also explains the actions you are now asked to take. Further details of the Scheme are set out in the Explanatory Statement in Part II of this document.

2 Summary of the terms of the Transaction

Under the terms of the Transaction, which is subject to the Conditions and further terms set out in Part IV of this document, if the Transaction becomes Effective, Aldermore Shareholders will receive:

for each Aldermore Share

313 pence in cash

The Transaction values the entire issued and to be issued share capital of Aldermore at approximately £1.1 billion and represents:

- a premium of approximately 22 per cent. to the Closing Price of 256 pence per Aldermore Share on 12 October 2017 (being the last Business Day before the commencement of the Offer Period);
- a premium of approximately 38 per cent. to the 3 month volume weighted average Closing Price per Aldermore Share of 227 pence for the 3 month period ended 12 October 2017 (being the last Business Day prior to the commencement of the Offer Period); and
- a premium of approximately 35 per cent. to the 6 month volume weighted average Closing Price per Aldermore Share of 232 pence for the 6 month period ended 12 October 2017 (being the last Business Day prior to the commencement of the Offer Period).

3 Background to and reasons for the Aldermore Board's recommendation

In 2009, Aldermore was founded as a multi-product specialist lender, with a focus on providing straightforward lending and savings products to SMEs, homeowners, landlords and individuals. Since its inception, Aldermore has enjoyed significant growth such that, by 30 September 2017, it had total loans outstanding of £8.4 billion and almost 1,000 employees serving over 230,000 customers.

Following its IPO in March 2015, Aldermore has continuously executed against its key strategic objectives and financial targets demonstrating balanced organic growth within a consistent, robust approach to risk management. This growth, in combination with its efficient operating model, has enabled Aldermore to deliver strong and growing profitability, such that it has achieved a CET1 Ratio above 12 per cent. as at 30 September 2017.

The Board of Aldermore remains highly confident that the ongoing, successful execution of its strategy will provide long-term growth and create significant value for shareholders. However, from a financial perspective, the Board of Aldermore believes the Offer reflects an attractive valuation for Aldermore.

At 313 pence per Ordinary Share, the Offer for Aldermore represents a premium of 38 per cent. to the 3 month volume weighted average Closing Price per Ordinary Share of 227 pence; equating to a valuation multiple of 1.8 times Aldermore's reported Net Tangible Book Value of £607.1 million as at 30 September 2017. It also represents a total return to investors since its IPO of 63 per cent. At this level, the Board of Aldermore believes that the Offer will provide Aldermore Shareholders with the opportunity to receive an immediate and certain value in cash that would otherwise be unlocked over time as Aldermore executes its strategy and realises its longer term growth prospects, whilst taking into account the inherent risks, which include an uncertain macro-economic and regulatory environment.

The Board of Aldermore believes that under the FirstRand Group's ownership, Aldermore would be able to accelerate the delivery of its strategy and further enhance its growth profile through product diversification and, in the longer term, access to the FirstRand Group's transactional banking and other capabilities. Aldermore is also aware of the FirstRand Group's track record of successfully integrating entrepreneurial businesses and it therefore believes there is a strong strategic and cultural fit with the FirstRand Group for its customers, colleagues and wider stakeholders.

4 The FirstRand Group's intentions and strategic plans for the Combined Group

FirstRand Offeror is a wholly owned subsidiary of FirstRand Investment Holdings Limited, which in turn is a wholly-owned subsidiary of FirstRand Ltd. FirstRand Ltd is South Africa's largest financial services institution by market capitalisation (£15.8 billion at 3 November 2017). Founded almost 20 years ago, the FirstRand Group's track record of superior shareholder value creation relative to peers has been achieved through a combination of organic growth, acquisitions and creating completely new businesses on the back of innovation and disruptive strategies. The FirstRand Group believes in empowering its people and fosters a strong entrepreneurial culture.

The FirstRand Group's strategy is to protect and build value by achieving a more diversified revenue profile from its segments, products and geographies. In the UK, the FirstRand Group owns MotoNovo, one of the leading providers of motor finance for second hand vehicles in the country. Currently 96 per cent. of total group earnings is generated in South Africa, the rest of Africa and India, with 4 per cent. generated from MotoNovo in the UK.

FirstRand recognises that MotoNovo is currently undiversified from a product and market perspective and the acquisition of Aldermore will accelerate this diversification process using the strength of Aldermore's position in the SME, Mortgage and Savings markets. MotoNovo, which has built meaningful market share in financing second hand vehicles and is organically building a more diversified product set, including personal loans and insurance, will be integrated within Aldermore.

The FirstRand Group will work closely with Aldermore's management team to identify growth opportunities that Aldermore can explore under the FirstRand Group's ownership. The FirstRand Group already sees the potential to broaden the business model of the combined platform with a niche transactional offering particularly in the UK SME customer segment. The FirstRand Group has a market leading transactional franchise in South Africa and believes some of the innovation used in creating that franchise can be exported to the UK market in a potentially disruptive way.

The FirstRand Group also believes further UK growth can be unlocked through (a) cross-selling the current product offerings across the MotoNovo and Aldermore customer bases and (b) in the longer term, developing further financial services offerings.

The FirstRand Group has consistently funded MotoNovo through a combination of UK securitisations, warehouse facilities and the FirstRand Group's South African balance sheet. Once integrated into Aldermore, MotoNovo will be supported by Aldermore's funding platform which is only utilised for the UK lending books. All new business will be funded through further scaling Aldermore's deposit and funding platform and MotoNovo's back books, which are currently in the FirstRand Group's London branch and which will continue to be funded through existing funding mechanisms, will be run down over time.

This is, in the FirstRand Group's view, a more sustainable funding model for MotoNovo and has the added benefit of freeing up funding and liquidity capacity on its domestic balance sheet, previously utilised for MotoNovo, which can now be deployed into the FirstRand Group's South African and rest of Africa growth strategies.

The FirstRand Group also believes it can add value to the larger Aldermore business through capital and funding strategies to optimise asset mix, profitability and return profile:

- Aldermore and MotoNovo are both highly profitable businesses delivering returns above FirstRand Group hurdles and FirstRand believes it can unlock further value from the combined platform in the short to medium term through applying its proven practices in financial resource management. The FirstRand Group defines financial resource management as capital, funding, liquidity and risk capacity and its approach is a recognised key differentiator and a significant contributor to its outperformance relative to peers. The FirstRand Group will introduce the following frameworks to the new combined entity:
 - its risk/return framework and capital management strategy, which has enabled the FirstRand Group to optimise its balance sheet and asset mix. This approach has underpinned the FirstRand Group's structurally higher return on assets;
 - its financial resource pricing methodology, which results in appropriate pricing for the risk characteristics of its lending activities and rewarding deposits appropriately. This methodology has also enhanced the FirstRand Group's return; and
 - its performance management framework, which is anchored to meeting cost of equity hurdles and measures economic profit. This framework, which aligns management to shareholder returns, is a key contributor to the FirstRand Group's structurally higher return on equity.

5 Management, employees and locations of business

The FirstRand Group recognises that the existing board, management team and other employees of Aldermore have a deep understanding of the business environment within which Aldermore operates and have garnered industry-wide respect and recognition. Given this track record, and given the FirstRand Group's philosophy of empowering management teams, the FirstRand Group expects the board, to which FirstRand Ltd intends, subject to regulatory approval, to appoint two members, and management of Aldermore will continue to manage Aldermore following the Scheme becoming effective, with strategic input from the FirstRand Group where required.

Following the Scheme becoming effective, the FirstRand Group's current UK retail and business/SME operations will be integrated into Aldermore to form a separate pillar in the FirstRand Group and will be managed as such, with a suitably independent board, management and governance structures. Phillip Monks, Aldermore's CEO, will lead the new combined UK business.

As part of such integration the FirstRand Group will undertake an assessment as to how to maximise the benefits that the Transaction will bring and the FirstRand Ltd board is confident that the integration can be achieved without significant disruption to either business. There is no intention to redeploy any of the fixed assets of Aldermore or change the employer contributions into Aldermore's pension schemes or the manner in which new members are admitted to the schemes. FirstRand has no plans in respect of Aldermore's business locations but, as part of the integration of the MotoNovo and Aldermore businesses, will consider the most appropriate location for the headquarters of the combined FirstRand and Aldermore UK business.

Whilst FirstRand does not anticipate redundancies and cost reduction is not a key part of the rationale for the Transaction, the FirstRand Group will have to consider the impact of integrating the MotoNovo business into Aldermore. This could involve some limited headcount reduction. FirstRand has given assurances to Aldermore

that the existing employment and pension rights of the Aldermore employees will be fully safeguarded following completion of the Transaction.

6 Dividends

If any dividend or other distribution is authorised, declared, made or paid in respect of the Aldermore Shares on or after the date of the Announcement and prior to the Effective Date, FirstRand Offeror reserves the right to reduce the Transaction Price by the amount of all or part of any such dividend or other distribution.

Please refer to paragraph 11 of Part II of this document for further information on the treatment of dividends.

7 Irrevocable undertakings

In addition to the irrevocable undertakings received from the Aldermore Directors referred to in paragraph 16 of this Part I, FirstRand Offeror has also received irrevocable undertakings from funds advised by AnaCap Financial Partners to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting in respect of 86,685,988 Aldermore Shares (representing, in aggregate, approximately 25.1 per cent. of the ordinary share capital of Aldermore in issue on 10 November 2017 (being the latest practicable date prior to the publication of this document)).

FirstRand Offeror has therefore received irrevocable undertakings in respect of 90,546,120 Aldermore Shares (representing, in aggregate, approximately 26.3 per cent. of the ordinary share capital of Aldermore in issue on 10 November 2017 (being the latest practicable date prior to the publication of this document)).

Further details of these irrevocable undertakings are set out in paragraph 4 of Part II to this document.

8 Aldermore Share Plans

Further details of the arrangements proposed to be implemented in relation to the Aldermore Share Plans in connection with the Transaction are set out in paragraph 20 of Part II of this document.

9 AT1 Securities

Further details in respect of the impact of the Transaction on the AT1 Securities are set out in paragraph 21 of Part II of this document.

10 Conditions

The Conditions to the Transaction are set out in full in Part IV of this document and are further summarised at paragraph 15 of Part II of this document. The Conditions provide that the Transaction is conditional, among other things, on: (i) the receipt of various regulatory consents in a number of jurisdictions (to the extent required) and including receipt of the requisite approvals from the PRA, FCA and the South African Registrar of Banks; and (ii) a Trigger Event not having occurred in relation to the AT1 Securities. The relevant Conditions are summarised at paragraph 15 of Part II and are outlined in full in paragraphs 1 to 3 of Part IV.

In addition, the Transaction is conditional, among other things, on: (i) the Aldermore Meetings being held no later than the 22nd day after the expected date of the Aldermore Meetings (or such later date (if any) as may be agreed between FirstRand Offeror and Aldermore and allowed by the Court); (ii) approval by the requisite majorities of Aldermore Shareholders at the Aldermore Meetings; (iii) the Scheme being sanctioned by the Court no later than the 22nd day after the expected date of the Court Hearing (or such later date (if any) as may be agreed between FirstRand Offeror and Aldermore and allowed by the Court); and (iv) the Scheme becoming effective no later than the Long Stop Date, or such other date as FirstRand Offeror, Aldermore and FirstRand Ltd may otherwise agree.

11 Aldermore Meetings

The Scheme requires the approval of Scheme Shareholders by the passing of a resolution at the Court Meeting to be held on 8 December 2017. The resolution must be approved by a majority in number of those Scheme Shareholders who are present and vote, either in person or by proxy, and who represent not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders who are present and voting, either in person or by proxy.

Implementation of the Scheme will also require the passing of the Special Resolution (requiring the approval of Aldermore Shareholders representing at least 75 per cent. of the votes cast either in person or by proxy) at the General Meeting, which will be held immediately after the Court Meeting.

Following the Aldermore Meetings, the Scheme must be sanctioned and confirmed by the Court and will only become Effective upon delivery of the Scheme Court Order to the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Aldermore Shareholders irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and, if they attended and voted, whether or not they voted in favour).

Your attention is drawn to paragraph 14 of Part II of this document which contains further information with respect to the Aldermore Meetings.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of shareholder opinion. You are therefore strongly urged to complete, sign and return the Forms of Proxy, or to appoint a proxy through CREST, as soon as possible.

12 Action to be taken

Notices convening the Court Meeting and the General Meeting are set out in Parts X and XI, respectively, of this document. You will find accompanying this document a Blue Form of Proxy for use at the Court Meeting and a White Form of Proxy for use at the General Meeting.

Whether or not you intend to be present at either Aldermore Meeting, you are requested to complete, sign and return both the accompanying Form of Proxy for the Court Meeting (Blue) and the accompanying Form of Proxy for the General Meeting (White) in accordance with the instructions printed on the respective form.

If you hold your Aldermore Shares in uncertificated form, you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the notes to the Notices of the Court Meeting and the General Meeting set out in Parts X and XI respectively of this document).

If you have any questions about this document, the Court Meeting, the General Meeting or the Transaction, including in relation to the completion and return of the Forms of Proxy or submitting your votes or proxies through CREST, please call the Shareholder Helpline on 0371 384 2220 (from within the UK) or on +44 121 415 0140 (if calling from outside the UK). Lines are open from 8:30 a.m. to 5:30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme, nor give any financial, tax, investment or legal advice.

Your attention is drawn to pages 7 to 8 of this document which set out in detail the action you should take in relation to the Transaction and the Scheme.

13 Taxation

Aldermore Shareholders should read Part VI of this document, which provides a summary of certain UK tax consequences of the Scheme. If you are in any doubt about your tax position, or are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate independent professional adviser.

14 US and other Overseas Shareholders

US Aldermore Shareholders and other Overseas Shareholders should refer to paragraph 22 of Part II of this document.

15 Further information

You are advised to read the whole of this document and not just rely on the summary information contained in this letter. Your attention is further drawn to the information contained in Part II (*Explanatory Statement*), Part III (*The Scheme of Arrangement*), Part IV (*Conditions and Certain Further Terms of the Scheme and the Transaction*), Part V (*Financial Information on Aldermore and FirstRand Group*), Part VI (*UK Taxation*), Part VII (*Additional Information*) and Part VIII (*Pro forma financial effects on FirstRand Group*) of this document, and to the expected timetable of principal events set out on page 9 of this document.

16 Recommendation

The Aldermore Directors, who have been so advised by J.P. Morgan Cazenove, RBC Capital Markets and Lazard & Co., Limited as to the financial terms of the Transaction, consider the terms of the Transaction to be fair and reasonable. In providing advice to the Aldermore Directors, J.P. Morgan Cazenove, RBC Capital Markets and Lazard & Co., Limited have taken into account the commercial assessments of the Aldermore Directors. In addition, the Aldermore Directors consider the terms of the Transaction to be in the best interests of the Aldermore Shareholders as a whole.

Accordingly, the Aldermore Directors recommend unanimously that Aldermore Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions proposed at the General Meeting, as Aldermore Directors have irrevocably undertaken to do, or procure, in respect of their own beneficial holdings of 3,860,132 Aldermore Shares representing, in aggregate, approximately 1.1 per cent. of Aldermore's issued share capital as at close of business on 10 November 2017 (being the latest practicable date prior to the publication of this document).

Yours faithfully,

Danuta Gray
Interim Chairman
Aldermore Group PLC

PART II
EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)

J.P. Morgan Limited
25 Bank Street
Canary Wharf
London E14 5JP

RBC Capital Markets
Riverbank House
2 Swan Lane
London EC4R 3BF

Lazard & Co., Limited
50 Stratton Street
London W1J 8LL

13 November 2017

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

Dear Sir or Madam,

RECOMMENDED ACQUISITION OF ALDERMORE GROUP PLC

1 Introduction

On 6 November 2017, the boards of Aldermore, FirstRand Offeror and FirstRand Ltd announced that they had agreed the terms of a recommended offer for the entire issued and to be issued share capital of Aldermore by FirstRand Offeror, a wholly owned subsidiary of FirstRand Ltd, to be implemented by way of a Court-sanctioned scheme of arrangement of Aldermore under Part 26 of the Companies Act.

The Scheme requires, among other things, the approval of the Scheme Shareholders and the sanction of the Court.

Your attention is drawn to the letter from the Interim Chairman of Aldermore, Danuta Gray, set out in Part I of this document, which forms part of this Explanatory Statement. That letter contains, among other things, information on the background to and reasons for the unanimous recommendation by the Aldermore Directors to Aldermore Shareholders to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting.

We have been authorised by the Aldermore Directors to write to you to explain the terms of the Transaction and to provide you with other relevant information. This Explanatory Statement contains a summary of the terms of the Transaction, which is to be implemented by way of the Scheme. The terms of the Scheme are set out in full in Part III of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including the letter from the Interim Chairman of Aldermore in Part I, the Conditions and certain further terms in Part IV and the additional information in Part VII of this document.

If you wish to vote in favour of the Scheme and the Special Resolution, please take the actions described on pages 7 to 8 (inclusive) of this document within the time frames stipulated.

2 Summary of the terms of the Transaction and the Scheme

The Transaction is to be effected by way of a scheme of arrangement under Part 26 of the Companies Act. Following the Scheme becoming Effective, the entire issued share capital of Aldermore will be held by FirstRand Offeror.

Under the terms of the Scheme, which is set out in Part III of this document and which is subject to the Conditions and further terms set out in Part IV of this document, if the Scheme becomes Effective, Aldermore Shareholders will receive:

for each Aldermore Share

313 pence in cash

The Transaction values the entire issued and to be issued share capital of Aldermore at approximately £1.1 billion and represents:

- a premium of approximately 22 per cent to the Closing Price per Aldermore Share of 256 pence on 12 October 2017 (being the last Business Day prior to the commencement of the Offer Period);
- a premium of approximately 38 per cent. to the 3 month volume weighted average Closing Price per Aldermore Share of 227 pence for the 3 month period ended 12 October 2017 (being the last Business Day prior to the commencement of the Offer Period); and
- a premium of approximately 35 per cent. to the 6 month volume weighted average Closing Price per Aldermore Share of 232 pence for the 6 month period ended 12 October 2017 (being the last Business Day prior to the commencement of the Offer Period).

