

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer or the action you should take, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, you should consult another appropriately authorised independent financial adviser.

You should read the whole of this document. In addition, this document should be read in conjunction with the accompanying Form of Acceptance (if you hold Provident Shares in certificated form). You should note that the Prospectus relating to NSF has been prepared for the purposes of the Prospectus Rules and will be made available to you on NSF's website, www.nsfgroupplc.com in accordance with the Prospectus Rules. The information on NSF's website may not be accessible to persons in the United States or any other Restricted Jurisdiction.

If you have sold or otherwise transferred all of your Provident Shares (other than pursuant to the Offer), please forward this document and the accompanying documentation, but not the personalised Form of Acceptance, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, these documents must not be forwarded, distributed, transmitted, released or published (including by custodians, nominees and trustees) in whole or in part, directly or indirectly, in into or from the United States or any other Restricted Jurisdiction. If you have sold or otherwise transferred only part of your holding of Provident Shares, you should retain these documents.

The release, publication or 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 comes should inform themselves about, and observe, any applicable restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.



Offer by

Non-Standard Finance plc

for

Provident Financial plc

The procedure for acceptance of the Offer is set out on pages 40 to 45 of this document and, in respect of Provident Shares held in certificated form, in the Form of Acceptance. To accept the Offer in respect of Provident Shares held in certificated form, you must complete and return the accompanying Form of Acceptance as soon as possible and, in any event, so as to be received by the Receiving Agent, Computershare, by no later than 1.00 p.m. (London time) on 8 May 2019. Acceptances in respect of Provident Shares held in uncertificated form should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. (London time) on 8 May 2019. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

Application will be made to the UK Listing Authority for the New NSF Shares to be admitted to listing on the standard listing segment of the Official List and application will be made to the London Stock Exchange for the New NSF Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the New NSF Shares will commence on the London Stock Exchange at, or as soon as possible after, 8:00 a.m. on the date on which the Offer becomes or is declared unconditional in all respects.

A copy of this document is available, subject to certain restrictions relating to persons resident in the United States or any other Restricted Jurisdiction, for inspection on NSF's website at www.nsfgroupplc.com while the Offer remains open for acceptance.

If you have any questions about this document or are in any doubt as to how to complete the Form of Acceptance (if you hold Provident Shares in certificated form), or how to make an Electronic Acceptance (if you hold Provident Shares in uncertificated form), or if you want to request a hard copy of the Prospectus or a further copy of this document (and/or any information incorporated into it by reference to another source) please contact the Receiving Agent, Computershare, on 0370 707 1066 (from within the UK) or +44 370 707 1066 (from outside the United Kingdom). Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays). Calls from within the UK will be charged at the standard geographic rate. Calls to the 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 randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

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LETTER FROM JOHN VAN KUFFELER, NSF FOUNDER AND CHIEF EXECUTIVE



(Incorporated in England and Wales with registered number: 09122252)

Non-Standard Finance plc
7 Turnberry Park Road
Gildersome, Morley
Leeds LS27 7LE

9 March 2019

Dear Provident Shareholder,

As founder and Chief Executive of Non-Standard Finance, it is my pleasure to write to you regarding our offer for Provident Financial. As a Provident shareholder, you will under the offer receive:

8.88 New NSF Shares for each Provident Share

Our offer:

- presents a compelling and achievable vision for a better future for Provident, its shareholders, employees, and customers;
- is based on the execution of a clear transformation plan and the application of new strategic direction;
- has substantial shareholder support in the form of irrevocable undertakings and letters of intent; and
- is being vigorously pursued by a highly experienced management team with an unrivalled knowledge of the non-standard finance sector, a history of creating value for shareholders, and a passion for delivering good customer outcomes.

The alternative is a Provident Board which:

- has limited operational experience in the non-standard finance sector;
- in our view cannot and does not understand the key issues involved in managing a business like Provident;
- has shown itself, as recently as its profits warning in January, to be incapable of implementing any kind of clear strategy and, as recently as this week, to be championing, as its own, elements of the strategy we proposed two weeks ago; and
- is incapable we believe of reversing its multitude of problems, including poor customer outcomes and value destruction that in recent years have afflicted Provident, its shareholders, and all of its stakeholders, as overseen by their current CEO, initially as Senior Independent Director, then as Chairman and now as CEO.

