

11 February 2025

Dear HL Colleague

**Communication to holders of 2015 CSOP Options  
in connection with the Acquisition of HL**

**1. Why are we writing to you?**

We are writing to explain how the proposed acquisition of Hargreaves Lansdown plc (*HL*) by Harp Bidco Limited (*Bidco*) (the *Acquisition*) will affect options granted to you under the Hargreaves Lansdown Company Share Option (2010) Scheme (the *CSOP Options* and the *CSOP* respectively) in March 2015 and October 2015 (the *2015 CSOP Options*). **You do not need to take any action in relation to this communication.**

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

Unless otherwise defined, terms defined in the Scheme Document shall have the same meanings in this letter.

**SUMMARY**

You do not need to take any action in relation to this communication.

The March 2015 CSOP Options have an exercise price of £11.26 and the October 2015 CSOP Options have an exercise price of £12.01 so, based on HL’s current share price, you would make a loss if you exercised these options and sold the resulting HL Shares.

**2. The Acquisition**

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

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

### **3. A reminder of your CSOP Option(s)**

Details of your outstanding CSOP Option(s) are available to view on Sharehub at <https://hl.sharehub.uk/> (for current employees) or <https://hl.sharehub.uk/Account/LogOn/> (for leavers).

You may have been granted:

- an approved and/or unapproved CSOP Option on 16 March 2015 to acquire HL Shares at an exercise price of £11.26 per HL Share (the *March 2015 CSOP Options*); and/or
- an approved and/or unapproved CSOP Option on 1 October 2015 to acquire HL Shares at an exercise price of £12.01 per HL Share (the *October 2015 CSOP Options*).

### **4. How will the Acquisition affect your 2015 CSOP Option(s)?**

Your 2015 CSOP Option(s) are already fully exercisable, and would not normally lapse until March 2025 and October 2025 respectively (being ten years from the date of grant) as set out in your award documentation.

However, due to the Acquisition, your 2015 CSOP Option(s) will lapse one month following the Scheme becoming effective, if that is earlier than their normal lapse date. Following the Scheme becoming effective, you would only ever be entitled to receive £11.10 in cash for each HL Share you acquired on the exercise of your 2015 CSOP Option(s).

### **5. What would happen if you exercised your 2015 CSOP Option(s)?**

You would currently make a loss if you exercised your 2015 CSOP Option(s) and sold your HL Shares (whether you sold them in the market or to Bidco as part of the Acquisition), because the exercise price that you would have to pay is higher than HL's current share price (and higher than the £11.10 per share that you would then receive if the resulting shares were sold to Bidco as part of the Acquisition).

**As a consequence, based on HL's current share price, you are not recommended to exercise your 2015 CSOP Option(s), but you should keep this under review.**

### **6. What if the Acquisition does not take place?**

If the Acquisition does not happen for whatever reason, your 2015 CSOP Option(s) will continue as normal, subject to the CSOP Rules.

### **7. What if I participate in other HL share plans?**

If you participate in any other HL share plan, you will receive (and/or may have already received) a separate letter or letters in relation to those awards. Please read those letters carefully.

### **8. Further information**

If you have any questions regarding your CSOP Option(s), please contact Howells via email ([HLShareAdmin@sharehub.uk](mailto:HLShareAdmin@sharehub.uk)) or telephone (+44 (0)1423 812804) between 9am and 5:30pm. For legal reasons, Howells cannot give any legal, financial or tax advice.

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

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

Yours faithfully,

**Hargreaves Lansdown plc**

## APPENDIX 1 GLOSSARY

**2015 CSOP Option(s)** means the CSOP Options granted in March 2015 and October 2015;

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

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

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

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

**CSOP** means the Hargreaves Lansdown plc Company Share Option (2010) Scheme;

**CSOP Options** means the options granted to employees and former employees of the HL Group;

**CSOP Rules** means the rules of the CSOP;

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

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

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

**HL Shareholders** means holders of HL Shares;

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

**March 2015 CSOP Options** means the 2015 CSOP Options granted in March 2015;

**October 2015 CSOP Options** means the 2015 CSOP Options granted in October 2015;

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

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