The implementation of the Transaction is subject to the Conditions, which are summarised in paragraph 15 of this Part II and set out in full in Part IV of this document. The Scheme can only become Effective in accordance with its terms if all the Conditions to the Transaction have been satisfied or, where relevant, waived.

The Scheme will require the approval of Scheme Shareholders by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of those Scheme Shareholders who are present and voting, either in person or by proxy, and who represent not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders who are present and voting, either in person or in proxy. Implementation of the Scheme will also require the passing of the Special Resolution (requiring the approval of Aldermore Shareholders representing at least 75 per cent. of the votes cast either in person or by proxy) at the General Meeting. Following the Aldermore Meetings, the Scheme must be sanctioned and confirmed by the Court and will only become Effective upon delivery of the Scheme Court Order to the Registrar of Companies.

Aldermore Shares will be acquired by FirstRand Offeror pursuant to the Scheme fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including voting rights and the rights to receive and retain in full all dividends and other distributions declared, made or paid on or after the Effective Date, save where the record date for such dividend or other distribution falls prior to the Effective Date or otherwise where FirstRand Offeror and Aldermore agree. If any dividend or other distribution is authorised, declared, made or paid in respect of the Aldermore Shares on or after the date of the Announcement and prior to the Effective Date, FirstRand Offeror reserves the right to reduce the Transaction Price by the amount of all or part of any such dividend or other distribution.

Subject to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective in the first quarter of 2018. Upon the Scheme becoming Effective, it will be binding on all Aldermore Shareholders irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and, if they attended and voted, whether or not they voted in favour).

The Scheme is described in further detail in paragraph 14 of this Part II.

3 Background to and reasons for the Aldermore Board's recommendation

Information relating to the background and reasons for the Aldermore Board's recommendation of the Transaction is set out in paragraph 3 of Part I of this document.

4 Irrevocable undertakings

In addition to the irrevocable undertakings received from Aldermore Directors referred to in paragraph 16 of Part I above, FirstRand Offeror has received irrevocable undertakings from funds advised by AnaCap Financial Partners to vote in favour of the Scheme at the Court Meeting and the Special Resolution at the General Meeting, in respect of a total of 86,685,988 Aldermore Shares, representing approximately 25.1 per cent. of the ordinary share capital of Aldermore in issue on 10 November 2017 (being the latest practicable date prior to publication of this document).

FirstRand Offeror has therefore received irrevocable undertakings in respect of a total of 90,546,120 Aldermore Shares, representing approximately 26.3 per cent. of the ordinary share capital of Aldermore in issue on 10 November 2017 (being the latest practicable date prior to publication of this document).

Further details of these irrevocable undertakings are set out in paragraph 7 of Part VII to this document.

5 Information relating to Aldermore

Aldermore is listed on the Main Market of the London Stock Exchange and is a constituent of the FTSE 250 leading share index. Aldermore has total assets of £9.6 billion (at 30 September 2017).

Aldermore was founded in 2009 by funds advised by AnaCap Financial Partners to address the institutionalised weaknesses in service and culture among the UK's large banks. Since then it has sought to challenge the status quo, empowering more people across Britain to seek and seize opportunities in their professional and personal lives by providing "banking as it should be".

Aldermore provides award-winning asset finance, invoice finance, mortgage and deposit products to SMEs, homeowners, landlords and savers and its customer-driven strategy has contributed to its successful positioning as one of the UK's leading specialist banks. Aldermore has achieved total lending of £8.4 billion as at 30 September 2017, with almost 1,000 employees serving over 230,000 customers.

6 Aldermore current trading and prospects – Q3 2017 Interim Management Statement

On 6 November 2017, Aldermore released its Q3 2017 Interim Management Statement. Key highlights include:

- Continued strong customer driven growth, with £2.4 billion of new lending, delivered within a consistent risk appetite, taking net lending to £8.4 billion.
- Continued strong capital generation with CET1 Ratio now above 12 per cent.
- Further progress in Aldermore's stated strategic priorities:
 - Completed investment in AFS Group Holdings Limited, a leading asset and commercial finance introducer.
 - Awarded "Business Finance Champion" and "SME Champion" at the LeasingWorld Awards.
 - Continuing traction in Aldermore's Mortgages retention strategy.
 - Remaining securely managed, with robust credit performance and cost of risk below Aldermore's medium-term expectations of 25 – 35bps.

7 Information relating to FirstRand Ltd and FirstRand Offeror

FirstRand Offeror is a wholly-owned subsidiary of FirstRand Investment Holdings Limited, which in turn is a wholly-owned subsidiary of FirstRand Ltd. Listed on the Johannesburg Stock Exchange (JSE) and the Namibian Stock Exchange (NSX), FirstRand Ltd is the largest financial institution in Africa by market capitalisation (£15.8 billion at 3 November 2017). In addition to South Africa, the FirstRand Group operates in the United Kingdom, sub-Saharan Africa and India.

The FirstRand Group's track record of superior returns to shareholders has been achieved through a combination of organic growth, acquisitions, innovation and the creation of completely new businesses. It executes its strategy through a portfolio of separately branded operating franchises comprising First National Bank, Rand Merchant Bank, WesBank and Ashburton Investments which provide transactional, lending, savings, investment and insurance products and services.

In the UK, the FirstRand Group operates a London branch that oversees the FirstRand Group's international financial resource management activities and houses the MotoNovo business. As at 30 June 2017, MotoNovo had a loan book of approximately £3.2 billion and profit before tax of approximately £69 million for the year ending on that date. In addition, FNB recently opened a retail transactional banking branch in Guernsey. This successful venture has already managed to gain 3,383 clients (of which 43 per cent. have current accounts) and had deposits of approximately £215 million as at 30 June 2017.

8 Impact on FirstRand Group capital

In accordance with IFRS 3, all identifiable assets acquired and liabilities assumed will be attributed against the total consideration of £1.1 billion. This may result in an amount of goodwill that differs from the difference between the total consideration of £1.1 billion and Aldermore's net asset value at the Effective Date. Any remaining goodwill arising from the transaction will effectively result in an impairment against the FirstRand Group's capital for purposes of determining capital adequacy. The net of identifiable assets acquired and liabilities assumed will replace the financial resources utilised to fund the Transaction and will therefore not have an impact on the capital adequacy of the FirstRand Group.

9 Pro forma financial effects on the FirstRand Group

Part VIII of this document shows the pro forma financial effects on the FirstRand Group of completion of the Transaction on the consolidated financial results for the financial year to and position of FirstRand Ltd as at 30 June 2017.

10 The FirstRand Group's current trading and prospects

In the FirstRand Group's largest market, South Africa, growth prospects remain weak and uncertain, characterised by low domestic demand growth (consumption, investment and government spending), downward pressure on personal incomes and further rating agency downgrades. Many of these pressures are expected to create headwinds for top line growth in the FirstRand Group's domestic franchises. Sub-Saharan growth rates are, however, expected to show a recovery over the next 12 months, which should be supportive of the rest of the Africa portfolio.

The FirstRand Group remains committed to its current investment cycle despite pressures on growth, as it believes its strategies to diversify its financial services offering and build out the rest of Africa and UK franchises will deliver outperformance over the medium to long term. In addition, the FirstRand Group remains focused on driving efficiencies and managing core costs. The FirstRand Group aims to deliver real growth in earnings and a return on earnings near the upper end of its stated target range of 18 per cent. to 22 per cent.

11 Dividends

Aldermore Shares will be acquired by FirstRand Offeror pursuant to the Scheme fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights then or thereafter attaching or accruing thereto, including voting rights and the right to receive and retain in full all dividends and other distributions declared, made or paid on or after the Effective Date, save where the record date for such dividend or other distribution falls prior to the Effective Date or otherwise where FirstRand Offeror and Aldermore agree.

If any other dividend or other distribution is declared, paid or made or becomes payable to any Aldermore Shareholder prior to the Effective Date, FirstRand Offeror reserves the right (without prejudice to any other right it may have) to reduce the amount of consideration payable under the Transaction by the same amount as such dividend or distribution or excess, and accordingly reduce the Transaction Price. If any such dividend or distribution occurs, any reference in this document to the consideration payable or the Transaction Price shall be deemed to be a reference to the consideration or Transaction Price as so reduced.

To the extent that such a dividend or distribution has been declared, paid, made or is payable and it is: (i) transferred pursuant to the Transaction on a basis which entitles FirstRand Offeror to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable and the Transaction Price will not be subject to change in accordance with this paragraph. Any exercise by FirstRand Offeror of its rights referred to in this paragraph will be the subject of an announcement and, for the avoidance of doubt, will not be regarded as constituting any revision or variation of the Transaction.

12 Financing of the acquisition and cash confirmation

The consideration payable by FirstRand Offeror under the terms of the Transaction will be funded from the FirstRand Group's existing cash resources.

To finance the Transaction, on 5 November 2017 FirstRand Offeror (as borrower) entered into the Intra-Group Loan Agreement with FirstRand Bank Limited (as lender). Further details of the Intra-Group Loan Agreement are set out in paragraph 8.3 of Part VII of this document.

Credit Suisse International, financial adviser to FirstRand Offeror, is satisfied that sufficient resources are available to FirstRand Offeror to satisfy in full the cash consideration payable to Aldermore Shareholders under the terms of the Transaction.

13 The Aldermore Directors and the effect of the Scheme on their interests

The Aldermore Shares held by the Aldermore Directors will be subject to the Scheme. Information on the Aldermore Shares held by the Aldermore Directors and awards and options over Aldermore Shares granted to the Aldermore Directors is set out in paragraph 5 of Part VII of this document.

Particulars of the service contracts and letters of appointment of the Aldermore Directors are set out in paragraph 6 of Part VII of this document.

The effect of the Scheme on awards and options held by Aldermore Directors in common with those held by other participants in the Aldermore Share Plans is described in paragraph 20 of this Part II.

Save as set out above, the effect of the Scheme on the interests of the Aldermore Directors does not differ from its effect on the like interest of any other Aldermore Shareholder.

14 Description of the Scheme and the Aldermore Meetings

14.1 The Scheme

The Transaction will be implemented by means of a Court-sanctioned scheme of arrangement between Aldermore and the holders of Scheme Shares under Part 26 of the Companies Act, although FirstRand Offeror reserves the right to implement the Scheme by way of a Takeover Offer (subject to Panel consent and the terms of the Cooperation Agreement). The terms of the Scheme are set out in full in Part III of this document.

The Scheme is a legal process under the Companies Act, the purpose of which is to enable FirstRand Offeror to become the owner of the entire issued and to be issued share capital of Aldermore. To achieve this, it is proposed that the Scheme Shares shall be transferred to FirstRand Offeror, in consideration for which the Scheme Shareholders will receive cash consideration.

After the Scheme Record Time but before the Scheme becomes Effective, entitlements to Aldermore Shares held within the CREST system will be cancelled. On the Effective Date, share certificates in respect of Aldermore Shares will cease to be valid.

Any Aldermore Shares issued on or before the Scheme Record Time will be subject to the terms of the Scheme. Aldermore Shareholders whose names appear on the register of Aldermore at the Scheme Record Time, that is 6:00 p.m. on the Business Day immediately after the date of the Court Hearing, will receive 313 pence in cash for each Scheme Share held by them.

In order for the Scheme to become Effective:

- (a) the Scheme must be approved at the Court Meeting by a majority in number of those Scheme Shareholders who are present and vote, either in person or by proxy, and who represent not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders who are present and voting, either in person or by proxy;
- (b) the Special Resolution must be approved at the General Meeting by Aldermore Shareholders representing at least 75 per cent. of the votes cast (either in person or by proxy). The General Meeting will be held on the same day as and immediately following the Court Meeting;
- (c) the Court must sanction the Scheme at the Court Hearing and issue the Scheme Court Order; and
- (d) a copy of the Scheme Court Order must be delivered to the Registrar of Companies.

The Scheme can only become Effective in accordance with its terms if all the Conditions to the Transaction have been satisfied or, where relevant, waived. The Scheme will become Effective on delivery of a copy of the Scheme Court Order to the Registrar of Companies.

All Scheme Shareholders are entitled to attend the Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme.

Once the Scheme becomes Effective, it will be binding on Aldermore and all Scheme Shareholders, including those who did not attend the Aldermore Meetings or vote to approve the Scheme, or who voted against the Scheme at the Aldermore Meetings.

14.2 The Aldermore Meetings

Before the Court is asked to sanction the Scheme, the Scheme will require the approval of Scheme Shareholders at the Court Meeting and the passing of the Special Resolution by Aldermore Shareholders at the General Meeting.

Notices of the Court Meeting and the General Meeting are set out in Parts X and XI of this document respectively.

The Court Meeting and the General Meeting will be held at the offices of Linklaters LLP at One Silk Street, London EC2Y 8HQ.

14.2.1 Court Meeting

The Court Meeting, which has been convened for 11:00 a.m. on 8 December 2017, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme.

At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present (in person or by proxy) will be entitled to one vote for each Scheme Share held. In order for the resolution to be passed, it must be approved by a majority in number of those Scheme Shareholders who are present and vote, either in person or by proxy, and who represent 75 per cent. or more in value of all the Scheme Shares voted by such Scheme Shareholders.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy, or to appoint a proxy through CREST, as soon as possible.

You will find the Notice of the Court Meeting in Part X of this document.

14.2.2 The General Meeting

The General Meeting has been convened for 11:15 a.m. on 8 December 2017, or as soon thereafter as the Court Meeting has concluded or been adjourned, to consider and, if thought fit, pass the Special Resolution (which requires votes in favour representing at least 75 per cent. of the votes cast either in person or by proxy):

- (a) to authorise the Aldermore Directors to effect the Scheme; and
- (b) to approve certain amendments to the Aldermore Articles (as described below).

Amendments to the Aldermore Articles

It is proposed that the Aldermore Articles be amended to:

- (i) ensure that any Aldermore Shares which are issued after the Articles are amended and before the Scheme Record Time (other than to FirstRand Offeror and/or its nominees) will be issued subject to the terms of the Scheme and the holders of such shares will be bound by the terms of the Scheme; and
- (ii) ensure that, subject to the Scheme becoming Effective, any Aldermore Shares issued on or after the Scheme Record Time (other than to FirstRand Offeror and/or its nominees) will be compulsorily acquired by FirstRand Offeror, in consideration of the holder receiving 313 pence per Aldermore Share so transferred, representing the same cash consideration per Aldermore Share as will be received by holders of Scheme Shares.

The proposed amendments to the Aldermore Articles referred to above are set out in the Notice of the General Meeting in Part XI of this document.

14.2.3 Entitlement to vote at the Aldermore Meetings

Each holder of Aldermore Shares who is entered in Aldermore's register of members at the Voting Record Time (expected to be 6:30 p.m. on 6 December 2017) will be entitled to attend and vote at the Court Meeting and the General Meeting. If either Aldermore Meeting is adjourned, only those Aldermore Shareholders on the register of members at 6:30 p.m. two days before the date set for the adjourned Aldermore Meeting(s) will be entitled to attend and vote.

Each Aldermore Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a shareholder of Aldermore. A Blue Form of Proxy for the Court Meeting and a White Form of Proxy for the General Meeting accompany this document. To be valid, those Forms of Proxy must be duly completed and signed and must be received by Aldermore's Registrars, Equiniti, by 11:00 a.m. (for the Court Meeting) and 11:15 a.m. (for the General Meeting), both times on 6 December 2017 (or, in the case of an adjournment of either Aldermore Meeting, not later than 48 hours before the time and date set for the adjourned Aldermore Meeting).

In the case of the Court Meeting only, the Blue Form of Proxy can also be handed to Aldermore's Registrars, Equiniti, or the Chairman of the meeting before the start of the meeting.

If you propose to attend the Aldermore Meetings, please detach and bring with you the attendance slip to assist your admission.

Aldermore Shareholders who return completed Forms of Proxy may still attend the Aldermore Meetings and vote in person if they wish. In the event of a poll on which an Aldermore Shareholder votes in person, his/her proxy votes lodged with Aldermore will be excluded.

Aldermore Shareholders are entitled to appoint a proxy in respect of some or all of their Aldermore Shares. Aldermore Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow Aldermore Shareholders to specify the number of Aldermore Shares in respect of which that proxy is appointed. Aldermore Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed a proxy in respect of all of their Aldermore Shares.

Aldermore Shareholders who wish to appoint more than one proxy in respect of their shareholding should photocopy the Forms of Proxy or contact Aldermore's Registrars, Equiniti, for further Forms of Proxy.

If you hold your Aldermore Shares in uncertificated form (i.e. in CREST), you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST participant ID RA19) must be received by Aldermore's Registrars, Equiniti, not later than 11:00 a.m. on 6 December 2017 (in the case of the Court Meeting) and by 11:15 a.m. on 6 December 2017 (in the case of the General Meeting) or, in the case of an adjournment of either Aldermore Meeting, not later than 48 hours before the time and date set for the adjourned Aldermore Meeting.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies through CREST shall not prevent an Aldermore Shareholder from attending and voting in person at either Aldermore Meeting or any adjournment thereof, if an Aldermore Shareholder so wishes and is so entitled.

Further information on the action to be taken is set out on pages 7 and 8 (inclusive) of this document.

14.3 Sanction of the Scheme by the Court

The Scheme also requires the sanction of the Court. Aldermore will give adequate notice of the date and time of the Court Hearing, once known, by issuing an announcement through a Regulatory Information Service.

The Scheme will become Effective on delivery of a copy of the Scheme Court Order to the Registrar of Companies.

If the Scheme becomes Effective, it will be binding on all Aldermore Shareholders irrespective of whether or not they attended the Aldermore Meetings or voted in favour of the Scheme at the Court Meeting or in favour of the Special Resolution at the General Meeting. If the Scheme is not implemented by the Long Stop Date (or such later date (if any) as Aldermore, FirstRand Offeror and FirstRand Ltd may, with the consent of the Panel, agree and the Court may allow), the Scheme will not be implemented and the Transaction will not proceed.