As a team we believe that, we can improve Provident for the benefit of all of its stakeholders. Before founding NSF I was CEO and then Chairman of Provident for a total of 22 years. By the end of my tenure there, I was incredibly proud of the values and culture that had been established, both of which I believe underpinned the business's success and gave shareholders a cumulative total return of more than 4,000 per cent. over that period.

Since I stepped down, Provident has lost its way. This has included compromised customer outcomes resulting from a number of 'managerial mistakes' (as the Provident Chairman acknowledged earlier this week), reduced profits and a dramatic share price decline. Despite claiming to have 'stabilised the business' and 'resolved all material outstanding regulatory issues', Provident remains a group

which: is subject to enhanced supervision, and under investigation, by the FCA; has agreed restrictions on its distributions and activities with, and is subject to increased capital requirements imposed by, the PRA; was sanctioned by the ASA for irresponsible marketing initiatives as recently as January; and which announced earlier this week the near-completion of millions of pounds of customer compensation payments as a piece of good news.

We firmly believe that the root of many of these problems is that Provident is not sufficiently focused on a positive business culture or on delivering good customer outcomes—something that we can and do intend to change. And, unlike the Provident Board, we have a detailed transformation plan to implement that essential change. We expect our plan to:

- revitalise Provident's prospects and rebuild culture delivered by a strengthened management team with proven sector expertise;
- unlock substantial value for Provident and NSF shareholders, whilst benefiting customers and employees;
- achieve cost savings, revenue synergies and reduced funding costs as well as unlock the potential for capital returns over time from disposals and capital efficiency (all subject to appropriate regulatory approval); and
- restore Provident's culture to one focused on positive customer outcomes, working closely with regulators.

The NSF Board firmly believes that our plan would deliver significantly greater benefits for both Provident shareholders and NSF shareholders than either Provident or NSF would otherwise be able to deliver on their own. As Provident shareholders would end up owning approximately 87.8 per cent. of the enlarged group following completion, you would be a major participant in the future value that we expect to generate through the execution of our plan.

NSF's success and growth to date has been driven by a clear focus on seeking to help the estimated 10 million UK adults that may need credit but that find themselves effectively excluded by the mainstream banks, either because they are on modest incomes or because they are in some way credit impaired. Responsible lending and collecting is at the heart of NSF's business strategy, our ethos being focused on good customer outcomes.

The NSF Board believes that the transaction would mark the end of what has been a very difficult period for Provident. We believe that by combining Provident with NSF we will create a leading UK non-standard finance provider, with strong positions in credit cards, home credit, branch-based lending and guarantor loans. Whilst Provident has faced significant challenges in the recent past and there is a lot of work to do, I am confident that NSF's experienced team can and will transform Provident for the benefit of all shareholders, employees and customers of the enlarged group.

The offer has already received formal support from Provident shareholders holding 49.4 per cent. of Provident's issued share capital. I hope that you will join your fellow Provident shareholders in supporting our offer and urge you to accept it as soon as possible so that we can get on with the job of transforming Provident for the benefit of all of its stakeholders. The time for change is now.

Yours faithfully,



John van Kuffeler

Group Chief Executive & Founder
Non-Standard Finance plc

TO ACCEPT THE OFFER:

1. If you hold your Provident Shares in **certificated form (that is, not in CREST)**, complete the Form of Acceptance in accordance with paragraph 13.1(A) of the letter from NSF (see pages 40 to 42). Return the completed Form of Acceptance (along with any appropriate documents of title) using, if posted in the UK, the enclosed first class reply-paid envelope as soon as possible and, in any event, so as to be received by 1.00 p.m. (London time) on 8 May 2019.
2. If you hold your Provident Shares in **uncertificated form (that is, in CREST)**, you should follow the procedures set out in paragraph 13.2(B) of the letter from NSF (see pages 42 to 45).
3. This document is made available to holders of options or awards under the Provident Share Schemes for information only on NSF's website (www.nsfgroupplc.com).

