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Letter Name1
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Address 1
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IMPORTANT INFORMATION FOR CLIENTS OF KLEINWORT BENSON BANK LIMITED

Notice of proposed transfer to SG Kleinwort Hambros Bank Limited

Salutation

As part of the integration of Kleinwort Benson Bank Limited (**KBBL**) into the Kleinwort Hambros Group, KBBL is now seeking to transfer its entire business to SG Kleinwort Hambros Bank Limited (**Kleinwort Hambros**), formerly known as SG Hambros Bank Limited. The purpose of this letter is to advise you that the transfer is taking place and to explain what it will mean for you, as a client of KBBL. You will find enclosed the following documents providing information about the transfer and which you should read carefully:

- a summary of the Scheme (as defined below);
- a detailed Questions and Answers document where we have addressed a number of issues that may be of interest to you;
- the new terms of business, which will take effect on the date of the transfer; and
- a summary of the key differences between your existing terms of business and the enclosed new terms of business.

We would like to assure you that offering you a high quality service and focusing on your private banking requirements continue to be important to us. Our private bankers and support staff have already moved to Kleinwort Hambros and your interaction with your designated private banker will continue as before.

Nature of the legal transfer

It is important to note that you do not need to take any action for the transfer to occur but the transfer scheme (the **Scheme**) must be approved by the High Court of England and Wales (the **Court**). If approved by the Court, KBBL will transfer the entirety of its business under Part VII of the Financial Services and Markets Act 2000 to Kleinwort Hambros (the **Transfer**). KBBL and Kleinwort Hambros have made a joint application to the Court, and a hearing is scheduled for 30 October 2017 for the Court to consider and, if thought appropriate, approve the Transfer. Subject to the Court approving the Transfer and certain other legal and commercial conditions being satisfied, it is expected that the Transfer will become effective on 6 November 2017, and shortly thereafter KBBL will cease to be authorised and regulated by the PRA and regulated by the FCA. If this date changes we will place a notice confirming the date of the Transfer on our website at www.kleinwortbenson.com.

What does this mean for me?

We do not anticipate any immediate impact on how your account(s) operate. Your interaction with your designated private banker will continue as before. You will still be able to access your account to make and receive payments and the services provided to you currently by KBBL will continue after the Transfer. Your account number(s) will remain the same and all automated payments currently set up on those accounts will continue as before.

Your existing terms of business will be replaced on completion of the Transfer with new terms of business. These new terms of business are enclosed and will bring your terms into line with those of existing Kleinwort Hambros clients. We have also enclosed a summary of the key differences.

At what stage will there be changes to my account or the service Kleinwort Benson will provide to me?

KBBL and Kleinwort Hambros are committed to providing industry-leading services to our clients. We expect that the combination of our two businesses will provide an opportunity to review and enhance our services and pricing and we will communicate any changes to you at that time.

Any changes to our services will be subject to the requirements set out in our terms of business and a reasonable notice period before being implemented. If you have any questions at that time regarding what is being proposed, then we will discuss them with you in detail.

Changes to how your deposits and investments are protected under the Financial Services Compensation Scheme

If you are both a KBBL client and a Kleinwort Hambros client, you may be affected by a change in the cover provided to you by the Financial Services Compensation Scheme (**FSCS**) once the Transfer has become effective.

The FSCS provides eligible depositors, including private individuals and small businesses (which includes companies that meet the “small company” criteria set out in the Companies Act 2006), with assurance that up to £85,000 of money deposited with a PRA authorised deposit taker by each individual or entity will be protected if the deposit taker becomes unable to repay money deposited with it. Some eligible clients may also benefit from protection in respect of investment business for up to £50,000 per firm.

At present, if you are an eligible depositor and have money deposited with both KBBL and Kleinwort Hambros, your money deposited with both KBBL and Kleinwort Hambros is covered by the FSCS, similarly if you have investment business with both KBBL and Kleinwort Hambros you have separate protection under the FSCS. If circumstances arise where you are entitled to make a claim against both firms, you could currently claim up to a maximum of £170,000 for deposits and up to £100,000 for investment business under the FSCS (the aggregate of a maximum of £85,000 for the money deposited with each of KBBL and Kleinwort Hambros and £50,000 in respect of each firm for investment business).

However, following the transfer of your KBBL account(s) to Kleinwort Hambros, your deposit(s) will be held by a single firm which is only one qualifying deposit taker under FSCS rules. This will mean that your maximum compensation from the FSCS will reduce to £85,000 in respect of deposits and £50,000 for investment business for an individual or entity.