14.4 Modifications to the Scheme

The Scheme contains a provision for Aldermore, FirstRand Offeror and FirstRand Ltd to consent jointly on behalf of all persons concerned, to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or impose a condition to, the Scheme which might be material to the interests of Aldermore Shareholders unless Aldermore Shareholders were informed of such modification, addition or condition and given the opportunity to vote on that basis. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Aldermore Shareholders should be held in these circumstances.

15 Further Conditions to the Transaction

15.1 The Conditions to the Transaction are set out in full in Part IV of this document. In particular, in addition to the conditions referred to in paragraph 14 above, the attention of the Aldermore Shareholders is drawn to the fact that the Transaction is also conditional upon:

- 15.1.1 the PRA and FCA having given notice in writing approving either:
 - (a) unconditionally, pursuant to section 189(4)(a) of the FSMA; or

(b) subject to one or more conditions, pursuant to section 189(7) the FSMA, that are satisfactory to FirstRand Offeror acting reasonably,

the increase or acquisition of control of each PRA and/or FCA authorised person within the Wider Aldermore Group, arising as a result of the Transaction, by FirstRand Offeror, each controller of FirstRand Offeror and any other person who would become a controller, or the PRA and FCA being treated as having given such approval by virtue of section 189(6) FSMA. In each case, for the purposes of this paragraph only, “controller” shall have the meaning ascribed to it in section 422 of the FSMA and “control” shall be construed in accordance with the provisions of Part XII of the FSMA;

15.1.2 the South African Registrar of Banks approving the Transaction pursuant to section 52 of the South African Banks Act No. 94 of 1990 either unconditionally or subject to one or more conditions that are satisfactory to FirstRand Offeror acting reasonably; and

15.1.3 a Trigger Event not having occurred in relation to the AT1 Securities (as more fully described in paragraph 21 below).

15.2 Under Rule 13.5(a) of the Code, FirstRand Offeror may not invoke a condition to the Transaction so as to cause the Transaction not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to FirstRand Offeror in the context of the Transaction. The Conditions contained in paragraphs 2.1 and 2.2 of Part A of Part IV to this document and, if applicable, the Takeover Offer Acceptance Condition set out in Part B of Part IV to this document are not subject to this provision of the Code.

Under Rule 13.6 of the Code, Aldermore may not invoke, or cause or permit FirstRand Offeror to invoke, any Condition unless the circumstances which give rise to the right to invoke the Condition are of material significance to the shareholders in Aldermore in the context of the Transaction.

16 Cancellation of listing of Aldermore Shares

Prior to the Scheme becoming Effective, applications will be made to the UK Listing Authority for the cancellation of the listing of Aldermore Shares on the Official List and to the London Stock Exchange for the cancellation of trading of Aldermore Shares on the London Stock Exchange’s main market for listed securities, with effect as of or shortly following the Effective Date.

On the basis of the indicative timetable set out on page 9 of this document, the last day of dealings in, and registrations of transfers of, Aldermore Shares is expected to be the day after the Court Hearing, following which the Aldermore Shares will be temporarily suspended from the Official List and from trading on the London Stock Exchange’s main market for listed securities. No transfers of Aldermore Shares will be registered after that date.

On the Effective Date, Aldermore will become a wholly owned subsidiary of FirstRand Offeror and share certificates in respect of Aldermore Shares will cease to be valid and should be destroyed. In addition, on the Effective Date, entitlements to Aldermore Shares held within the CREST system will be cancelled.

17 Settlement

Subject to the Scheme becoming Effective, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

17.1 Scheme Shares in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled in accordance with the terms of the Scheme will be transferred to such person through CREST by FirstRand Offeror procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which such Scheme Shareholder holds such uncertificated Scheme Shares in respect of the cash consideration due to him. FirstRand Offeror reserves the right to pay all, or any part of, the cash consideration to all or any Scheme Shareholder(s) who hold Scheme Shares in uncertificated form in the manner referred to in paragraph 17.2 below if, for reasons outside of its reasonable control, it is not able to effect settlement as set out above.

17.2 Consideration where Aldermore Shares are held in certificated form (that is, not in CREST)

- 17.2.1 Where, at the Scheme Record Time, a Scheme Shareholder holds Scheme Shares in certificated form, settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be despatched by first class post (or international standard (formerly airmail) post, if overseas), by cheque drawn on a branch of a UK clearing bank, provided that if the amount payable to any such Scheme Shareholder exceeds £50 million FirstRand Offeror reserves the right to make arrangements with such Scheme Shareholder to facilitate electronic payment of such amount in lieu of a cheque.
- 17.2.2 All such cash payments will be made in pounds sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned. Cheques will be despatched not later than the fourteenth day following the Effective Date to the person entitled thereto at the address appearing on the register of members of Aldermore at the Scheme Record Time. None of Aldermore, FirstRand Offeror, FirstRand Ltd nor any of their nominees or respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.
- 17.2.3 On the Effective Date, each certificate representing a holding of Aldermore Shares will cease to be valid. Following settlement of the consideration to which an Aldermore Shareholder is entitled under the Scheme, such Aldermore Shareholder will be bound on the request of Aldermore either: (i) to destroy such certificate(s); or (ii) to return such certificate(s) to Aldermore, or to any person appointed by Aldermore, for cancellation.

18 Text of the Scheme

The full text of the Scheme is set out in Part III of this document.

19 Taxation

Aldermore Shareholders should read Part VI of this document which contains a general description of certain UK consequences of the Scheme. Aldermore Shareholders who are in any doubt as to their tax position should contact an appropriate professional adviser immediately.

Aldermore Shareholders who are or may be subject to tax outside the UK should consult an appropriate independent professional adviser as to the tax consequences of the Scheme.

20 Aldermore Share Plans

Details of the effect of the Transaction on outstanding awards and options granted pursuant to the Aldermore Share Plans and of the choices available to participants will be set out in full in separate letters to participants.

Unvested awards and options granted pursuant to the Aldermore Share Plans will vest on Court sanction of the Scheme, subject to the application of relevant performance conditions (in the case of awards under the Aldermore Performance Share Plan (other than Pre-IPO awards)) and time pro-rating (in the case of the Aldermore Performance Share Plan and the Aldermore Restricted Share Plan). For retention purposes, the difference between the value of a vested award subject to time pro-rating under the Aldermore Performance Share Plan and the Aldermore Restricted Share Plan and the value without time pro-rating will be rolled into a transition award which will be payable in cash in accordance with the vesting schedule applicable to the original award. The transition award will be subject to the participant's continued employment on the applicable vesting date.

J.P. Morgan Cazenove, RBC Capital Markets and Lazard & Co., Limited are of the opinion that the transition awards, as described above, are fair and reasonable.

Shares issued and held under the Aldermore Share Incentive Plan will participate in the Scheme on the same basis as other Aldermore Shares.

All Aldermore Shares issued to satisfy the vesting of awards and the exercise of options granted pursuant to the Aldermore Share Plans on or before the Scheme Record Time will be Scheme Shares subject to the terms of the Scheme. The Scheme will not extend to Aldermore Shares issued after the Scheme Record Time and the proposed form of the amended Aldermore Articles provides that, if the Scheme becomes Effective, any Aldermore Share issued after the Scheme Record Time will be automatically transferred to FirstRand Offeror in consideration of the holder receiving 313 pence per Aldermore Share so transferred, representing the same cash consideration per Aldermore Share as will be received by holders of Scheme Shares.

Any options granted pursuant to the Aldermore Share Plans (except under the Aldermore Sharesave Plan) which are vested or vest on Court sanction but have not been exercised one month after Court sanction will immediately lapse. Options under the Aldermore Sharesave Plan will lapse six months after Court sanction if not exercised within that period. Options granted under the Aldermore Sharesave Plan may only be exercised to the extent of the participants' savings at the time of exercise. Participants will receive a cash amount, on a grossed-up basis, to compensate them for the loss of value as a result of exercising their 2015 and 2016 Sharesave options prior to their normal maturity date.

21 AT1 Securities

Pursuant to the terms and conditions of the AT1 Securities, if the CET1 Ratio of the Aldermore AT1 Group falls below 7 per cent. prior to the Scheme becoming effective, Aldermore will be required to convert the AT1 Securities into Aldermore Shares. Based on the current conversion price this would result in the issue of 52,631,578 Aldermore Shares representing approximately 15.3 per cent. of the current issued share capital of Aldermore or 13.2 per cent. of the share capital of Aldermore as enlarged by such issue.

The Transaction is conditional on a Trigger Event not having occurred prior to the Court sanctioning the Scheme. In the event that such a Trigger Event does occur and FirstRand Offeror either waives such condition or is not entitled pursuant to the Code to invoke such condition, then the Aldermore Shares which would be issued on conversion would be subject to the Scheme.

However, in the event that the Scheme becomes effective prior to any Trigger Event occurring then the provisions of the AT1 Securities relating to such conversion will cease to apply and instead, if there was a subsequent Trigger Event, the AT1 Securities would be written down to zero and the debt owed by Aldermore extinguished.

22 United States and other Overseas Shareholders

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN THIS DOCUMENT IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

Overseas Shareholders

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements. Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Transaction in their particular circumstances.

The Transaction relates to shares of an English company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of the US proxy solicitation and tender offer rules or the laws of other jurisdictions outside the United Kingdom.

FirstRand Offeror reserves the right to elect, with the consent of the Panel and subject to the terms of the Cooperation Agreement, to implement the Transaction by way of a Takeover Offer. In such event, the Takeover Offer will be made in compliance with all applicable laws and regulations, including the United States tender offer rules, to the extent applicable. Such Takeover Offer would be made in the United States by FirstRand Offeror and no one else. In addition to any such Takeover Offer, FirstRand Offeror, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, Aldermore Shares outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the United States and would comply with applicable law, including the US Exchange Act.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document has been prepared for the purposes of complying with English law, the Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

The settlement of the Transaction consideration will be subject to South African Exchange Control Regulations, 1961. Aldermore Shareholders who are South African residents or who are otherwise subject to the South African Exchange Control Regulations must satisfy themselves as to the full observance of such regulations. Any Aldermore Shareholder that is in any doubt about the impact of the South African Exchange Control Regulations should consult an appropriate professional adviser without delay.

23 Further information

FirstRand Offeror reserves the right to elect, with the consent of the Panel and subject to the terms of the Cooperation Agreement, to implement the Transaction by way of a Takeover Offer. In such event, the Transaction will be implemented on substantially the same terms as those that would apply to the Scheme subject to appropriate amendments to reflect the change in the method of effecting the Transaction including, without limitation an acceptance condition set at 75 per cent. (or such lesser percentage as FirstRand Offeror may decide) (i) in nominal value of the shares to which such offer relates; and (ii) of the voting rights attached to those shares, and that is subject to FirstRand Offeror and/or (with the consent of the Panel) any members of the FirstRand Group having acquired or agreed to acquire, whether pursuant to the offer or otherwise, shares carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of Aldermore, including, for this purpose, any such voting rights attaching to Aldermore Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

Your attention is drawn to the Interim Chairman's Letter in Part I of this document and the full text of the Scheme which is set out in Part III of this document. Your attention is also drawn to the further information contained in this document which forms part of this Explanatory Statement.

24 Action to be taken

The Scheme is subject to the satisfaction or waiver of the Conditions referred to in paragraphs 14 and 15 above and set out in full in Part IV of this document. To become Effective, the Scheme must be approved by a majority in number of those Scheme Shareholders who are present and vote either in person or by proxy at the Court Meeting and who represent 75 per cent. or more in value of all Scheme Shares held by such Scheme Shareholders. Implementation of the Scheme will also require the passing of the Special Resolution by Aldermore Shareholders at the General Meeting.

The Court Meeting and the General Meeting will both be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ. The Court Meeting will be held at 11:00 a.m. on 8 December 2017 and the General Meeting will be held at 11:15 a.m. on the same date (or, if later, as soon thereafter as the Court Meeting has been concluded or adjourned). Under the Companies Act, the Scheme is also subject to the sanction of the Court. FirstRand Offeror, which currently does not hold any Aldermore Shares, will not exercise its voting rights at the Court Meeting or the General Meeting if it becomes a holder of any Aldermore Shares before the Voting Record Time. If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, including those who did not vote or who voted against it at either one or both of the Aldermore Meetings.

You will find accompanying this document:

- a Blue Form of Proxy for use in respect of the Court Meeting;
- a White Form of Proxy for use in respect of the General Meeting; and
- a reply paid envelope for use in the UK in connection with the Forms of Proxy.

Forms of Proxy

Whether or not you plan to attend both or either of the Aldermore Meetings, please complete and sign the accompanying Forms of Proxy and return them in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by post or, during normal business hours, by hand to Aldermore's Registrars, Equiniti, of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA at least 48 hours before the time of the relevant meeting. Forms of Proxy have a pre-paid address for your convenience for use in the UK only. Forms of Proxy sent by fax only will not be valid.

If the Blue Form of Proxy for use at the Court Meeting is not lodged by the above time, it may be handed to the Chairman of the Court Meeting before the taking of the poll and will still be valid. However, in the case of the General Meeting, unless the White Form of Proxy is lodged so as to be received by 11:00 a.m. on 6 December 2017, it will be invalid. The White Form of Proxy may NOT be handed to the Chairman of the General Meeting. The completion and return of the Forms of Proxy will not prevent you from attending and voting at either the Court Meeting or the General Meeting, or any adjournment thereof, in person should you wish to do so.

If you hold your Aldermore Shares in uncertificated form (that is, in CREST), you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes for the Notice of the General Meeting set out at the end of this document).

Proxies submitted via CREST (under CREST participation ID RA19) must be received by Aldermore's Registrars, Equiniti, not later than 11:00 a.m. on 6 December 2017 in the case of the Court Meeting and 11:15 a.m. on 6 December 2017 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting).

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Aldermore Shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy, or appoint a proxy through CREST, as soon as possible.

If you have any questions relating to completion and return of the Forms of Proxy, please contact Aldermore's Registrars, Equiniti, on 0371 384 2220 or +44 121 415 0140 (if calling from outside the UK) between 8:30 a.m. and 5:30 p.m. (London Time) Monday to Friday (excluding public holidays in England and Wales). Please note that calls to this number may be monitored or recorded, and no advice on the proposals can be given.

Overseas Shareholders should refer to paragraph 22 above. Details relating to settlement are included in paragraph 17 above.

Notices convening the Court Meeting and the General Meeting are set out in Part X and Part XI of this document.

Mike Collar
Managing Director

For and on behalf of
J.P. Morgan Limited

Oliver Harsey
Managing Director

For and on behalf of
RBC Capital Markets

William Rucker

For and on behalf of
Lazard & Co., Limited

PART III
THE SCHEME OF ARRANGEMENT

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

CR-2017-007845

IN THE MATTER OF ALDERMORE GROUP PLC

-and-

IN THE MATTER OF THE COMPANIES ACT 2006

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

BETWEEN

ALDERMORE GROUP PLC

AND

THE HOLDERS OF ITS
SCHEME SHARES
(as hereinafter defined)

PRELIMINARY

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

Act	the Companies Act 2006 (as amended, modified or re-enacted)
business day	a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in London
certificated or in certificated form	in relation to a Scheme Share, one which is not in uncertificated form (that is, not in CREST)
Company	Aldermore Group PLC, incorporated in England and Wales with registered number 06764335
Court	the High Court of Justice in England and Wales
Court Hearing	the hearing at which the Court sanctions the Scheme
Court Meeting	the meeting of the holders of Scheme Shares convened by order of the Court pursuant to section 896 of the Act to consider and, if thought fit, approve this Scheme (with or without modification), including any adjournment thereof
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations 2001 (as amended)
Euroclear	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738
Excluded Shares	any Ordinary Shares: (i) registered in the name of, or beneficially owned by FirstRand Offeror or any member of the FirstRand Group; or (ii) held by the Company in treasury, at any relevant date or time
FirstRand Group	FirstRand Ltd and its subsidiaries and subsidiary undertakings, including FirstRand Offeror

FirstRand Ltd	FirstRand Limited, a public company incorporated in the Republic of South Africa with registered number 1966/010753/06
FirstRand Offeror	FirstRand International Limited, a company incorporated in Guernsey with registered number 17166
holder	a registered holder and includes any person(s) entitled by transmission
members	members of the Company on the register of members at any relevant date or time
Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company
Registrar of Companies	the Registrar of Companies in England and Wales
Registrars	Equiniti Limited, the registrars of the Company
Scheme	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company, FirstRand Ltd and FirstRand Offeror
Scheme Circular	the circular dated 13 November 2017 sent by the Company to holders of Ordinary Shares (of which this Scheme forms part)
Scheme Effective Date	the date on which this Scheme becomes effective in accordance with Clause 6
Scheme Record Time	6:00 p.m. on the business day immediately after the date of the Court Hearing
Scheme Shares	(i) the Ordinary Shares in issue at the date of this Scheme; (ii) any Ordinary Shares issued after the date of this Scheme and before the Voting Record Time; and (iii) any Ordinary Shares issued at or after the Voting Record Time and on or before the Scheme Record Time on terms that the holder thereof shall be bound by this Scheme, or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by this Scheme, and in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares
Scheme Shareholders	holders of Scheme Shares whose names appear in the register of members of the Company at the Scheme Record Time
subsidiary and subsidiary undertaking	have the meanings given in the Act
uncertificated or in uncertificated form	in relation to a Scheme Share, recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
Voting Record Time	6:30 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6:30 p.m. on the day which is two days before the date of such adjourned meeting

References to Clauses are to clauses of this Scheme, and references to time are to London time.