**ACCEPTANCE OF THE OFFER MUST BE RECEIVED AS SOON AS POSSIBLE
AND, IN ANY EVENT, BY 1.00 P.M. (LONDON TIME) ON 8 May 2019**

If you require assistance, please telephone Computershare, Receiving Agent for the Offer on 0370 707 1066 (from within the UK) or +44 370 707 1066 (from outside the UK).

Alternatively, you may contact Computershare in writing at Corporate Actions Projects, Bristol BS99 6AH. However, you should be aware that Computershare cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

This page should be read in conjunction with the rest of the document. Your attention is drawn, in particular, to paragraph 13 of this document, which sets out in detail the procedures for acceptance of the Offer, and to the conditions and further terms of the Offer set out in Appendix I to this document and in the Form of Acceptance. Provident Shareholders are recommended to seek financial advice from their independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates in the table below is indicative only and may be subject to change. Please read the notes for this timetable set out below.

Announcement of the Offer	22 February 2019
Publication and posting of this document and the Prospectus	9 March 2019
NSF General Meeting	26 March 2019
First Closing Date (and last date and time by which the Offer may be declared or become unconditional as to acceptances (i.e. "Day 60"))	8 May 2019
Last date on which the Offer may be declared or become wholly unconditional (unless extended) (i.e. "Day 81")	29 May 2019
Admission of, and dealings (for normal settlement) commence in, New NSF Shares on the London Stock Exchange	8.00 a.m. on the Effective Date
New NSF Shares issued and credited to CREST accounts	As soon as possible after 8.00 a.m. on the Effective Date
Despatch of share certificates in respect of New NSF Shares and cheques in respect of fractional entitlements to New NSF Shares (where applicable) pursuant to the terms of the Offer	No later than 14 calendar days after the Effective Date

Notes:

- (i) All references to time in this document are to London time unless otherwise stated.
- (ii) The times and dates set out in the expected timetable of principal events above and mentioned in this document and in any other document issued in connection with the Transaction are subject to change by NSF, in which event details of the new times and dates will be notified, where appropriate to Provident Shareholders.
- (iii) The Offer is initially open for acceptance until 1.00 p.m. on 8 May 2019. NSF reserves the right (but shall not be obliged, other than as may be required by the City Code) at any time or from time to time to extend the Offer after such time.

IMPORTANT NOTICES

Important Notices relating to Financial Advisers

Ondra LLP, which is regulated in the United Kingdom by the FCA, is acting as financial adviser to NSF and no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters set out in this document and will not be responsible to anyone other than NSF for providing the protections afforded to clients of Ondra LLP nor for providing advice in relation to any matter referred to herein.

Deutsche Bank AG is authorised under German Banking Law (competent authority: European Central Bank) and, in the United Kingdom, by the PRA. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the PRA and FCA. Neither Deutsche Bank nor any of its subsidiaries, branches or affiliates will be responsible to any person other than NSF for providing any of the protections afforded to clients of Deutsche Bank nor for providing advice in relation to any matters referred to in this document. Neither Deutsche Bank nor any of its subsidiaries, branches or 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 Deutsche Bank in connection with this document, any statement contained herein, or otherwise. Deutsche Bank is acting as financial adviser to NSF and no other person in connection with the contents of this document.

Shore Capital, which is authorised and regulated in the United Kingdom by the FCA, acts as broker to NSF and will not regard any other person as its client and will not be responsible to anyone other than NSF for providing the protections afforded to clients of Shore Capital nor for providing advice in relation to any matter referred to herein.

Neither Shore Capital nor any of its subsidiaries, associates, branches or 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 Shore Capital in connection with this document, any statement contained herein, or otherwise.