For joint accounts, each account holder is treated as having a claim under the FSCS in respect of their share so, for a joint account held by two eligible depositors, the maximum amount that could be claimed under the FSCS would be £85,000 each (making a total of £170,000). The £85,000 limit relates to the combined amount in all the eligible depositor's accounts with the bank, including their share of any joint account, and not to each separate account.

All eligible clients who have deposit accounts with both KBBL and Kleinwort Hambros prior to the date of the Transfer will be permitted to withdraw any amounts held with either Kleinwort Hambros or KBBL from the date of receipt of this letter until the expiry of three months after the date of the Transfer other than amounts deposited by the eligible client as security for services that are being provided to that eligible client or as security for that eligible client's borrowings. Any amounts

withdrawn by an eligible client will be free from penalty, fee, notice or charge (including loss of accrued interest).

If you are concerned about the impact of the Transfer on your cash deposits and the statutory protection that is provided to you, please contact your designated private banker in the usual way, or our dedicated team at the address and/or phone numbers at the end of this letter. We will explain the different options available to you in relation to this change in protection.

How can I ensure my views are considered?

If you have any questions or concerns in relation to the proposed Transfer, including your new terms of business, please contact your designated private banker in the usual way, or our dedicated team at the address and/or phone numbers at the end of this letter.

If you believe that you may be adversely affected by the Transfer, you have the right to object to the Transfer and attend the Court hearing for approval of the Transfer. You can write to us even if you are not going to appear at the hearing, and we will ensure that your objections are raised at the Court hearing. You may also instruct a barrister or solicitor advocate, at your own cost, to appear at the Court hearing and make representations on your behalf. When considering whether to give its approval to the Transfer, the Court will take into account whether the Transfer adversely affects you or anyone else.

If you wish to notify us of your intention to object to the Transfer, please provide us with details of your objection and your written representation or details of your intention to attend or be represented at the Court hearing. Please provide these details in writing to the address or email address shown below stating your reasons and preferably before 25 October 2017. This will enable KBBL and Kleinwort Hambros to provide notification of any changes to the Court hearing and, where possible, to address any concerns raised in advance of the Court hearing. In addition, KBBL and Kleinwort Hambros will provide the PRA and the FCA with copies of any such representations received, regardless of whether the person making such representations has indicated they intend to attend the Court hearing or not.

A failure to give written notice in advance does not prevent any person who wishes to do so from attending the Court hearing.

Next steps

You do not need to take any action for the Transfer to happen.

Contact us

If you want to contact us in relation to the Transfer, please contact your designated private banker in the usual way, or our dedicated team at the address and/or phone numbers set out below.

By phone:

UK clients: please call us on 0800 085 7138.

Clients calling from overseas: please call us on +44 203 207 7045.

The lines will be open from 09:00 to 17:00 Monday to Friday (excluding bank holidays).

By post:

If writing from within the UK:

Freepost KLEINWORT BENSON BANK TRANSFER

If writing from overseas:

Kleinwort Benson Bank Transfer
8 St James's Square,
London SW1Y 4JU,
United Kingdom

By email:

banktransfer@kleinwortbenson.com

For all normal account enquiries please contact your designated private banker in the usual way.

Calls may be monitored or recorded. Calls to 0800 numbers from UK landlines are free. The costs from mobile phones may vary. If you are calling from abroad, please check with your service provider the cost of calling this number from overseas.

A full copy of the Scheme document is also available free of charge from your designated private banker, by contacting our dedicated team at the address and/or phone numbers set out above, or by visiting our website at <https://www.kleinwortbenson.com/en/bank-transfer/>.

This communication is important. If, having spoken to your designated private banker and/or our dedicated team, you are in any doubt as to the meaning of any of the contents of this letter, or any of the enclosed documents, or if you require further advice, you are recommended to seek advice from your own solicitor or other professional adviser immediately.

I would like to take this opportunity to assure you that KBBL will continue to conduct business in its usual way, whilst working closely with Kleinwort Hambros, throughout 2017 to ensure the Transfer takes place as quickly and as smoothly as possible.

Sign-off

A handwritten signature in black ink, appearing to read 'Eric Barnett', with a stylized flourish extending to the right.

Eric Barnett

Kleinwort Hambros CEO

Copies of this letter and all the documents you have received with this letter are available in large print or on audiotape on request by calling 0800 085 7138 (UK clients) or +44 203 207 7045 (overseas clients).