- (B) The issued share capital of the Company as at the close of business on 10 November 2017 (being the latest practicable date prior to the date of this Scheme) was £34,492,101.70 divided into 344,921,017 ordinary shares of 10 pence each, all of which were credited as fully paid and none of which were held in treasury.
- (C) As at the close of business on 10 November 2017 (being the latest practicable date prior to the date of this Scheme) no Ordinary Shares were registered in the name of or beneficially owned by FirstRand Offeror, FirstRand Ltd or any other member of the FirstRand Group.
- (D) FirstRand Offeror and FirstRand Ltd have each agreed to appear by Counsel at the hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by the provisions of this

Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by them for the purpose of giving effect to this Scheme.

THE SCHEME

1 Transfer of the Scheme Shares

- 1.1** On the Scheme Effective Date, FirstRand Offeror shall acquire all of the Scheme Shares fully paid, with full title guarantee, free from all liens, equities, charges, encumbrances and other interests and together with all rights attached thereto, including entitlement to receive and retain all dividends and other distributions declared, paid or made by the Company by reference to a record date on or after the Scheme Effective Date.
- 1.2** In order to effect such acquisition, the Scheme Shares shall be transferred to FirstRand Offeror and/or its nominee(s) by means of a form of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfer any person may be appointed by FirstRand Offeror as attorney and shall be authorised as such attorney on behalf of the holder concerned to execute and deliver as transferor such form of transfer or other instrument or instruction of transfer, or procure the transfer by means of CREST, of such Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be as effective as if it had been executed by the holder or holders of the Scheme Shares thereby transferred. Such form of transfer or other instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to FirstRand Offeror and/or its nominee(s), together with the legal interest in such Scheme Shares, pursuant to such form, instruction or instrument of transfer, or by means of CREST.
- 1.3** Pending the registration of FirstRand Offeror or its nominee(s) as the holder of any Scheme Share to be transferred pursuant to this Scheme, FirstRand Offeror shall be empowered upon and with effect from the Scheme Effective Date to appoint any person to act as attorney or, failing that, agent on behalf of each holder of any such Scheme Share in accordance with such directions as FirstRand Offeror may give in relation to any dealings with or disposal of such share (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and the registered holder of such Scheme Share shall exercise all rights attaching thereto in accordance with the directions of FirstRand Offeror but not otherwise.

2 Consideration for the transfer of the Scheme Shares

- 2.1** In consideration for the transfer of the Scheme Shares to FirstRand Offeror and/or its nominee(s), FirstRand Offeror shall (subject to the remaining provisions of this Clause 2) pay cash to or for the account of the Scheme Shareholders on the following basis:

for each Scheme Share 313 pence in cash

- 2.2** If any dividend or distribution is proposed, declared, made or payable by the Company in respect of an Ordinary Share during the period from the date of publication of the Announcement until the Scheme Effective Date, FirstRand Offeror shall be entitled to reduce the amount of consideration payable for each Scheme Share by an amount equal to such dividend or distribution.

3 Settlement of consideration

- 3.1** As soon as practicable on or after the Scheme Effective Date, and in any event no later than 14 days after the Scheme Effective Date, FirstRand Offeror shall satisfy the consideration due to Scheme Shareholders pursuant to Clause 2 as follows:
 - 3.1.1** in the case of Scheme Shares which at the Scheme Record Time are in certificated form, FirstRand Offeror shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively, provided that if the amount payable to any such Scheme Shareholder exceeds £50 million FirstRand Offeror reserves the right to make arrangements with such Scheme Shareholder to facilitate electronic payment of such amount in lieu of a cheque; and
 - 3.1.2** in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, FirstRand Offeror shall procure that Euroclear is instructed to create an assured payment

obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that FirstRand Offeror reserves the right to make payment of the said sums by cheque as set out in Clause 3.1.1 if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 3.1.2.

- 3.2** All deliveries of notices, documents of title, certificates or cheques pursuant to this Scheme shall be effected by sending the same by first class post (or international standard post, if overseas) in pre-paid envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time, and none of the Company, FirstRand Ltd, FirstRand Offeror or their respective agents shall be responsible for any loss or delay in the transmission or delivery of any documents of title or any certificates or cheques sent in accordance with this Clause 3.2 which shall be sent at the risk of the persons entitled thereto.
- 3.3** All cheques shall be in sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the moneys represented thereby (except that, in the case of joint holders, FirstRand Offeror reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such joint holding at the Scheme Record Time), and the encashment of any such cheque or the creation of any such assured payment obligation in accordance with Clause 3.1 shall be a complete discharge of FirstRand Offeror's obligations under this Scheme to pay the monies represented thereby.
- 3.4** The provisions of this Clause 3 shall be subject to any condition or prohibition imposed by law.

4 Share certificates and transfer of entitlements

With effect from and including the Scheme Effective Date:

- 4.1** all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of the Company to deliver up their share certificate(s) to the Company (or any person appointed by the Company to receive the same) or to destroy the same;
- 4.2** Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form; and
- 4.3** appropriate entries shall be made in the register of members of the Company to reflect the transfer of the Scheme Shares.

5 Mandates

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

6 Scheme Effective Date

- 6.1** This Scheme shall become effective as soon as a copy of the order of the Court sanctioning this Scheme under section 899 of the Act shall have been delivered to the Registrar of Companies.
- 6.2** Unless this Scheme shall have become effective on or before 30 April 2018, or such later date, if any, as the Company and FirstRand Offeror may agree in writing and the Panel and the Court may allow, this Scheme shall never become effective.

7 Modification

The Company, FirstRand Ltd and FirstRand Offeror may jointly consent on behalf of all concerned to any modification of, or addition to, this Scheme or to any condition that the Court may approve or impose.

Dated 13 November 2017

PART IV
CONDITIONS AND CERTAIN FURTHER TERMS OF THE SCHEME AND THE TRANSACTION

A. CONDITIONS TO THE SCHEME AND THE TRANSACTION

- 1** The Transaction is conditional upon the Scheme becoming unconditional and effective, subject to the Code, on or before the Long Stop Date or such later date (if any) as FirstRand Offeror and Aldermore may, with the consent of the Panel, agree and (if required) the Court may approve.
- 2** The Scheme is subject to the following conditions:
 - 2.1** its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders present and voting, in person or by proxy, at the Court Meeting and at any separate class meeting which the Court may require (or, in either case, any adjournment thereof) and such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting as set out in this document (or such later date as may be agreed by FirstRand Offeror and Aldermore and the Court may allow);
 - 2.2** the resolutions required to approve and implement the Scheme to be set out in the notice of General Meeting being duly passed by Aldermore Shareholders by the requisite majority or majorities at the General Meeting (or any adjournment thereof) and such General Meeting being held on or before the 22nd day after the expected date of the General Meeting as set out in this document (or such later date as may be agreed by FirstRand Offeror and Aldermore and the Court may allow); and
 - 2.3** the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Aldermore and FirstRand Offeror) and the delivery of a copy of the Court Order to the Registrar of Companies and the Court Hearing being held on or before the 22nd day after the expected date of such Court Hearing as set out in this document (or such later date as may be agreed by FirstRand Offeror and Aldermore and the Court may allow).
- 3** Subject to the statements in Part B below and to the requirements of the Panel, the Transaction is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

AT1 Securities

- 3.1** a Trigger Event has not occurred in relation to the AT1 Securities;

Regulatory and anti-trust approvals

- 3.2** the PRA and FCA having given notice in writing approving either:
 - 3.2.1** unconditionally, pursuant to section 189(4)(a) of the FSMA; or
 - 3.2.2** subject to one or more conditions, pursuant to section 189(7) of the FSMA, that are satisfactory to FirstRand Offeror acting reasonably,

the increase or acquisition of control of each PRA and/or FCA authorised person within the Wider Aldermore Group, arising as a result of the Transaction, by FirstRand Offeror, each controller of FirstRand Offeror and any other person who would become a controller, or the PRA and FCA being treated as having given such approval by virtue of section 189(6) FSMA. In each case, for the purposes of this paragraph only, “controller” shall have the meaning ascribed to it in section 422 of the FSMA and “control” shall be construed in accordance with the provisions of Part XII of the FSMA;
- 3.3** the South African Registrar of Banks approving the Transaction pursuant to section 52 of the South African Banks Act No. 94 of 1990 either unconditionally or subject to one or more conditions that are satisfactory to FirstRand Offeror acting reasonably;
- 3.4** other than in respect of Conditions 3.2 and 3.3, no antitrust regulator or Third Party having decided, threatened or given notice in writing of a decision to take, institute, implement any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) (in each case which would be material in the context of the Wider FirstRand Group

or the Wider Aldermore Group in each case taken as a whole) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

- 3.4.1 require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider FirstRand Group or by any member of the Wider Aldermore Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) (in any case to an extent which is material in the context of the Wider FirstRand Group or the Wider Aldermore Group, as the case may be, taken as a whole);
- 3.4.2 except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider FirstRand Group or the Wider Aldermore Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Aldermore Group (other than in connection with the implementation of the Transaction);
- 3.4.3 impose any material limitation on, or result in a material delay in, the ability of any member of the Wider FirstRand Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Aldermore or on the ability of any member of the Wider Aldermore Group or any member of the Wider FirstRand Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Aldermore Group, in each case to an extent which is material in the context of the Wider FirstRand Group or the Wider Aldermore Group, as the case may be, taken as a whole;
- 3.4.4 otherwise materially adversely affect any or all of the business, assets or profits of any member of the Wider Aldermore Group to an extent in any such case which is material in the context of the Wider Aldermore Group taken as a whole;
- 3.4.5 result in any member of the Wider Aldermore Group ceasing to be able to carry on business under any name under which it presently carries on business (in any case to an extent which is material in the context of the Wider Aldermore Group taken as a whole);
- 3.4.6 make the Transaction, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Aldermore by any member of the Wider FirstRand Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain or delay to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere with or require material adverse amendment of the Transaction or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Aldermore by any member of the Wider FirstRand Group;
- 3.4.7 require, prevent or materially delay a divestiture by any member of the Wider FirstRand Group of any shares or other securities (or the equivalent) in any member of the Wider Aldermore Group (in any case to an extent which is material in the context of the Wider Aldermore Group or the Wider FirstRand Group, as the case may be, taken as a whole); or
- 3.4.8 impose any material limitation on the ability of any member of the Wider FirstRand Group or of any member of the Wider Aldermore Group to integrate all or any part of its business with all or any part of the business of any other member of the Wider FirstRand Group and/or the Wider Aldermore Group (in any case to an extent which is material in the context of the Wider Aldermore Group or the Wider FirstRand Group, as the case may be, taken as a whole),

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

- 3.5 other than in respect of Conditions 3.2 and 3.3, all material notifications, filings or applications which are necessary having been made in connection with the Transaction, in each case where the absence of such notification, filing or application would have a material adverse effect on the Wider FirstRand Group or

the Wider Aldermore Group in each case taken as a whole, and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in respect of the Transaction and the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Aldermore or any other member of the Wider Aldermore Group by any member of the Wider FirstRand Group, and all Authorisations necessary in respect thereof having been obtained in terms and in a form reasonably satisfactory to FirstRand Offeror from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Aldermore Group or the Wider FirstRand Group has entered into contractual arrangements and all such Authorisations necessary to carry on the business of any member of the Wider Aldermore Group in any jurisdiction remaining in full force and effect at the time at which the Transaction becomes otherwise wholly unconditional and no notice of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations having been made where, in each case, absence of such Authorisation would have a material adverse effect on the Wider Aldermore Group or the Wider FirstRand Group in each case taken as a whole;

Certain matters arising as a result of any arrangement, agreement, etc.

3.6 save as Fairly Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Aldermore Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance, which, as a consequence of the Transaction or the acquisition or the proposed acquisition by any member of the Wider FirstRand Group of any shares or other securities (or the equivalent) in Aldermore or because of a change in the control or management of any member of the Wider Aldermore Group or otherwise, would or might reasonably be expected to result in, to an extent in any such case which is material in the context of the Wider Aldermore Group taken as a whole:

- 3.6.1 any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Aldermore Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- 3.6.2 the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Aldermore Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
- 3.6.3 any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Aldermore Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- 3.6.4 any liability of any member of the Wider Aldermore Group to make any severance, termination, bonus or other payment to any of its directors or other officers;
- 3.6.5 any member of the Wider Aldermore Group ceasing to be able to carry on business under any name under which it presently carries on business;
- 3.6.6 the value of, or the financial or trading position of, any member of the Wider Aldermore Group being prejudiced or adversely affected; or
- 3.6.7 the creation of any liability (actual or contingent) by any member of the Wider Aldermore Group other than trade creditors or other liabilities incurred in the ordinary course of business;

Certain events occurring since 30 June 2017

3.7 save as Fairly Disclosed, no member of the Wider Aldermore Group having since 30 June 2017:

- 3.7.1 issued or agreed to issue, or authorised or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Aldermore Shares out of treasury (except, in each case, where

relevant, as between Aldermore and wholly owned subsidiaries of Aldermore or between the wholly owned subsidiaries of Aldermore and except for the issue or transfer out of treasury of Aldermore Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Aldermore Share Plans);

- 3.7.2 recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Aldermore to Aldermore or any of its wholly owned subsidiaries;
- 3.7.3 other than pursuant to the Transaction (and except for transactions between Aldermore and its wholly owned subsidiaries or between the wholly owned subsidiaries of Aldermore and transactions in the ordinary course of business) implemented, effected, authorised or announced its intention to implement, effect or authorise any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings to an extent in any such case which is material in the context of the Wider Aldermore Group taken as a whole;
- 3.7.4 except for transactions in the ordinary course of business or between the Wider Aldermore Group and its wholly owned subsidiaries, or between such subsidiaries, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised or announced any intention to do so;
- 3.7.5 issued, authorised or announced an intention to authorise the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or (other than trade credit incurred in the ordinary course of business) incurred or increased any indebtedness except as between Aldermore and any of its wholly owned subsidiaries or between such subsidiaries which in any case is material in the context of the Wider Aldermore Group taken as a whole;
- 3.7.6 entered into or varied or authorised or announced its intention, other than in the ordinary course of business, to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude to an extent in any such case which is material in the context of the Wider Aldermore Group taken as a whole;
- 3.7.7 entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director of Aldermore except for salary increases, bonuses or variations of terms, in each case, in the ordinary and usual course of business and consistent with past practice;
- 3.7.8 proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Aldermore Group (in a manner which is material in the context of the Wider Aldermore Group taken as a whole);
- 3.7.9 purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph 3.7.1 above, made any other change to any part of its share capital (other than pursuant to the implementation of the Transaction);
- 3.7.10 (other than in respect of claims between Aldermore and any wholly owned subsidiaries of Aldermore) waived, compromised or settled any claim which is material in the context of the Wider Aldermore Group taken as a whole;
- 3.7.11 terminated or varied the terms of any agreement or arrangement between any member of the Wider Aldermore Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Aldermore Group taken as a whole;
- 3.7.12 save as disclosed on publicly available registers or as envisaged in accordance with the terms of the Scheme, made any alteration to its memorandum or articles of association or other incorporation documents;

- 3.7.13 made or agreed or consented to any material change to the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Aldermore Group for its directors, employees or their dependants or to the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, or agreed or consented to;
- 3.7.14 been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- 3.7.15 (other than in respect of a member of the Wider Aldermore Group which is dormant and was solvent at the relevant time) taken any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed (in any case to an extent which is material in the context of the Wider Aldermore Group taken as a whole);
- 3.7.16 made, authorised, proposed or announced an intention to propose any change in its loan capital to an extent in any such case which is material in the context of the Wider Aldermore Group taken as a whole; or
- 3.7.17 entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3.7;

No adverse change, litigation, regulatory enquiry or similar

3.8 save as Fairly Disclosed, since 30 June 2017:

- 3.8.1 no adverse change having occurred in the business, assets, financial or trading position or profits of any member of the Wider Aldermore Group which is material in the context of the Wider Aldermore Group taken as a whole;
- 3.8.2 no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Aldermore Group or to which any member of the Wider Aldermore Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Aldermore Group, in each case which is material in the context of the Wider Aldermore Group taken as a whole;
- 3.8.3 no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Aldermore Group having been threatened in writing, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Aldermore Group, in each case which is material in the context of the Wider Aldermore Group taken as a whole;
- 3.8.4 no contingent or other liability in respect of any member of the Wider Aldermore Group having arisen or increased other than in the ordinary course of business which is reasonably likely to materially affect adversely the business, assets, financial or trading position or profits of any member of the Wider Aldermore Group to an extent in any such case which is material in the context of the Wider Aldermore Group taken as a whole; and
- 3.8.5 no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Aldermore Group which is necessary for the proper carrying on of its

business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Aldermore Group taken as a whole;

No discovery of certain matters regarding information and liabilities

3.9 save as Fairly Disclosed, FirstRand Offeror not having discovered:

- 3.9.1 that any financial, business or other information concerning the Wider Aldermore Group publicly announced prior to the date of the publication of this document or disclosed at any time to any member of the Wider FirstRand Group by or on behalf of any member of the Wider Aldermore Group prior to the date of the publication of this document is materially misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading (in any case to an extent which is material in the context of the Wider Aldermore Group taken as a whole);
- 3.9.2 that any member of the Wider Aldermore Group is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise, and which is material in the context of the Wider Aldermore Group taken as a whole;

Anti-corruption and sanctions

3.10 except as Fairly Disclosed, FirstRand Offeror not having discovered that:

- 3.10.1 any past or present member, director, officer or employee of the Wider Aldermore Group or any person that performs or has performed services for or on behalf of any such company is or has, at any time during the course of such person's employment with, or performance of services for or on behalf of, any member of the Wider Aldermore Group, engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation; or
- 3.10.2 any past or present member, director, officer or employee of the Wider Aldermore Group or any person that performs or has performed services for or on behalf of any such company has, during the course of such person's employment with, or performance of services for or on behalf of, any member of the Wider Aldermore Group, engaged in any activity or business with, or made any investments in, or made any funds or assets available to, or received any funds or assets from any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; and

No criminal property

3.11 except as Fairly Disclosed, FirstRand Offeror not having discovered that any asset of any member of the Wider Aldermore Group constitutes criminal property as defined by Section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

B. CERTAIN FURTHER TERMS OF THE SCHEME AND THE TRANSACTION

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

To the extent permitted by law and subject to the requirements of the Panel, FirstRand Offeror reserves the right to waive:

- the deadline set out in Condition 1 of Part A and any of the deadlines set out in Condition 2 of Part A for the timing of the Court Meeting, the General Meeting and the Court Hearing. If any such deadline is not met, FirstRand Offeror shall make an announcement by 8:00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant condition or agreed with Aldermore to extend the deadline in relation to the relevant Condition; and
- in whole or in part, all or any of the Conditions in paragraphs 3.1 to 3.11 (inclusive) of Part A.