Notice to Overseas Shareholders

The Offer is not being, and will not be, made, directly or indirectly, in, into or from or by the use of mails of, or by any other means (including, without limitation, electronic mail, facsimile transmission, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States or any other Restricted Jurisdiction, and will not be capable of acceptance by any such use, means or facility or from within the United States or any other Restricted Jurisdiction unless otherwise determined by NSF. Copies of this document and the Form of Acceptance and any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from the United States or any other Restricted Jurisdiction (including by custodians, nominees and trustees) and persons receiving such documents (including custodians, nominees and trustees) should observe these restrictions and must not mail, or otherwise forward, send or distribute any such documents in or into or from the United States or any other Restricted Jurisdiction, as doing so may invalidate any purported acceptance of the Offer. Any person (including custodians, nominees and trustees) who would, or otherwise intends to, or who may have a legal or contractual obligation to, forward this document, the Form of Acceptance and any related documents to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of any jurisdiction, seek appropriate advice and read paragraph 12 of the letter from NSF and paragraph 7 of Part C of Appendix I to this document before doing so. Subject to certain exceptions, no New NSF Shares will be credited to a stock account in CREST of any Provident Shareholder with a registered address in the United States or any other Restricted Jurisdiction.

This document has been prepared for the purposes of complying with English law and the Code 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 and regulations of any jurisdiction outside England.

The New NSF Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**US Securities Act**”), and may not be offered, sold or resold except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act. The New NSF Shares have not been, and will not be, registered under the relevant securities laws of any other Restricted Jurisdiction and the relevant clearances have not been, and will not be, obtained from any securities commission of any Restricted Jurisdiction and neither this document nor any prospectus in relation to the New NSF Shares has been or will be lodged with, reviewed by, or registered by, any such securities commission or any regulatory authority outside of the UK. Accordingly, the New NSF Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction if to do so would constitute (or result in the Offer constituting) a violation of relevant laws or require registration thereof, or to or for the account or benefit of any Restricted Overseas Person.

Notice to US Shareholders of Provident

The Offer is being made for the securities of a UK company and is subject to UK procedural and disclosure requirements, which are different from certain of those of the United States. Any financial statements or other financial information included or incorporated by reference in this document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. For purposes of the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”): the Offer will be made pursuant to Section 14(e) and Regulation 14E under the US Exchange Act benefitting from the exemptions available to “Tier II” tender offers. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be different from those applicable under US domestic tender offer procedures and law, and certain rules applicable to tender offers made into the United States, including rules promulgated under Section 14(d) of the US Exchange Act, do not apply. Once the Offer is declared unconditional in all respects, NSF will accept all Provident Shares that have by that time been validly tendered (or deemed to have been validly tendered) in acceptance of the Offer and will, in accordance with the Code, settle the relevant consideration for all such accepted Provident Shares within 14 calendar days of such date, rather than the three trading days that apply in US domestic tender offers. Similarly, if the Offer is terminated or withdrawn, all documents of title will be returned to shareholders within 14 days of such termination or withdrawal.

In accordance with, and to the extent permitted by, the Code, normal UK market practice and Rule 14e-5 under the US Exchange Act, the Financial Advisers and their respective affiliates may continue to act as exempt principal traders in Provident Shares on the London Stock Exchange and will engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law, including Rule 14e-5 under the US Exchange Act. To the extent required to be disclosed in accordance with applicable regulatory requirements, information about any such purchases will be disclosed to the Panel by no later than 12 noon on the next “business day”, as such term is defined in the Code, and will be available from any Regulatory Information Service, including the Regulatory News Service on the London Stock Exchange website, www.londonstockexchange.com, and will also be available on NSF’s website www.nsfgroupplc.com. To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.