FirstRand Offeror shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions by a date earlier than the latest date for the fulfilment of

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

If FirstRand Offeror is required by the Panel to make an offer for Aldermore Shares under the provisions of Rule 9 of the Code, FirstRand Offeror may make such alterations to any of the above Conditions and terms of the Offer as are necessary to comply with the provisions of that Rule.

The Scheme shall not become effective if:

- in so far as the Transaction or any matter arising from or relating to the Scheme or Transaction constitutes a concentration with a Community dimension within the scope of the EC Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the EC Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the EC Regulation and there is then a CMA Phase 2 Reference; or
- in so far as the Transaction or any matter arising from the Scheme or Transaction does not constitute a concentration with a Community dimension within the scope of the EC Regulation, the Scheme or Transaction or any matter arising from or relating to the Transaction becomes subject to a CMA Phase 2 Reference,

in either case, before the date of the Court Meeting.

FirstRand Offeror reserves the right to elect, with the consent of the Panel and subject to the terms of the Cooperation Agreement, to implement the Transaction by way of a Takeover Offer. In such event, the Transaction will be implemented on substantially the same terms, subject to appropriate amendments, so far as applicable, as those which would apply to the Scheme, including (without limitation) an acceptance condition set at 75 per cent. of the shares to which such offer relates (or such less percentage, being more than 50 per cent. of the Aldermore shares carrying voting rights, as FirstRand Offeror may decide).

The availability of the Transaction to Overseas Shareholders and the distribution of this document in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves of, and observe, any such restrictions.

Unless otherwise determined by FirstRand Offeror or required by the Code or the Panel and permitted by applicable law and regulation, the Transaction is not being, and will not be, made, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or other forms of electronic transmission) of interstate or foreign commerce of, or by any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.

FirstRand Offeror reserves the right to reduce the consideration payable under the Transaction by the amount of any dividend (or other distribution) which is paid or becomes payable by Aldermore to Aldermore Shareholders on or after the date of the publication of the Announcement and on or prior to the Effective Date. If any such dividend or distribution occurs and if FirstRand Offeror exercises its right to reduce the offer consideration by all or part of the amount of a dividend (or other distribution) that has not been paid, Aldermore Shareholders will be entitled to receive and retain that dividend (or other distribution) (“**Subsequent Dividend**”).

To the extent that any such dividend or distribution has been declared or is payable, the Aldermore Shares shall be (i) transferred pursuant to the Transaction on a basis which entitles FirstRand Offeror to receive the dividend or distribution and to retain it, or (ii) such dividend or distribution shall be cancelled, and in either case the consideration payable under the Transaction shall not be subject to change.

The Aldermore Shares which will be acquired under the Transaction will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the date of the publication of the Announcement other than any Subsequent Dividend.

FirstRand Offeror reserves the right for any other member of FirstRand Group from time to time to implement the Transaction.

The Transaction is governed by the law of England and Wales and is subject to the jurisdiction of the English courts. The Transaction will be made on and subject to the conditions and further terms set in this Part IV. The Transaction is subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the Financial Conduct Authority, the UK Listing Authority and the Johannesburg Stock Exchange Listings Requirements.

PART V
FINANCIAL INFORMATION ON ALDERMORE AND FIRSTRAND GROUP

Part A: Financial information relating to Aldermore

The following sets out financial information in respect of the Aldermore Group as required by Rule 24.3 of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

<u>Financial information</u>	<u>Reference</u>
Audited consolidated accounts for the last two financial years	<p>https://www.investors.aldermore.co.uk</p> <p>The audited consolidated accounts of the Aldermore Group for the financial year ended 31 December 2016 are set out on pages 140 to 204 (both inclusive) in the 2016 Annual Report available from the Aldermore Group's website (at the link referred to above).</p> <p>The audited consolidated accounts of the Aldermore Group for the financial year ended 31 December 2015 are set out on pages 131 to 186 (both inclusive) in the 2015 Annual Report available from the Aldermore Group's website (at the link referred to above).</p>
Interim results for the six months ended 30 June 2017	<p>https://www.investors.aldermore.co.uk</p> <p>The interim results of the Aldermore Group for the six months ended 30 June 2017 are available from the Aldermore Group's website (at the link referred to above).</p>
Q3 Interim Management Statement	<p>https://www.investors.aldermore.co.uk</p> <p>The Q3 Interim Management Statement of the Aldermore Group for the nine months ended 30 September 2017 is available from the Aldermore Group's website (at the link referred to above).</p>

Part B: Aldermore ratings information

As at the Latest Practicable Date, Aldermore held a financial implied rating of BBB+ from FitchConnect. There are no other current ratings or outlooks publicly accorded to Aldermore by ratings agencies.

Part C: Financial information relating to FirstRand Group

The following sets out the financial information in respect of the FirstRand Group required by Rule 24.3 of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code:

<u>Financial information</u>	<u>Reference</u>
Audited consolidated accounts for the last two financial years	<p>https://www.firstrand.co.za</p> <p>The audited consolidated accounts of the FirstRand Group for the financial year ended 30 June 2017 are set out on pages 159 to 204 (both inclusive) in the 2017 Annual Report available from the FirstRand Group's website (at the link referred to above).</p> <p>The audited consolidated accounts of the FirstRand Group for the financial year ended 30 June 2016 are set out on pages 163 to 209 (both inclusive) in the 2016 Annual Report available from the FirstRand Group's website (at the link referred to above).</p>

Part D: FirstRand Ltd ratings information

As at the Latest Practicable Date, the ratings and outlooks set out below are publicly accorded to FirstRand Ltd by S&P Global Ratings. Save as set out below, there are no other current ratings or outlooks publicly accorded to FirstRand Ltd by ratings agencies.

	<u>S&P Rating</u>
<i>Issuer credit rating</i>	
Long-term	BB-
Outlook	Negative
Short-term	B
<i>Local currency credit rating</i>	
Long-term	BB-
Outlook	Negative
Short-term	B
<i>National scale</i>	
Long-term	zaA-
Short-term	zaA-2

No incorporation of website information

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

Availability of documents

You may request a hard copy of this document (and any information incorporated by reference in this document), free of charge, by contacting Aldermore's Registrars, Equiniti, of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (or on +44 121 415 0140). You may also request that all future documents, announcements and information to be sent to you in relation to the Transaction should be in hard copy form. Unless you have previously elected to receive hard copies of any such documents, announcements or information, hard copies shall not be sent unless specifically requested.

PART VI UK TAXATION

The comments set out below are based on current UK tax legislation as applied in England and Wales and HMRC published practice (which may not be binding on HMRC) as at the date of this document, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide only to certain limited aspects of the UK tax treatment of the Scheme becoming effective and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They do not constitute tax advice and apply only to Scheme Shareholders who are resident for tax purposes in the UK at all relevant times (except insofar as express reference is made to the treatment of non-UK residents) and, in the case of individuals, who are domiciled in the UK and to whom “split year” treatment does not apply, who hold their Scheme Shares as an investment and who are the absolute beneficial owners of their Scheme Shares. In particular, Scheme Shareholders holding their Scheme Shares via a depositary receipt system or a clearance service should note that they may not always be the absolute beneficial owners thereof. This Part VI does not address all possible tax consequences relating to an investment in the Scheme Shares. Certain categories of shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs or exemptions, those connected with Aldermore, FirstRand Ltd or members of either of their groups and those for whom the Scheme Shares are employment related securities may be subject to special rules and this summary does not apply to such shareholders.

Aldermore Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own appropriate independent professional advisers immediately.

A Scheme Shareholder receiving cash under the Scheme in respect of his Scheme Shares will be treated as making a disposal of such Scheme Shares for the purposes of UK taxation of chargeable gains. This may, depending on the shareholder’s individual circumstances (including the availability of exemptions, reliefs or allowable losses), give rise to a liability to UK capital gains tax (in the case of a Scheme Shareholder who is an individual) or UK corporation tax on chargeable gains (in the case of a Scheme Shareholder who is within the charge to UK corporation tax).

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by an individual will be taxed at a rate of 10 per cent. except to the extent that the gain, when it is added to the Scheme Shareholder’s other taxable income and gains in the relevant year, exceeds the upper limit of the income tax basic rate band (£33,500 for the 2017/2018 tax year for a UK resident individual other than a Scottish taxpayer), in which case it will be taxed at the rate of 20 per cent.

The capital gains tax annual exempt amount (£11,300 for the 2017/2018 tax year) may be available to individual Scheme Shareholders to offset against chargeable gains realised on the disposal of their Scheme Shares.

For Scheme Shareholders within the charge to UK corporation tax, indexation allowance may be available to reduce any chargeable gain arising (but not create or increase any allowable loss) on the disposal of their Scheme Shares.

PART VII
ADDITIONAL INFORMATION

1 Responsibility statements

- 1.1** The Aldermore Directors, whose names are set out in paragraph 2.1 of this Part VII, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information (and expressions of opinion) for which responsibility is taken by the FirstRand Ltd Directors pursuant to paragraph 1.2 of this Part VII or the FirstRand Offeror Directors pursuant to paragraph 1.3 of this Part VII. To the best of the knowledge and belief of the Aldermore Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2** The FirstRand Ltd Directors, whose names are set out in paragraph 2.3 of this Part VII, accept responsibility for the information contained in this document (including any expressions of opinion) relating to FirstRand Ltd, the FirstRand Group and the FirstRand Ltd Directors and their respective immediate families and the related trusts of and persons connected with the FirstRand Ltd Directors, and persons deemed to be acting in concert with FirstRand Ltd and FirstRand Offeror, other than information (and expressions of opinion) for which the FirstRand Offeror Directors take responsibility pursuant to paragraph 1.3 of this Part VII. To the best of the knowledge and belief of the FirstRand Ltd Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3** The FirstRand Offeror Directors, whose names are set out in paragraph 2.6 of this Part VII, accept responsibility for the information contained in this document (including any expressions of opinion) relating to FirstRand Offeror and the FirstRand Offeror Directors and their respective immediate families and the related trusts of and persons connected with the FirstRand Offeror Directors. To the best of the knowledge and belief of the FirstRand Offeror Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors and registered offices

- 2.1** As at the date of this document, the Aldermore Directors and their principal functions are as follows:

<u>Director</u>	<u>Current Position</u>
Danuta Gray	Interim Chairman
Phillip Monks	Chief Executive Officer
James Mack	Chief Financial Officer
Christine Palmer	Chief Risk Officer
Chris Patrick	Non-executive Director
John Hitchins	Independent Non-executive Director
Peter Shaw	Independent Non-executive Director
Chris Stamper	Independent Non-executive Director
Cathy Turner	Independent Non-executive Director

- 2.2** The registered office of Aldermore, whose registered number is 06764335, is 4th Floor Block D, Apex Plaza Forbury Road, Reading, Berkshire, United Kingdom RG1 1AX and the business address of each of the Aldermore Directors is 6th Floor, The Monument Building, 11 Monument Street, London, United Kingdom EC3R 8AF.

The Company Secretary of Aldermore is Rachel Spencer.

2.3 As at the date of this document, the FirstRand Ltd Directors and their respective positions are:

<u>Director</u>	<u>Current Position</u>
Lauritz Lanser Dippenaar	Non-executive Director
Johan Petrus Burger	Executive Director
Alan Patrick Pullinger	Executive Director
Hetash Surendrakumar Kellan	Executive Director
Mary Sina Bomela	Non-executive Director
Hermanus Lambertus Bosman	Non-executive Director
Jan Jonathan Durand	Non-executive Director
Grant Glenn Gelink	Independent Non-executive Director
Patrick Maguire Goss	Independent Non-executive Director
Nolulamo Nobambiswano Gwagwa	Independent Non-executive Director
Paul Kenneth Harris	Non-executive Director
William Rodger Jardine	Independent Non-executive Director
Francois Knoetze	Non-executive Director
Russell Mark Loubser	Independent Non-executive Director
Thandie Sylvia Mashego	Non-executive Director
Ethel Gothatamodimo Matenge-Sebesko	Independent Non-executive Director
Paballo Joel Makosholo	Non-executive Director
Amanda Tandiwe Nzimande	Independent Non-executive Director
Benedict James van der Ross	Independent Non-executive Director
Jan Hendrik van Greuning	Independent Non-executive Director

2.4 The registered office of FirstRand Ltd, whose registered number is 1966/010753/06, and the business address of each of the FirstRand Ltd Directors is 4 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa.

2.5 The Company Secretary of FirstRand Ltd is Carnita Low.

2.6 As at the date of this document, the FirstRand Offeror Directors and their positions are:

<u>Director</u>	<u>Current Position</u>
Alan Stephen Corlett	Executive Director
Alexander Swanson Ross	Executive Director
James Matthew Chamberlain	Executive Director and Company Secretary
Stephen Eric Peters	Executive Director

2.7 The registered office of FirstRand Offeror, whose registered number is 17166, is La Plaiderie House, Saint Peter Port, Guernsey GY1 4NL.

3 Market quotations

3.1 Set out below are the closing middle market quotations of the Aldermore Shares as derived from the Daily Official List on:

- 3.1.1 the first Business Day of each of the six months immediately prior to the date of this document;
- 3.1.2 12 October 2017 (being the last Business Day before the commencement of the Offer Period); and
- 3.1.3 10 November 2017 (being the latest practicable date prior to the publication of this document):

<u>Date</u>	<u>Aldermore Shares (pence)</u>
1 June 2017	233.90
3 July 2017	212.20
1 August 2017	218.20
1 September 2017	221.50
2 October 2017	229.80
12 October 2017	256.00
1 November 2017	301.70
10 November 2017	309.80

Please note that past performance of securities is no guide to their future performance and the information provided in this paragraph is historical and not forward looking.

4 Substantial shareholders of FirstRand Ltd

4.1 The following FirstRand Shareholders have pre-existing interests in FirstRand Ltd which would create potential indirect interests of 5 per cent. or more in the capital of Aldermore following the implementation of the Transaction.

<u>Name</u>	<u>Number of FirstRand Shares held</u>	<u>% of existing issued share capital of FirstRand Ltd</u>
RMB Holdings Limited	1,910,433,050	34.13
Public Investment Corporation	482,932,133	8.63

5 Interests and dealings

5.1 For the purposes of this paragraph 5:

- (a) “**acting in concert**” with Aldermore, FirstRand Ltd or FirstRand Offeror, as the case may be, means any person acting or deemed to be acting in concert with Aldermore, FirstRand Ltd or FirstRand Offeror, as the case may be, for the purposes of the Code;
- (b) “**Aldermore relevant securities**” means relevant securities of Aldermore (such term having the meaning given in the Code in relation to an offeree), including Aldermore Shares and securities of Aldermore carrying conversion or subscription rights into Aldermore Shares;
- (c) “**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;
- (d) “**connected adviser**” has the meaning given in the Code;
- (e) “**dealing**” or “**dealt**” has the meaning given in the Code;
- (f) “**derivative**” has the meaning given in the Code;
- (g) “**disclosure date**” means 10 November 2017, or to the extent disclosures in this paragraph 5 of part VI relate to the interests and/or dealings of RBC Capital Markets, J.P. Morgan Cazenove or Credit Suisse International, 9 November 2017, being the latest practicable date prior to the publication of this document;
- (h) “**disclosure period**” means the period commencing on 13 October 2016 (being the date 12 months prior to the Offer Period) and ending on the disclosure date;
- (i) “**FirstRand relevant securities**” means relevant securities of FirstRand Ltd (such term having the meaning given in the Code in relation to an offeror), including FirstRand Shares and securities of FirstRand Ltd carrying conversion or subscription rights into FirstRand Shares;
- (j) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative;
- (k) references to a person having an “**interest**” in Aldermore or FirstRand relevant securities (as applicable) has the meaning given in the Code; and
- (l) references to Aldermore Directors, FirstRand Ltd Directors or FirstRand Offeror Directors having an interest in relevant securities are to be interpreted in accordance with Part XXII of the Companies Act.

5.2 Interests in Aldermore relevant securities

As at the disclosure date:

5.2.1 the following Aldermore Directors (including members of their immediate families, close relatives and related trusts) had an interest in certain Aldermore relevant securities as follows:

<u>Name</u>	<u>Number of Aldermore relevant securities</u>
John Hitchins	20,000
Phillip Monks	3,462,693
James Mack	325,603
Cathy Turner	42,336
Chris Stamper	9,500

5.2.2 the following awards and options over Aldermore relevant securities had been granted to Aldermore Directors pursuant to the Aldermore Share Plans:

<u>Name</u>	<u>Description of award</u>	<u>Number of Aldermore relevant securities</u>	<u>Grant date</u>
Phillip Monks	Performance Share Plan (2015)	351,562	2 March 2015
	Performance Share Plan (2016)	296,403	21 March 2016
	Performance Share Plan (2017)	312,217	28 March 2017
	Deferred Share Plan (2016)	111,784	21 March 2016
	Deferred Share Plan (2017)	137,325	28 March 2017
	Sharesave Plan (2016)*	11,688	12 October 2016
James Mack	Performance Share Plan (2015)	218,750	2 March 2015
	Performance Share Plan (2016)	207,482	21 March 2016
	Performance Share Plan (2017)	218,552	28 March 2017
	Deferred Share Plan (2016)	52,786	21 March 2016
	Deferred Share Plan (2017)	97,414	28 March 2017
	Sharesave Plan (2016)*	11,688	12 October 2016
Christine Palmer	Restricted Share Plan (2016)	89,945	12 May 2016
	Restricted Share Plan (2017)	74,007	28 March 2017
	Deferred Share Plan (2017)	104,350	28 March 2017
	Recruitment Award (2016)	466,179	12 May 2016
	Sharesave Plan (2016)*	7,012	12 October 2016

* The Executive Directors will only be able to exercise their shares under option to the extent of their savings under the Sharesave Plan as at the date of exercise of such options.