For purposes of the US Securities Act: this document does not constitute a public offer of securities in the United States or an offer to the public in the United States to acquire or exchange securities. New NSF Shares will only be made available (i) outside the United States to non-US Persons in offshore transactions within the meaning of, and in accordance with, the safe harbour from the registration requirements provided by Regulation S and (ii) in the United States to persons reasonably believed to be either a “qualified institutional buyer” (as defined in Rule 144A) (a “**QIB**”) or an institutional “accredited investor” (being an institutional investor that falls within any of the categories of an accredited investor as defined in Rule 501(a)(1), 501(a)(2), 501(a)(3), and 501(a)(7) under the US Securities Act, an “**IAI**”) (each, an “**Eligible US Holder**” and together, “**Eligible US Holders**”) in

transactions that are exempt from the registration requirements of the US Securities Act. Eligible US Holders may be permitted to participate in the Offer upon establishing their eligibility to receive New NSF Shares by completing an eligibility QIB and IAI questionnaire and acknowledgement available on www.nsfgroupplc.com

For purposes of both the US Exchange Act and the US Securities Act: It is intended that the Offer will be implemented by way of a takeover offer within the meaning of the Companies Act 2006. However, NSF reserves the right to elect, with the consent of the Panel (where necessary), to implement the Transaction by way of a Court-sanctioned scheme of arrangement in accordance with Part 26 of the Companies Act 2006. A Scheme is not subject to the tender offer rules under the US Exchange Act and therefore would be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules. If the Transaction is implemented by way of a scheme of arrangement, the New NSF Shares would be expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) of the US Securities Act. Section 3(a)(10) exempts securities issued in exchange for one or more outstanding securities from the general requirements of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court, after a hearing on the fairness of the terms and conditions of the issuance and exchange at which all persons to whom such securities will be issued have the right to appear and be heard. The Court would hold a hearing on the Scheme's fairness to Provident Shareholders, at which hearing all such shareholders would be entitled to attend in person or through counsel. If the Transaction is implemented by way of the Scheme, a person who receives New NSF Shares pursuant to the Scheme and who is an affiliate of NSF may not resell such securities without registration under the US Securities Act or pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or another applicable exemption from registration or in a transaction not subject to registration (including a transaction that satisfies the applicable requirements of Regulation S under the US Securities Act ("**Regulation S**")). Whether a person is an affiliate of a company for the purposes of the US Securities Act depends on the circumstances, but affiliates can include certain officers, directors and significant shareholders. Persons who believe that they may be affiliates of NSF should consult their own legal advisers prior to any sale of securities received pursuant to the Scheme.

It may be difficult for US holders of Provident Shares to sue or to enforce their rights and any claim they may have arising under the US federal securities laws in connection with the Transaction, since NSF and Provident are located in non-US jurisdictions, and some or all of their officers and Directors may be residents of non-US jurisdictions. Further, it may be difficult to compel NSF and Provident and their respective affiliates to subject themselves to the jurisdiction or judgment of a US court.

None of the New NSF Shares, the Prospectus, this document or the Form of Acceptance or any other document relating to the offering of New NSF Shares has been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document and the merits of the Offer. Any representation to the contrary is a criminal offence in the United States. Nothing in this document shall be deemed an acknowledgement that any SEC filing is required or that an offer requiring registration under the US Securities Act may ever occur in connection with the Offer.

The New NSF Shares have not been, and will not be, registered under the securities laws of any state or jurisdiction in the United States and, accordingly, will only be issued to the extent that exemptions from the registration or qualification requirements of state "blue sky" securities laws are available or such registration or qualification requirements have been complied with.

The receipt of New NSF Shares (and/or cash) pursuant to the Offer by a US Provident Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each Provident Shareholder is urged to consult his independent professional advisor immediately regarding the tax consequences of accepting the Offer.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is "interested" in 1 per cent. or more of any class of "relevant securities" of an offeree company (in this instance, Provident) 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) (in this instance, NSF), 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) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 the offeree company 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 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person “deals” in any relevant securities of the offeree company 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) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (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 an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons “acting in concert” with any of them (see Rules 8.1, 8.2 and 8.4).

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 Takeover 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. You should contact the Panel’s Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Terms in quotation marks are defined in the Code, which can also be found on the Panel’s website.