5.2.3 the following persons acting in concert with Aldermore had an interest in certain Aldermore relevant securities as follows:

<u>Name</u>	<u>Number of Aldermore relevant securities</u>
AnaCap Financial Partners L.P.	17,979,646
AnaCap Financial Partners II L.P.	23,781,120
AnaCap Derby Co-Investment (No. 1) L.P.	24,318,170
AnaCap Derby Co-Investment (No. 2) L.P.	20,607,052

5.3 General

Save as disclosed in paragraph 5.2, as at the disclosure date:

5.3.1 none of:

- (a) FirstRand Ltd;
- (b) the FirstRand Ltd Directors or their respective members of their immediate families, close relatives or related trusts;

- (c) FirstRand Offeror;
- (d) the FirstRand Offeror Directors or their respective members of their immediate families, close relatives or related trusts; or
- (e) any person acting in concert with FirstRand Ltd or FirstRand Offeror,

had an interest in, a right to subscribe in respect of, or any short position in relation to Aldermore relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery, nor had any of the persons referred to in this paragraph 5.3.1 dealt in any Aldermore relevant securities during the disclosure period;

5.3.2 none of:

- (a) Aldermore;
- (b) the Aldermore Directors or their respective members of their immediate families, close relatives or related trusts; or
- (c) any person acting in concert with Aldermore,

had an interest in, a right to subscribe in respect of, or any short position in relation to Aldermore relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery, nor had any of the persons referred to in this paragraph 5.3.2 dealt in any Aldermore relevant securities from the commencement of the Offer Period up until the disclosure date;

5.3.3 none of:

- (a) Aldermore; or
- (b) the Aldermore Directors or their respective members of their immediate families, close relatives or related trusts,

had an interest in, a right to subscribe in respect of, or any short position in relation to FirstRand relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery, nor had any of the foregoing dealt in any FirstRand relevant securities between the start of the Offer Period and the disclosure date;

5.3.4 save for the irrevocable undertakings described in paragraph 7 of this Part VII of this document, none of Aldermore or any person acting in concert with Aldermore has any arrangement (as defined in paragraph 5.1 above);

5.3.5 save for the irrevocable undertakings described in paragraph 7 of this Part VII of this document, none of FirstRand Ltd, FirstRand Offeror or any person acting in concert with FirstRand Ltd or FirstRand Offeror has any arrangement (as defined in paragraph 5.1 above);

5.3.6 none of Aldermore or any person acting in concert with Aldermore has borrowed or lent any Aldermore relevant securities (including for these purposes any financial collateral arrangements) between the start of the Offer Period and the disclosure date, save for any borrowed shares which have been either on-lent or sold;

5.3.7 none of FirstRand Ltd, FirstRand Offeror or any person acting in concert with FirstRand Ltd or FirstRand Offeror has borrowed or lent any Aldermore relevant securities (including for these purposes any financial collateral arrangements) during the disclosure period, save for any borrowed shares which have been either on-lent or sold;

5.3.8 Aldermore had not redeemed or purchased any relevant Aldermore securities during the disclosure period; and

5.3.9 no agreement, arrangement or understanding (including any compensation arrangement) exists between FirstRand Ltd, FirstRand Offeror or any person acting in concert with them and any of the Aldermore Directors or the recent directors, shareholders or recent shareholders of

Aldermore or any person interested or recently interested in shares of Aldermore having any connection with or dependence upon or which is conditional upon the Transaction.

- 5.4 There is no current agreement, arrangement or understanding whereby the beneficial ownership of any Aldermore Shares to be acquired by FirstRand Offeror pursuant to the Scheme will be transferred to any other person save that, in due course, the shares in FirstRand Offeror or, following completion of the Transaction, the shares in Aldermore, may be transferred to another FirstRand Group company or any nominee. In addition, FirstRand Ltd may nominate any subsidiary of FirstRand Ltd or a nominee to receive the Aldermore Shares under the Scheme.

6 Service contracts and letters of appointment of Aldermore Directors

6.1 Executive Directors

The terms of the current service agreements of Aldermore's executive directors are set out below.

- 6.1.1 The Executive Directors entered into service agreements with Aldermore which came into effect on 13 March 2015 (for Phillip Monks and James Mack) and 30 May 2017 (for Christine Palmer). These service agreements are terminable by either party with no less than 12 months' prior notice. Phillip Monks, James Mack and Christine Palmer are entitled to receive annual salaries of £525,313, £367,719 and £470,000 respectively. Fixed annual rewards in 2017, comprising base salary, market adjusted allowance, pension and other benefits (described in paragraph 6.1.2 below), is expected to total approximately £668,000 for Phillip Monks, £483,000 for James Mack and £613,000 for Christine Palmer. Each of Phillip Monks, James Mack and Christine Palmer is entitled to participate in the discretionary performance-related bonus scheme, the maximum outturn being 125 per cent. of base salary for Phillip Monks and James Mack and 90 per cent. of base salary for Christine Palmer.

6.1.2 General terms

In line with the pension contributions made to staff generally, each of the Executive Directors is paid an amount equal to 8 per cent. of annual salary (less employers' National Insurance contributions) as a non-pensionable cash supplement.

Each of the Executive Directors receives a market adjusted allowance of 20 per cent. of base salary.

They also receive taxable benefits including private medical insurance (family cover), critical illness insurance and an annual car allowance of £12,000 for Phillip Monks and £10,000 for each of James Mack and Christine Palmer. All are eligible to receive 90 days' full pay in the event of sickness absence in any 12-month period.

The Executive Directors are entitled to be reimbursed for all reasonable expenses properly incurred in the course of their duties. They are also entitled to 25 days' paid holiday per annum (in addition to public and bank holidays in England and Wales).

6.1.3 Termination provisions

Aldermore can elect to terminate an Executive Director's employment with immediate effect by making a payment in lieu of notice equivalent to their base salary for the amount of any unexpired notice period. Any payments in lieu of notice will normally be paid in instalments and will be subject to mitigation. Alternatively, Aldermore may put the Executive Director on garden leave during their notice period for a maximum period of six months. The service agreements limit redundancy entitlement to that provided by statute.

The employment of each Executive Director will be terminable with immediate effect without notice in certain circumstances, including where the Executive Director commits any serious or persistent breach or non-observance of the terms and conditions of their service agreement; for any breach or non-observance of the rules or regulations of the UK Listing Authority or relating to dealings in securities of Aldermore; is guilty of gross misconduct or gross negligence in connection with or affecting their employment; is guilty of conduct which brings them or the Aldermore Group into disrepute; is convicted of any criminal offence (other than a road traffic offence for which a non-custodial penalty is imposed); is prohibited by law from acting as a

director; ceases to be registered with any relevant regulatory body; or commits any breach of the Senior Manager Conduct Rules.

The service agreements of the Executive Directors also contain post-termination restrictions. These include restrictions on competition with the Aldermore Group for 12 months and restrictions on the solicitation of employees and customers of the Aldermore Group for a period of 12 months.

6.1.4 Christine Palmer – Previous Service Agreement

Prior to entry into her current service agreement on 30 May 2017, Christine Palmer's service agreement dated 19 November 2015 was on the same terms set out above, save for the following entitlements:

- (a) base salary of £410,000;
- (b) participation in the discretionary performance-related bonus scheme, the maximum outturn being 100 per cent. of base salary; and
- (c) market adjusted allowance of 35% of base salary.

6.2 The Interim Chairman and the Aldermore Non-Executive Directors

The terms of the letters appointing Aldermore's Non-Executive Directors are set out below.

6.2.1 The Interim Chairman and the Non-Executive Directors do not have service contracts but instead have letters of appointment and are subject to annual re-election by Aldermore's shareholders in accordance with the UK Corporate Governance Code. Particulars of the letters of appointment are set out below.

<u>Non-Executive Director</u>	<u>Effective date of appointment</u>	<u>Unexpired term (approx.)⁽¹⁾</u>	<u>Notice period from Aldermore</u>	<u>Notice period from Director</u>	<u>Annual fee(s)</u>
Danuta Gray . . .	29 September 2014	5 years 11 months	3 months	3 months	£180,000
John Hitchins . . .	28 May 2014	5 years 7 months	3 months	3 months	£ 90,000
Peter Shaw	4 September 2014	5 years 10 months	3 months	3 months	£ 95,000
Chris Stamper . . .	6 February 2014	4 years 7 months ⁽²⁾	3 months	3 months	£ 95,000 ⁽³⁾
Cathy Turner . . .	28 May 2014	5 years 7 months	3 months	3 months	£ 85,000
Chris Patrick . . .	21 November 2016	8 years 1 month	3 months	3 months	£ 70,000

(1) As the Articles and letters of appointment do not include a term of appointment for each Non-Executive Director, the unexpired term is based on a nine-year term in line with the UK Corporate Governance Code.

(2) This is based on Chris Stamper's appointment to the board of Aldermore Bank PLC on 29 May 2013.

(3) Chris Stamper's annual fees were increased by £20,000 to reflect additional duties in connection with him acting as a director of AFS Group Holdings Ltd on behalf of the Aldermore Group, effective 28 September 2017.

6.3 Save as set out in paragraphs 6.1 and 6.2:

- 6.3.1 no Aldermore Director is entitled to commission or profit sharing arrangements;
- 6.3.2 other than statutory compensation and payment in lieu of notice, no compensation is payable by Aldermore to any Aldermore Director upon early termination of their appointment; and
- 6.3.3 no service agreement or letter of appointment of any Aldermore Director was entered into or amended in the six month period prior to the date of this document.

7 Irrevocable undertakings

The following shareholders have given irrevocable undertakings (paragraphs 7.1 and 7.2) to vote (or procure the vote) in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting and, if FirstRand Offeror exercises its right to implement the Transaction by way of a Takeover Offer, to accept or procure acceptance of such offer in relation to the following Aldermore Shares:

7.1 Director shareholder irrevocable undertakings

<u>Name</u>	<u>Number of Aldermore Shares</u>	<u>Percentage of issued ordinary share capital of Aldermore (excluding shares under option)</u>
John Hitchins	20,000	0.00580%
Phillip Monks	3,462,693	1.00391%
James Mack	325,603	0.09440%
Cathy Turner	42,336	0.01227%
Chris Stamper	9,500	0.00275%
Christine Palmer	—	—

The obligations of the Aldermore Directors under the irrevocable undertakings shall lapse and cease to have effect on and from the earlier of the following occurrences:

- 7.1.1 this document is not sent to Aldermore Shareholders within 28 days (or such longer period as the Panel may agree) after the date of the Announcement;
- 7.1.2 FirstRand Offeror announces before this document or Takeover Offer document (as applicable) is published that it does not intend to proceed with the Transaction and no new, revised or replacement Scheme or Takeover Offer is announced by FirstRand Offeror; and
- 7.1.3 the Scheme lapses or is withdrawn without becoming wholly unconditional, provided that this shall not apply: (i) where the Scheme is withdrawn or lapses as a result of FirstRand Offeror exercising its right to implement the Transaction by way of a Takeover Offer rather than by way of a Scheme; or (ii) of a new, revised or replacement scheme of arrangement or takeover offer is or has been announced within 10 business days after any such lapse or withdrawal.

These irrevocable undertakings remain binding in the event of a competing offer.

7.2 Non-director shareholder irrevocable undertakings

<u>Name</u>	<u>Number of Aldermore Shares</u>	<u>Percentage of issued ordinary share capital of Aldermore (excluding shares under option)</u>
AnaCap Financial Partners L.P.	17,979,646	5.213%
AnaCap Financial Partners II L.P.	23,781,120	6.895%
AnaCap Derby Co-Investment (No. 1) L.P.	24,318,170	7.050%
AnaCap Derby Co-Investment (No. 2) L.P.	20,607,052	5.974%

Each of the above Aldermore Shareholders shall not sell, transfer, encumber or otherwise dispose of, or grant any option or other right over, any of its Aldermore Shares or any interest in them except pursuant to the Scheme.

The obligations of the above Aldermore Shareholders under the irrevocable undertakings shall lapse and cease to have effect on and from the earlier of the following occurrences:

- 7.2.1 this document is not sent to Aldermore Shareholders within 28 days (or such longer period as the Panel may agree) after the date of the Announcement;
- 7.2.2 the Scheme lapses or is withdrawn without becoming wholly unconditional, provided that this shall not apply where the Scheme is withdrawn or lapses as a result of FirstRand Offeror exercising its right to implement the Transaction by way of a Takeover Offer rather than by way of a Scheme, provided that such Takeover Offer is on no less favourable terms (including as to price and form of consideration); and
- 7.2.3 the Transaction has not become unconditional and effective by 30 April 2018.

These irrevocable undertakings remain binding in the event of a competing offer.

8 Material contracts

8.1 Material contracts of Aldermore, FirstRand Offeror and FirstRand Ltd

8.1.1 Confidentiality Agreement

Aldermore and FirstRand Ltd have entered into the Confidentiality Agreement effective from 29 September 2017 pursuant to which each of Aldermore and FirstRand Ltd has undertaken to keep confidential information relating to the other party and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation. These confidentiality obligations will remain in force until completion of the Transaction.

8.1.2 Cooperation Agreement

On 6 November 2017, FirstRand Offeror and Aldermore entered into the Cooperation Agreement, under which FirstRand Offeror and Aldermore have agreed to cooperate and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made for the process of obtaining regulatory approvals and clearances required to implement the Transaction. FirstRand Offeror has also agreed to provide Aldermore with reasonable information, assistance and access for the preparation of the key shareholder documentation.

The Cooperation Agreement records the intention of FirstRand Offeror and Aldermore to implement the Transaction pursuant to the Scheme. However, FirstRand Offeror may, subject to the consent of the Panel, elect to implement the Transaction by way of a Takeover Offer if:

- Aldermore provides its consent;
- a third party announces an independent competing transaction (including a possible or firm intention to make an offer for the entire issued share capital of Aldermore) that is recommended by the Aldermore Directors; or
- the Aldermore Directors: (i) do not include a unanimous and unconditional recommendation of the Scheme in the Scheme Document; or (ii) withdraw, qualify or adversely modify their recommendation of the Scheme or intention to recommend the Scheme.

The Cooperation Agreement also contains provisions that apply in respect of the Aldermore Share Plans and certain other arrangements for the benefit of Aldermore's employees and the Aldermore Directors.

The Cooperation Agreement will terminate:

- if agreed in writing between FirstRand Offeror and Aldermore;
- upon service of written notice by FirstRand Offeror to Aldermore, if: (i) any Condition which has not been waived is (or has become) incapable of satisfaction by the Long Stop Date; (ii) the Court refuses to sanction the Scheme; (iii) (unless otherwise agreed by FirstRand Offeror and Aldermore) the Transaction is not implemented by the Long Stop Date; (iv) the Scheme Document or Takeover Offer document (as the case may be) does not contain a unanimous and unconditional recommendation of the Scheme or the Takeover Offer (as applicable); or (v) prior to the publication of the Scheme Document or Takeover Offer document, Aldermore makes an announcement that: (a) the Aldermore Directors no longer intend to unanimously and unconditionally recommend the Scheme or the Takeover Offer (as applicable); (b) it will not convene the Court Meeting or the General Meeting; (c) it does not intend to publish the Scheme Document; or (d) it recommends or intends to recommend an independent competing transaction;
- upon service of written notice by FirstRand Offeror or Aldermore on the other if the resolutions proposed at either or both the Court Meeting or the General Meeting are not passed;
- if the Scheme or Takeover Offer (as applicable) is withdrawn or lapses prior to the Long Stop Date other than where such lapse or withdrawal: (i) is as a result of FirstRand Offeror's election to implement the Transaction by way of a Takeover Offer; or (ii) it is otherwise followed within 5 Business Days by an announcement under Rule 2.7 of the Code made by FirstRand Offeror or a person acting in concert with it to implement the Transaction by a different offer or scheme on substantially the same or improved terms;

- an independent competing transaction becomes effective, or becomes or is declared unconditional in all respects or is completed; or
- on the date upon which: (i) the Scheme becomes effective; or (ii) the Takeover Offer becomes or is declared unconditional in all respects.

8.2 Material contracts of Aldermore

Save as disclosed below and in paragraph 8.1 of this Part VII, no member of the Aldermore Group has, during the period beginning on 13 October 2015 (being the date two years before the commencement of the Offer Period) and ending on 10 November 2017 (being the latest practicable date before the date of this document), entered into any material contract otherwise than in the ordinary course of business.

8.2.1 Relationship Agreement

On 10 March 2015, the Principal Shareholders and Aldermore entered into a Relationship Agreement. The principal purpose of the Relationship Agreement is to ensure that Aldermore is capable of carrying out its business independently of the Principal Shareholders and their associates (the “**Principal Shareholders Group**”).

Under the Relationship Agreement, the Principal Shareholders agree to ensure that:

- all transactions and arrangements between a member of the Principal Shareholders Group and Aldermore or any member of the Aldermore Group are conducted at arm’s length and on normal commercial terms;
- no member of the Principal Shareholders Group shall take any action that would have the effect of preventing Aldermore from complying with its obligations under the Listing Rules;
- no member of the Principal Shareholders Group shall propose or procure the proposal of a shareholder resolution of the shareholders of Aldermore which is intended or appears to be intended to circumvent the proper application of the Listing Rules;
- no member of the Principal Shareholders Group shall take any action that would have the effect of: (i) preventing the Aldermore Group from carrying out its business independently of the Principal Shareholders Group and for the benefit of its shareholders as a whole; or (ii) prejudice the listing of Aldermore on the Official List;
- no member of the Principal Shareholders Group shall exercise any of its voting or other rights and powers to procure any amendment to the Articles which would be inconsistent with, undermine or breach any of the provisions of the Relationship Agreement;
- each member of the Principal Shareholders Group shall abstain from voting on, and procure that any Aldermore Director appointed by it shall abstain from voting on, any resolution to approve a related party transaction involving any member of the Principal Shareholders Group as the related party; and
- in order to ensure compliance, on the part of some of its limited partners, with the US Bank Holding Company Act 1956, AnaCap Derby Co-investment (No.1) L.P. has agreed for so long as it holds in excess of 4.99 per cent. of the ordinary share capital of Aldermore, that save in limited circumstances, it shall not exercise any voting rights with respect to any Aldermore Shares beneficially owned, directly or indirectly, by it.