Forward-looking Statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Provident and certain plans and objectives of NSF with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as ‘anticipate’, ‘target’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’, ‘hope’, ‘aims’, ‘continue’, ‘will’, ‘may’, ‘should’, ‘would’, ‘could’, or, in each case, their negative or other words of similar meaning. They appear in a number of places throughout the announcement and include statements regarding the intentions, beliefs or current expectations of the NSF and the NSF Board. These statements are based on assumptions and assessments made by NSF in light of its experience and its perception of historical trends, current conditions, future developments and other factors it believes appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the

date of this document. NSF does not assume any obligation to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. No statement in this document is intended as a profit forecast, a profit estimate or a quantifiable benefits statement and no statement in this presentation should be interpreted as such.

The forward-looking statements contained in this document speak only as at the date of this document. Except as required by the FCA, the London Stock Exchange or applicable law (including as may be required by FCA's Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules), NSF and its directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document, whether as a result of any change in events, conditions or circumstances or otherwise on which any such statement is based.

Ondra LLP and Deutsche Bank (and their respective affiliates) expressly disclaim any obligation or undertaking to update, review or revise any forward-looking statement contained in this document whether as a result of new information, future developments or otherwise.

Publication on NSF website

A copy of this document will be made available, subject to certain restrictions relating to persons resident in the United States or any other Restricted Jurisdiction, on NSF's website at www.nsfgroupplc.com no later than 12 noon (London time) on the Business Day following the release of this document. For the avoidance of doubt, the content of this website is not incorporated by reference into, and does not form part of, this document.

Rounding

Certain figures included or incorporated in this document, including financial information, have been subjected to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.

This document is dated 9 March 2019.

LETTER FROM NSF



(Incorporated in England and Wales with registered number: 09122252)

Directors

Charles Gregson (Non-Executive Chairman)
John van Kuffeler (Group Chief Executive)
Nick Teunon (Chief Financial Officer)
Miles Cresswell-Turner (Executive Director)
Niall Booker (Independent Non-Executive Director)
Heather McGregor (Independent Non-Executive Director)

Non-Standard Finance plc

7 Turnberry Park Road
Gildersome, Morley
Leeds LS27 7LE

9 March 2019

To: Provident Shareholders and, for information only, to persons with information rights and participants in the Provident Share Schemes

Dear Provident Shareholder,

Firm offer by Non-Standard Finance plc for Provident Financial plc

1. Introduction

On 22 February 2019, NSF announced the terms of its firm offer to acquire the entire issued and to be issued share capital of Provident. I am writing to you on behalf of the NSF Board to explain the background to and terms of the Offer.

This document and, if you hold Provident Shares in certificated form, the accompanying Form of Acceptance, contain the formal Offer (including its terms and conditions). This document also contains certain other information on NSF and Provident. NSF is also today publishing the Prospectus which contains further information on NSF and the New NSF Shares. This document should be read in conjunction with the Prospectus.

Acceptances of the Offer should be received as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on 8 May 2019.

Please read carefully paragraph 13 below which sets out the procedures for acceptance of the Offer. Your attention is drawn, in particular, to the conditions and further terms of the Offer set out in Appendix I to this document and, if you hold Provident Shares in certificated form, in the Form of Acceptance. Your attention is also drawn to the financial and other information on NSF contained in paragraph 8 of this letter, and financial and other information contained in Appendix III and Appendix IV to this document, relating to Provident and NSF, respectively.

2. The Transaction

It is intended that the Offer will be implemented by way of a takeover offer within the meaning of Part 28 of the Companies Act 2006 and will be subject to the Conditions and other terms set out below, in Appendix I to this document and, in respect of Provident Shares held in certificated form, the accompanying Form of Acceptance. Under the Offer, Provident Shareholders will receive:

8.88 New NSF Shares for each Provident Share

The Transaction values:

- each Provident Share at 511 pence, based on the closing price of 58 pence per NSF Share on 21 February 2019, being the last Business Day prior to publication of the Rule 2.7 Announcement; and

- each Provident Share at 527 pence, based on the closing price of 59 pence per NSF Share on 7 March 2019, being the latest practicable date prior to publication of this document,
 - valuing the entire issued and to be issued ordinary share capital of Provident at approximately £1.3 billion; and
 - resulting in Provident Shareholders owning approximately 87.8 per cent. of the Enlarged NSF Group and becoming major participants in the potential future value creation in the Enlarged NSF Group.