The Relationship Agreement entitles the Principal Shareholders, for such time as they have an interest of 20 per cent. or more of the issued ordinary share capital of Aldermore (or an entitlement to exercise 20 per cent. or more of the aggregate voting rights in Aldermore), to appoint two Non-Executive Directors to the Aldermore Board. For such time as the Principal Shareholders have an interest of less than 20 per cent. but 10 per cent. or more of the issued ordinary share capital of Aldermore (or an interest which carries less than 20 per cent. but 10 per cent. or more of the aggregate voting rights in Aldermore), the Principal Shareholders shall be entitled to appoint one Non-Executive Director to the Aldermore Board. In addition, for such time as the Principal Shareholders have an interest of 10 per cent. or more of the issued ordinary share capital of Aldermore (or an interest which carries 10 per cent. or more of the voting rights in Aldermore), the Principal Shareholders shall have the right to appoint one Non-Executive Director to each of the nomination and corporate governance committee and risk committee of the Aldermore Board.

The Relationship Agreement allows, subject to certain exceptions and applicable law and regulation, the Principal Shareholders to participate in any offer or allotment of ordinary shares (or a right to convert any equity securities into ordinary shares) for cash (“**Cash Issue**”) or for shares of an entity the assets of which comprise substantially cash (a “**Cash Box Issue**”) to such an extent so as to maintain the Principal Shareholders’ shareholding in Aldermore at the same shareholding percentage that existed immediately before the Cash Issue or Cash Box Issue.

The Relationship Agreement will terminate if the Aldermore Shares cease to be listed on the premium listing segment of the Official List and traded on the London Stock Exchange or when the Principal Shareholders cease to retain, in aggregate, an interest of 10 per cent. or more of the issued ordinary share capital of Aldermore (or an interest which carries 10 per cent. or more of the aggregate voting rights in Aldermore from time to time).

8.3 Material contracts of FirstRand Group

Save as disclosed below and in paragraph 8.1 of this Part VII, no member of the FirstRand Group has, during the period beginning on 13 October 2015 (being the date two years before the commencement of the Offer Period) and ending on 10 November 2017 (being the latest practicable date prior to the publication of this document), entered into any material contract otherwise than in the ordinary course of business.

8.3.1 Intra-Group Loan Agreement

Under the Intra-Group Loan Agreement, FirstRand Bank Limited has agreed to provide FirstRand Offeror with a loan facility of an aggregate principal amount of up to £1,300,000,000 (or such higher amount as may be agreed by the parties from time to time). Interest shall accrue on the amount outstanding under the Intra-Group Loan Agreement from day to day at LIBOR (or such other rate as may be agreed between the parties from time to time). Amounts outstanding under the Intra-Group Loan Agreement shall be repaid on FirstRand Bank Limited’s demand, which may only be served after the earlier of: (i) the date falling 364 days after the date of announcement of the Scheme or, if later, the long stop date for the Scheme; (ii) the date on which the Scheme or Offer lapses, fails or is withdrawn; (iii) the date 14 days following the date on which the Scheme becomes Effective; (iv) the date 14 days following the later of the date on which the Offer is duly closed for further acceptances and (where applicable) the date of completion of the compulsory acquisition procedure under Part 28, Chapter 3 of the Act; and (v) the date on which the principal amount under the Intra-Group Loan Agreement has been advanced in full. The Intra-Group Loan Agreement contains customary events of default for a facility of this nature.

9 Significant change

There have been no significant changes in the financial or trading position of Aldermore since 30 September 2017, being the date of Aldermore’s last interim financial results, as set out in the interim results of the Aldermore Group for the nine months ended 30 September 2017 (available from the Aldermore Group’s website at <https://www.investors.aldermore.co.uk>).

10 Sources and bases of information

10.1 Unless otherwise stated, the financial information on FirstRand Ltd contained in this document is extracted without any adjustment from the audited consolidated financial statements of FirstRand Ltd for the relevant years or from the unaudited interim consolidated financial statements of FirstRand Ltd for the relevant periods, prepared in accordance with IFRS.

10.2 Unless otherwise stated, the financial information on Aldermore contained in this document is extracted from the Q3 2017 Interim Management Statement, the audited consolidated financial statements of Aldermore for the relevant years or from the unaudited interim consolidated financial statements of Aldermore for the relevant half years, prepared in accordance with IFRS (without any adjustment to the consolidated financial statements).

10.3 As at the close of business on 10 November 2017 (being the latest practicable date prior to the publication of this document) there were 344,921,017 Aldermore Shares in issue. The International Securities Identification Number for Aldermore Shares is GB00BQQMCJ47.

10.4 Any references to the issued and to be issued share capital of Aldermore are based on:

- 10.4.1 the 344,921,017 Aldermore Shares referred to in paragraph 10.3 above; and
- 10.4.2 4,326,313 Aldermore Shares expected to be issued on or after the date of this document to satisfy the exercise of options or vesting of awards pursuant to the Aldermore Share Plans and the proposals set out in paragraph 20 of Part II of this document,

in each case as at 10 November 2017 (being the latest practicable date prior to the publication of this document) but exclude the Aldermore Shares that would be issued on the conversion of the AT1 Securities into Aldermore Shares following a Trigger Event occurring.

10.5 All prices for Aldermore Shares are the Closing Price for the relevant date.

10.6 The value of the Transaction based on the offer price of 313 pence per Aldermore Share is calculated on the basis of the issued and to be issued share capital of Aldermore (as set out in paragraph 10.4 above).

11 General

11.1 Credit Suisse International has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

11.2 Rand Merchant Bank has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

11.3 J.P. Morgan Cazenove has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

11.4 RBC Capital Markets has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

11.5 Lazard & Co., Limited has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.

11.6 There are no agreements of the kind referred to in Note 11 on the definition of acting in concert in the Code which exist between FirstRand Offeror, FirstRand Ltd or any person acting in concert with FirstRand Offeror and/or FirstRand Ltd, and any other person.

11.7 There are no agreements of the kind referred to in Note 11 on the definition of acting in concert in the Code which exist between Aldermore, or any person acting in concert with Aldermore, and any other person in respect of Aldermore relevant securities (as defined in paragraph 5 above).

11.8 Settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which FirstRand Offeror or FirstRand Ltd may otherwise be, or claim to be, entitled against any such Scheme Shareholder.

12 Persons acting in concert

12.1 The persons who, for the purposes of the Code, are acting in concert with Aldermore in addition to the Aldermore Directors and members of the Aldermore Group are:

12.1.1 J.P. Morgan Cazenove of 25 Bank Street, Canary Wharf, London E14 5JP (connected adviser), RBC Capital Markets of Riverbank House, 2 Swan Lane, London EC4R 3BF (connected adviser) and Lazard & Co., Limited of 50 Stratton Street, London W1J 8LL (connected adviser); and

12.1.2 pursuant to presumption 1 of the definition of “acting in concert” as set out in the Code, AnaCap Financial Partners L.P., AnaCap Financial Partners II L.P., AnaCap Derby Co-Investment (No. 1) L.P. and AnaCap Derby Co-Investment (No. 2) L.P.

12.2 The persons who, for the purposes of the Code, are acting in concert with FirstRand Ltd in addition to FirstRand Offeror, the FirstRand Ltd Directors and the FirstRand Offeror Directors and members of the FirstRand Group are:

12.2.1 Credit Suisse International of One Cabot Square, London E14 4QJ and Rand Merchant Bank, a division of FirstRand Bank Limited, of 4 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196 South Africa (connected advisers);

- 12.2.2 pursuant to presumption 1 of the definition of “acting in concert” as set out in the Code, RMB Holdings Limited of 3rd Floor, 4 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa; and
- 12.2.3 pursuant to its relationship with RMB Holdings Limited, Remgro Limited of Millennia Park, 16 Steelentia Avenue, Stellenbosch, 7600, South Africa and its associated companies.

13 Fees and expenses

13.1 The estimated aggregate fees and expenses expected to be incurred by Aldermore in connection with the Transaction amount to £16.45 million (excluding any applicable VAT), which includes fees and expenses expected to be incurred in relation to the following:

- 13.1.1 £14 million for financial and corporate broking advice;
- 13.1.2 £2 million for legal advice;
- 13.1.3 nil for accounting advice;
- 13.1.4 £250,000 for public relations advice; and
- 13.1.5 £200,000 for other costs and expenses.

Note: Fees for legal advice are charged by reference to hourly or daily rates. Amounts included in 13.1.2 above for legal advice reflect time incurred up to the latest practicable date prior to the publication of this document and an estimate of further time required.

13.2 The estimated aggregate fees and expenses expected to be incurred by FirstRand Ltd and FirstRand Offeror in connection with the Transaction amount to £11.8 million (excluding any applicable VAT), which includes fees and expenses expected to be incurred in relation to the following:

- 13.2.1 nil for financing arrangements;
- 13.2.2 £10 million for financial and corporate broking advice;
- 13.2.3 £1.5 million for legal advice;
- 13.2.4 nil for accounting advice;
- 13.2.5 £100,000 for public relations advice; and
- 13.2.6 £200,000 for other costs and expenses.

Note: Fees for legal advice are charged by reference to hourly or daily rates. Amounts included in 13.2.2 above for legal advice reflect time incurred up to the latest practicable date prior to the publication of this document and an estimate of further time required.

14 Documents available for inspection

Copies of the following documents will be made available for viewing on Aldermore’s website at <https://www.investors.aldermore.co.uk> and on the FirstRand Group’s website at <https://www.firstrand.co.za> until the Effective Date:

- 14.1** the Aldermore Articles;
- 14.2** a draft of the articles of association of Aldermore as proposed to be amended by the Special Resolution set out in the Notice of the General Meeting set out at Part XI of this document;
- 14.3** the audited accounts for the Aldermore Group for the financial year ended 31 December 2016 (set out on pages 140 to 204 (both inclusive) in the 2016 Annual Report);
- 14.4** the audited accounts of the Aldermore Group for the financial year ended 31 December 2015 (set out on pages 131 to 186 (both inclusive) in the 2015 Annual Report);
- 14.5** the interim results of the Aldermore Group for the six months ended 30 June 2017;
- 14.6** the Q3 2017 Interim Management Statement;
- 14.7** FirstRand Ltd’s memorandum of incorporation, as amended;
- 14.8** the memorandum of incorporation and articles of incorporation of FirstRand Offeror, as amended;

- 14.9** the audited accounts of the FirstRand Group for the financial year ended 30 June 2017 (as set out on pages 159 to 204 (both inclusive) in the 2017 Annual Report);
- 14.10** the audited accounts of the FirstRand Group for the financial year ended 30 June 2016 (as set out on pages 163 to 209 (both inclusive) in the 2016 Annual Report);
- 14.11** the material contracts referred to in paragraph 8 of this Part VII which have been entered into in connection with the Transaction;
- 14.12** the Intra-Group Loan Agreement;
- 14.13** this document and the Forms of Proxy;
- 14.14** the irrevocable undertakings referred to in paragraph 7 of this Part VII; and
- 14.15** the written consents referred to in paragraph 11 of this Part VII.

15 Information incorporated by reference

Your attention is drawn to the following documents (or parts thereof) that are incorporated by reference into this document and which in accordance with Rule 24.15 of the Code have been published on <https://www.investors.aldermore.co.uk> or <https://www.firstrand.co.za>, as the case may be:

<u>Information incorporated by reference</u>	<u>Document reference</u>	<u>Page number(s) in such document</u>
Aldermore		
Audited consolidated accounts for the year ended 31 December 2016	Annual Report and Accounts 2016	Pages 140 to 204
Audited consolidated accounts for the year ended 31 December 2015	Annual Report and Accounts 2015	Pages 131 to 186
Interim results for the six months ended 30 June 2017	Aldermore Group PLC—Half Year Results 2017—Press Release	
FirstRand Group		
Audited consolidated accounts for the year ended 30 June 2017	FirstRand Ltd 2017 Annual Report	Pages 159 to 204
Audited consolidated accounts for the year ended 30 June 2016	FirstRand Ltd 2016 Annual Report	Pages 163 to 209
Interim results for the six months ended 31 December 2016	FirstRand Ltd 2016 Interim Results SENS Announcement	

PART VIII
PRO FORMA FINANCIAL EFFECTS ON FIRSTRAND GROUP

1 Pro forma financial effects

The pro forma financial effects set out below have been prepared for illustrative purposes only to show the financial effects of completion of the Transaction on the consolidated financial results for the financial year to and position of FirstRand Ltd as at 30 June 2017. Due to its nature, the pro forma financial information may not fairly present FirstRand Ltd's financial position, changes in equity and results of operations or cash flows after completion of the Transaction. The pro forma financial information is not a profit forecast or a quantified financial benefits statement and has not been reported on under Rule 28 of the Takeover Code.

The sources of information and bases for calculation of the pro forma financial effects set out below are contained in paragraph 2 below.

<u>Pro forma financial effects</u>	<u>As reported</u>	<u>Impact of acquisition</u>	<u>Pro forma post acquisition</u>
Normalised earnings (ZAR'm)	24 471	334	24 805
Normalised earnings per share (ZAR)	4.36	0.06	4.42
Normalised net asset value (ZAR'm)	108 884	-805	108 079
Normalised tangible net asset value (ZAR'm)	107 198	-9 358	97 840
CET1 Ratio	14.3%	-2.6%	11.7%

2 Bases of calculation

Information used in the calculation of the pro forma financial effects set out in paragraph 1 above has been based on audited information obtained from: the FirstRand Ltd annual report for the financial year ended 30 June 2017, the FirstRand Ltd annual report for the financial year ended 30 June 2016, the Aldermore half year results for the six months ended 30 June 2016, the Aldermore annual report for the financial year ended 31 December 2016 and the Aldermore half year results for the six months ended 30 June 2017. Other than where indicated as "normalised", information has been presented in terms of the IFRS accounting framework.

A detailed description of the difference between normalised and IFRS results utilised in the pro forma financial effects is provided on pages 95 and 96, and detailed reconciliations of normalised to IFRS results are provided on pages 106 to 112, of FirstRand Ltd's Analysis of Financial Results for the year ended 30 June 2017 booklet, a copy of which is available at <https://www.firstrand.co.za>.

The assumptions underlying the pro forma financial effects were as follows:

- for the purpose of calculating normalised earnings and normalised earnings per share the Transaction completed on 1 July 2016;
- for the purpose of calculating net asset value, net asset value per share, tangible net asset value and net tangible asset value per share, the Transaction completed on 30 June 2017;
- foreign currency exchange rates have been based on a closing rate of GBP17.00 per ZAR on 30 June 2017 and an average rate for the financial year ended on 30 June 2017 of GBP17.21 per ZAR;
- an internal resource opportunity cost of an effective 7 per. cent per annum, less taxation at 28 per. cent, has been taken into account in calculating the pro forma financial effects. This rate is based on the average South African repo rate for the 12 months to 30 June 2017;
- stamp duty, regulatory fees and other transaction-related expenses of ZAR599 million have been taken into account in calculating the pro forma financial effects;
- fair value adjustments that will be required in terms of IFRS 3 will not be material; and
- Aldermore's net asset value was £605 million at 30 June 2017, tangible net asset value £577 million and its earnings for the 12 month period on that date was £109 million.