The NSF Board believes that the Transaction would deliver significantly greater benefits for both Provident Shareholders and NSF Shareholders than either Provident or NSF would otherwise be able to deliver on their own.

The Offer extends to all Provident Shares unconditionally allotted or issued and fully paid on the date of the Offer (excluding any Treasury Shares except to the extent these cease to be held as Treasury Shares before such date, as NSF may determine) and any Provident Shares which are unconditionally allotted or issued and fully paid (including pursuant to the exercise of options under the Provident Share Schemes) before the date on which the Offer closes or such earlier date as NSF may, subject to the Code, decide, not being earlier than the date on which the Offer becomes unconditional as to acceptances.

Provident Shares to be acquired under the Offer will be acquired fully paid with full title guarantee and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or subsequently 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) declared, made or paid on or after 22 February 2019.

The NSF Board, which has been so advised by Ondra LLP and Deutsche Bank as to the financial terms of the Transaction, considers the terms of the Transaction to be fair and reasonable. In providing their advice to the NSF Board, Ondra LLP and Deutsche Bank have taken into account the NSF Board's commercial assessment of the Transaction.

NSF will have the right to reduce the number of New NSF Shares that Provident Shareholders will receive under the terms of this Transaction by the amount of any dividend (or other distribution) which is declared, paid or made by Provident to Provident Shareholders, on a basis to be determined by NSF. NSF will increase the number of New NSF Shares that Provident Shareholders will receive under the terms of this Transaction by the amount of any dividend (or other distribution) which is declared, paid or made by NSF to NSF Shareholders by reference to a record date falling prior to Completion, save for any final dividend declared by NSF in respect of the year ended 31 December 2018.

New NSF Shares to be issued pursuant to the Offer will be ordinary shares of 5 pence each in the capital of NSF. The New NSF Shares will be issued to Provident Shareholders credited as fully paid and will rank *pari passu* in all respects with the NSF Shares in issue at the time the New NSF Shares are issued pursuant to the Transaction, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after Completion. The New NSF Shares will not carry any entitlement to receive any final dividend declared by NSF in respect of the year ended 31 December 2018. The New NSF Shares will be admitted to listing on the standard listing segment of the Official List, will be admitted to trading on the London Stock Exchange's Main Market for listed securities and will be issued free from all liens, charges, encumbrances and other third party rights and/or interests of any nature whatsoever. It is expected that, in respect of the New NSF Shares to be issued, Admission will become effective and dealings for normal settlement of New NSF Shares will commence at, or as soon as possible after, 8.00 a.m. on the date on which the Offer becomes or is declared unconditional in all respects (subject only to the condition relating to Admission contained on page 49 of Part A of Appendix I of this document).

Fractions of New NSF Shares will not be allotted or issued pursuant to the Offer. Fractional entitlements to which holders of Provident Shares would have become entitled will be aggregated and sold in the market at the best price which can reasonably be obtained in the market at the time of sale and the net proceeds of sale will be distributed *pro rata* to persons entitled thereto. However, individual entitlements of less than £5.00 will not be paid to persons accepting the Offer but will be retained for the benefit of the Enlarged NSF Group..

Further terms and conditions of the Offer are set out in Appendix I to this document and, in the case of Provident Shares held in certificated form, in the accompanying Form of Acceptance. The procedure for acceptance of the Offer is set out in paragraph 13 of this letter.

For summary information on certain limited aspects of the United Kingdom taxation consequences of accepting the Offer for Provident Shareholders resident in the UK for tax purposes, please refer to paragraph 11 of this letter.