**PART IX
DEFINITIONS**

The following definitions apply throughout this document, unless otherwise stated:

£ or Sterling or pounds sterling or pence	the lawful currency of the United Kingdom
Aldermore	Aldermore Group PLC, incorporated in England and Wales with registered number 06764335
Aldermore Board or Board	the board of directors of Aldermore
Aldermore AT1 Group	Aldermore and each entity which is part of the UK prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements (as defined in the terms and conditions of the AT1 Securities)) of which Aldermore is a part from time to time
Aldermore Directors	the directors of Aldermore, whose names appear in paragraph 2.1 of Part VII of this document
Aldermore Group	Aldermore, its subsidiaries and subsidiary undertakings from time to time
Aldermore Meetings	the General Meeting and the Court Meeting
Aldermore Shareholders	holders of Aldermore Shares
Aldermore Share Plans	the Aldermore Deferred Share Plan, the Aldermore Performance Share Plan (including any 'Pre-IPO Awards' as defined in that plan), the Aldermore Restricted Share Plan, the Aldermore Sharesave Plan and the Aldermore Share Incentive Plan and a buy-out award granted in May 2016 on the terms of the Aldermore Restricted Share Plan
Aldermore Shares	the ordinary shares of 10 pence each in the capital of Aldermore
Announcement	the joint announcement made by Aldermore and FirstRand Offeror dated 6 November 2017 in relation to the Transaction made pursuant to Rule 2.7 of the Code
Articles or Aldermore Articles	the articles of association of Aldermore
AT1 Securities	the £75 million in aggregate principal amount of Fixed Rate Reset Additional Tier 1 Perpetual Subordinated Contingent Convertible Securities issued by Aldermore in December 2014 and listed on the Irish Stock Exchange
Blue Form of Proxy	the blue form of proxy for use by Aldermore Shareholders in relation to the Court Meeting
Business Day or business day	a day (other than a Saturday, Sunday or a public holiday) on which banks are open for business in London
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST)
CET1 Ratio	as at any date, the ratio of common equity tier 1 capital of the Aldermore AT1 Group as at such date to the risk weighted assets of the Aldermore AT1 Group as at the same date, expressed as a percentage and determined in accordance with the terms and conditions of the AT1 Securities
Closing Price	the middle market price of an Aldermore Share at the close of business on the day to which such price relates, as derived from the Daily Official List of the London Stock Exchange for that day or from Bloomberg in the case of the average Closing Price for the three and six month period ended on 12 October 2017

CMA Phase 2 Reference	a reference of the Transaction to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
Code	the City Code on Takeovers and Mergers published by the Panel
Combined Group	the enlarged FirstRand Group following completion of the Transaction comprising the FirstRand Group and the Aldermore Group
Companies Act or the Act	the Companies Act 2006, as amended from time to time
Competition and Markets Authority	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013
Conditions	the conditions to the implementation of the Transaction (including the Scheme) as set out in Part IV of this document
Confidentiality Agreement	the confidentiality agreement entered into by Aldermore and FirstRand Ltd which is effective from 29 September 2017, as described in paragraph 8.1 of Part VII of this document
Consideration	the consideration payable to Aldermore Shareholders in cash in connection with the Transaction
Cooperation Agreement	the agreement dated on or around the date of the Announcement between FirstRand Offeror and Aldermore and relating, among other things, to the implementation of the Transaction, as described in paragraph 8.1 of Part VII of this document
Court	the High Court of Justice in England and Wales
Court Hearing	the hearing by the Court to sanction the Scheme, to be held on a date to be agreed between FirstRand Offeror and Aldermore but which is expected to be no later than 14 days after the satisfaction of Conditions 3.2 and 3.3
Court Meeting	the meeting of the Aldermore Shareholders convened by order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part X of this document, for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof
Credit Suisse International	Credit Suisse International, a company incorporated in England and Wales with registered number 2500199
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulation)
CREST Manual	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms)
CREST Proxy Instruction	has the meaning given to it on page 8 of this document
Daily Official List	the daily official list of the London Stock Exchange
Dealing Disclosure	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
Disclosure and Transparency Rules	the disclosure rules and transparency rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time
Effective	in the context of the Transaction:

- (a) if the Transaction is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or
- (b) if the Transaction is implemented by way of a Takeover Offer, such Takeover Offer having been declared and become unconditional in all respects in accordance with the requirements of the Code

Effective Date or Completion	the date upon which the Scheme becomes Effective in accordance with its terms or, if FirstRand Offeror elects, and the Panel consents, to implement the Transaction by way of the Offer, the date on which the Offer is declared or becomes unconditional in all respects in accordance with the requirements of the Code
Euroclear	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 2878738
Excluded Shares	any Aldermore Shares: <ul style="list-style-type: none"> (a) registered in the name of, or beneficially owned by, FirstRand Offeror or any member of the FirstRand Group; or (b) held by Aldermore in treasury, in each case at the Scheme Record Time
Executive Directors	the executive directors of Aldermore, being Phillip Monks, James Mack and Christine Palmer
Fairly Disclosed	the information fairly disclosed by or on behalf of Aldermore in: <ul style="list-style-type: none"> (a) the Aldermore annual report and accounts in respect of the financial year ended 31 December 2016; (b) the Aldermore interim results for the six months ended on 30 June 2017; (c) any documents delivered to FirstRand Ltd or to any of FirstRand Ltd's professional advisers engaged in connection with the Transaction prior to the date of the Announcement; or (d) any public announcement by Aldermore to a Regulatory Information Service prior the date of the Announcement
FCA	the UK Financial Conduct Authority
FirstRand Ltd Directors	the current directors of FirstRand Ltd, whose names appear in paragraph 2.3 of Part VII of this document
FirstRand Offeror	FirstRand International Limited, a company incorporated in Guernsey with company number 17166
FirstRand Offeror Directors	the current directors of FirstRand Offeror, whose names appear in paragraph 2.6 of Part VII of this document
FirstRand Group	FirstRand Ltd, FirstRand Offeror, their Subsidiaries and Subsidiary Undertakings
FirstRand Ltd	FirstRand Limited, a public company incorporated in the Republic of South Africa with registered number 1966/010753/06
FirstRand Shares	the ordinary shares of Rand 0.01 each in the capital of FirstRand Ltd
FirstRand Shareholders	holders of FirstRand Shares
Forms of Proxy	the Blue Form of Proxy and the White Form of Proxy
FSMA	the Financial Services and Markets Act 2000, as amended from time to time

General Meeting	the general meeting of Aldermore Shareholders to be convened to consider and if thought fit pass, inter alia, a special resolution in relation to the Scheme and the Transaction, including any adjournment thereof
HMRC	HM Revenue & Customs
Intra-Group Loan Agreement	the loan facility agreement dated 5 November 2017 between FirstRand Offeror as borrower, and FirstRand Bank Limited as lender
IPO	Aldermore’s initial public offering in March 2015
J.P. Morgan Cazenove	J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove) of 25 Bank Street, Canary Wharf, London E14 5JP
Lazard	Lazard & Co., Limited of 50 Stratton Street, London W1J 8LL
LIBOR	the London Interbank Offered Rate
Listing Rules	the rules and regulations made by the UK Listing Authority under Part VI of FSMA and contained in the UK Listing Authority’s publication of the same name (as amended from time to time)
London Stock Exchange	London Stock Exchange plc
Long Stop Date	30 April 2018 or such later date as may be agreed in writing by Aldermore and FirstRand Offeror (with the Panel’s consent)
Net Tangible Book Value	the total equity value excluding the values of intangible assets and AT1 Securities
Non-Executive Directors	the non-executive directors of Aldermore
Offer	should the Transaction be implemented by way of a Takeover Offer, the recommended offer to be made by or on behalf of FirstRand Offeror to acquire the entire issued and to be issued ordinary share capital of Aldermore and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
Offer Period	the offer period commencing (as defined by the Code) relating to Aldermore, which commenced on 12 October 2017
Official List	the official list of the UK Listing Authority
Opening Position Disclosure	an announcement pursuant to Rule 8 of the Code containing details of certain persons’ interests in relevant securities of a party to an offer
Overseas Shareholders	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
Panel	the UK Panel on Takeovers and Mergers
PRA	the UK Prudential Regulation Authority or its successor from time to time
Principal Shareholders	together, AnaCap Financial Partners L.P., AnaCap Financial Partners II, L.P., AnaCap Derby Co-Investment (No. 1) L.P. and AnaCap Derby Co-Investment (No. 2) L.P.
Q3 2017 Interim Management Statement	the interim management statement released by Aldermore on the date of the Announcement
RBC Capital Markets	RBC Europe Limited (trading as RBC Capital Markets) of Riverbank House, 2 Swan Lane, London EC4R 3BF
Relationship Agreement	the relationship agreement between Aldermore and the Principal Shareholders dated 10 March 2015
Registrars, Equiniti or Aldermore’s Registrars	Equiniti Limited, the registrars of Aldermore

Registrar of Companies . . .	the Registrar of Companies in England and Wales
Regulation	the Council Regulation (EC) 139/2004 (as amended)
Regulatory Information Service	any information service authorised from time to time by the FCA for the purposes of disseminating regulatory announcements
Restricted Jurisdiction . . .	any jurisdiction where the making of the offer pursuant to the Transaction would constitute a violation of the relevant laws and regulations of such jurisdiction
Restricted Shareholders . . .	any Aldermore Shareholder who holds his Aldermore Shares in certificated form (that is, not in CREST) and who has a registered address in a Restricted Jurisdiction
Scheme	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Aldermore and the Aldermore Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Aldermore, FirstRand Ltd and FirstRand Offeror, set out in Part III of this document
Scheme Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006
Scheme Record Time	6:00 p.m. on the Business Day immediately after the date of the Court Hearing
Scheme Shareholders	holders of Scheme Shares
Scheme Shares	Aldermore Shares: <ul style="list-style-type: none"> (a) in issue as at the date of this document; (b) (if any) issued after the date of this document and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time and on or before the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by the Scheme, and in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares
Significant Interest	a direct or indirect interest in 10 per cent. or more of the equity share capital (as defined in the Companies Act 2006)
SME	small and medium size enterprises
Special Resolution	the special resolution to be proposed by Aldermore at the General Meeting in connection with, among other things, the approval of the Scheme the alteration of the Aldermore Articles and such other matters as may be necessary to implement the Scheme and the delisting of the Aldermore Shares
Subsidiary and Subsidiary Undertaking	have the meanings given in the Companies Act 2006
Takeover Offer	has the meaning given in Chapter 3 of Part 28 of the Companies Act 2006
Third Party	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction
Transaction	the acquisition of the entire issued and to be issued share capital of Aldermore by FirstRand Offeror, a wholly owned subsidiary of FirstRand Ltd, to be effected by means of the Scheme, or should FirstRand Offeror so elect, by means of the Offer

Transaction Price	313 pence per Aldermore share in cash
Trigger Event	has the meaning given to it in the terms and conditions of the AT1 Securities
UK Listing Authority	the FCA acting in its capacity as the competent authority for listing under FSMA
uncertificated or in uncertificated form	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Uncertificated Securities Regulations 2001 (SI 2001/3755), may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States of America, United States, USA or US	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
US Securities Act	the US Securities Act of 1933, as amended
US Exchange Act	the US Securities and Exchange Act of 1934, as amended
Voting Record Time	6:30 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6:30 p.m. on the day which is two days before the date set for the adjourned Court Meeting
White Form of Proxy	the white form of proxy for use by Aldermore Shareholders in relation to the General Meeting
Wider Aldermore Group	Aldermore and its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Aldermore and such undertakings (aggregating their interests) have a Significant Interest
Wider FirstRand Group	FirstRand Ltd and its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which FirstRand Ltd and all such undertakings (aggregating their interests) have a Significant Interest
ZAR	the lawful currency of the Republic of South Africa

**PART X
NOTICE OF COURT MEETING**

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT
MR DEPUTY REGISTRAR BAISTER**

CR-2017-007845

IN THE MATTER OF ALDERMORE GROUP PLC

-and-

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an Order dated 10 November 2017 made in the above matters the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of the Scheme Shares (as defined in the Scheme of Arrangement, as defined below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between Aldermore Group PLC (the “**Company**”) and the holders of the Scheme Shares (the “**Scheme of Arrangement**”), and that such meeting shall be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on 8 December 2017 at 11:00 a.m., at which place and time all holders of the Scheme Shares are requested to attend.

Voting on the resolution to approve the scheme of arrangement will be by poll, which shall be conducted as the chairman may determine. A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this Notice forms part.

Holders of Scheme Shares entitled to attend and vote at the Court Meeting may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A blue form of proxy for use in connection with the Court Meeting is enclosed with this Notice. Holders of Scheme Shares entitled to attend and vote at the Court Meeting who hold their shares through CREST may appoint a proxy through the CREST electronic proxy appointment service.

Completion and return of the blue form of proxy, or the appointment of a proxy through CREST, shall not prevent a holder of Scheme Shares from attending and voting in person at the Court Meeting or any adjournment thereof.

Holders of Scheme Shares are entitled to appoint a proxy in relation to the Court Meeting in respect of some or all of their shares. Holders of Scheme Shares are also entitled to appoint more than one proxy in relation to the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the blue form of proxy to allow holders of Scheme Shares to specify the number of shares in respect of which that proxy is appointed. Holders of Scheme Shares who return the blue form of proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares.

Holders of Scheme Shares who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s registrars, Equiniti, on 0371 384 2220 (from within the UK) or on +44 121 415 0140 (from outside the UK) for further blue forms of proxy or photocopy the blue form of proxy as required. Such holders of Scheme Shares should also read the information regarding the appointment of multiple proxies set out on page 7 of the document of which this Notice forms part and on the blue form of proxy.

It is requested that blue forms of proxy, and any power of attorney or other authority under which they are executed (or a duly certified copy of any such power or authority), be lodged with the Company’s registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or be submitted electronically or via CREST, by no later than 11:00 a.m. on 6 December 2017 (or not less than 48 hours before the time appointed for any adjourned meeting), but if forms are not so lodged or submitted they may be handed to the Chairman, or the Company’s registrars on behalf of the Chairman, at the start of the Court Meeting.

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose,

seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Entitlement to attend and vote at the Court Meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6:30 p.m. on the day which is two days before the date of the Court Meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said Order, the Court has appointed Danuta Gray or, failing her, Phillip Monks or, failing him, any other director of the Company, to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement shall be subject to the subsequent sanction of the Court.

Dated 13 November 2017

LINKLATERS LLP
One Silk Street
London EC2Y 8HQ
Solicitors for the Company

PART XI
NOTICE OF GENERAL MEETING

ALDERMORE GROUP PLC

(Registered in England and Wales with registered number 06764335)

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Aldermore Group PLC (the “**Company**”) shall be held at the offices of Linklaters LLP, One Silk Street, London EC2Y 8HQ on 8 December 2017 at 11:15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this Notice forms part) has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution:

SPECIAL RESOLUTION

1 THAT:

- (1) for the purpose of giving effect to the scheme of arrangement dated 13 November 2017 (the “**Scheme**”) between the Company and the holders of the Scheme Shares (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification has been signed by the chairman thereof, in its original form or with or subject to any modification, addition or condition agreed by the Company, FirstRand Limited and FirstRand International Limited (“**FirstRand Offeror**”) and approved or imposed by the Court, the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (2) with effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 125:

“125 SCHEME OF ARRANGEMENT

125.1 In this Article, references to the “**Scheme**” means the scheme of arrangement dated 13 November 2017 between the Company and the holders of its Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company, FirstRand Limited (“**FirstRand Ltd**”) and FirstRand International Limited (“**FirstRand Offeror**”) and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.

125.2 Notwithstanding any other provision of these Articles, if the Company issues any ordinary shares (other than to FirstRand Offeror, FirstRand Ltd or either of their respective nominee(s) (each a “**Bidder Company**”) after the adoption of this Article and before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the holder or holders of such shares shall be bound by the Scheme accordingly.

125.3 Subject to the Scheme becoming effective, if any ordinary shares are issued to any person (a “**New Member**”) (other than under the Scheme or to a Bidder Company) on or after the Scheme Record Time (the “**Post-Scheme Shares**”), they shall be immediately transferred to FirstRand Offeror or its nominee(s) (as it may direct) in consideration of the payment to the New Member of an amount in cash for each Post-Scheme Share equal to the cash consideration per Scheme Share payable pursuant to the Scheme.

125.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the Scheme Record Time, the value of the cash payment per share to be paid under paragraph (C) of this Article may be adjusted by the Directors in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article to ordinary shares shall, following such adjustment, be construed accordingly.

125.5 To give effect to any transfer of Post-Scheme Shares required by this Article, the Company may appoint any person as attorney for the New Member to transfer the Post-Scheme Shares to FirstRand Offeror and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in FirstRand Offeror or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as FirstRand Offeror may direct. If an attorney is

so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of FirstRand Offeror) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by FirstRand Offeror. The attorney shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of FirstRand Offeror and/or its nominee(s) and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register FirstRand Offeror and/or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. FirstRand Offeror shall send a cheque in sterling drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) for the purchase price of such Post-Scheme Shares within 14 calendar days of the issue of the Post-Scheme Shares to the New Member.

125.6 Notwithstanding any other provision of these Articles, both the Company and the directors may refuse to register the transfer of any ordinary shares between the Scheme Record Time and the Scheme Effective Date.

By order of the Board

13 November 2017

Rachel Spencer
Company Secretary

Registered office

4th Floor Block D, Apex Plaza Forbury Road, Reading, Berkshire, United Kingdom RG1 1AX

Notes

- (i) A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the General Meeting convened by this notice. A member may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company. In the case of joint holders, any one holder may vote. If more than one holder is present at the meeting, or purports to appoint a proxy, only the vote of, or appointment made by, the senior holder will be accepted, seniority being determined by the order in which the names appear on the register.
- (ii) A person who has been nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) may have a right under an agreement with the member by whom he was nominated to be appointed, or to have someone else appointed, as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. The statement of rights described in note (i) can only be exercised by members.
- (iii) A white form of proxy is enclosed and to be valid, the completed form must be received by Equiniti (together with the power of attorney or other authority (if any) under which it is signed) no later than 11:15 a.m. on 6 December 2017 (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting). Completion and return of the white form of proxy will not prevent a member from subsequently attending and voting at the General Meeting in person if the member wishes.
- (iv) CREST members who wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service may do so by following the procedures laid down in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with CRESTCo’s specifications and must contain the information required for such instructions, as described in the CREST Manual, which can be viewed at www.euroclear.com. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by 11:15 a.m. on 6 December 2017 (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for the adjourned meeting). No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (v) All shareholders on the register at 6:30 p.m. on 6 December 2017 and only those shareholders are entitled to attend and vote at the General Meeting. On a poll, the number of shares held by each shareholder at 6:30 p.m. on 6 December 2017 will determine the number of votes that a shareholder may cast. Changes to entries on the register after 6:30 p.m. on 6 December 2017 shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- (vi) As at 10 November 2017 (being the latest practicable business day prior to publication of this notice), the Company’s issued share capital comprised 344,921,017 ordinary shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 10 November 2017 is 344,921,017.

(vii) To ensure your entrance to the meeting is dealt with promptly, please bring your attendance card with you and register at the registration desk.

Shareholder enquiries

Information on how to manage your shareholdings can be found at www.shareview.co.uk. Providing answers to commonly asked questions regarding shareholder registration, links to downloadable forms, guidance notes, and company history fact sheets. A choice of contact methods are available via email, phone or in writing. Shareholders can view up-to-date information about their shareholding at www.shareview.co.uk. Shareholders can check holdings, update personal details, and register their email address to set up paper-free shareholder communications. To register for this service your Shareholder Reference Number will be needed which can be found on any proxy form, share certificate or dividend tax voucher.

Website information

The following information is available at <https://www.investors.aldermore.co.uk> : (1) the matters set out in this Notice of the General Meeting; (2) the total numbers of shares in the Company, and shares in each class, in respect of which members are entitled to exercise voting rights at the General Meeting; (3) the totals of the voting rights that members are entitled to exercise at the General Meeting, in respect of the shares of each class; and (4) members' statements, members' resolutions and members' matters of business received by the Company after the first date on which Notice of the General Meeting was given.