3. Financial effects of acceptance of the Offer

The following table sets out, for illustrative purposes only, and on the bases and assumptions set out in the notes below, the financial effects of acceptance of the Offer on capital value and gross income for an accepting holder of one Provident Share, if the Offer becomes or is declared unconditional in all respects:

(A) Effect on capital value under the terms of the Offer

	<u>Notes</u>	<u>Under the Offer</u>
Value of 8.88 New NSF Shares	(i)	527p
Total value of consideration in respect of one Provident Share		527p
Less: market value of one Provident Share on 21 February 2019	(ii)	(511p)
Increase in capital value		16p
% increase in capital value		3.1%

Notes:

- (i) Based on a value of 59 pence for each New NSF Share being the Closing Price on 7 March 2019, the latest practicable date prior to the publication of this document.
- (ii) Based on the Closing Price of 511.4 pence per Provident Share on 21 February 2019 (being the last Business Day prior to the publication of the Rule 2.7 Announcement).

(B) Effect on income

The New NSF Shares will not carry any entitlement to receive any final dividend declared by NSF in respect of the year ended 31 December 2018 and Provident has not paid a dividend for its most recently completed financial period. Accordingly acceptance of the Offer is not expected to have an effect on the income position of a Provident Shareholder.

4. Irrevocable undertakings and Letters of intent

NSF has received irrevocable undertakings from Woodford, Invesco and Marathon to accept the Offer in respect of a total of 75,985,191 Provident Shares, representing in aggregate approximately 29.9999 per cent. of Provident's existing issued share capital as at 7 March 2019 (being the latest practicable date prior to the publication of this document).

NSF has also received letters of intent in respect of the Transaction from Woodford, Invesco, Marathon in their capacity as Provident Shareholders, in respect of 49,112,650 Provident Shares, in aggregate, representing approximately 19.3903 per cent. of Provident's existing issued ordinary share capital on 7 March 2019 (being the latest practicable date prior to the publication of this document).

Further details of the irrevocable undertakings and the letters of intent, including details of the circumstances when they will cease to be binding (if any), are set out in paragraph 4 of Appendix V to this document.

5. Background to and reasons for the Offer and the Transaction

The Transaction represents, in the view of the NSF Board, a compelling strategic and financial opportunity to create shareholder value and improve customer outcomes. Provident is a company which has suffered from 'managerial mistakes' (as the Provident Chairman acknowledged earlier this week) and has faced a number of challenges in the recent past. However the NSF Board believes Provident continues to have significant potential which, under the right leadership and pursuing a revised business strategy, can be unlocked for the benefit of Provident Shareholders, employees and customers.

The NSF Board believes the Transaction will:

- establish the Enlarged NSF Group as a leading non-standard finance provider that can meet the evolving needs of customers across a range of different product categories in a growing sector;
- bring the combined business under the leadership of the highly-experienced NSF management team that has a history of creating shareholder value in the UK non-standard finance sector;
- deliver more attractive and sustainable shareholder returns, including distributions to shareholders, than each of Provident and NSF might achieve on their own;
- deliver growth and improve profitability prospects through the execution of NSF's transformation plan to revitalise Provident's performance, realise operational and funding synergies and create the opportunity for capital returns over time;
- simplify the business portfolio through the sale of Moneybarn, the Demerger and the sale or closure of Satsuma;
- offer a broad range of products to NSF and Provident customers and the wider non-standard finance sector to take full advantage of cross-selling opportunities, improving customer choice;
- restore Provident's culture, enhancing the focus on delivering positive customer outcomes; and
- bring best-in-class regulatory practices and relationships to each of Provident's businesses as part of the Enlarged NSF Group, restoring the confidence of regulators in both Provident and Vanquis as part of the Enlarged NSF Group.

NSF's plans for the Enlarged NSF Group

Following Completion, the NSF Board intends to:

- **Retain the NSF Board to oversee the Enlarged NSF Group**—John van Kuffeler will remain as CEO, Charles Gregson as Chairman and Nick Teunon as CFO, with the existing NSF Executive and Non-Executive Directors remaining in post. With 68 years of combined experience in non-standard consumer finance (including over 33 years of experience at Provident) and over 175 years in financial services, the NSF Board will continue to draw on its expertise and experience in its oversight of the Enlarged NSF Group.
- **Focus the Enlarged NSF Group on four core divisions**—credit cards, home credit, branch-based lending and guarantor loans—each of which is a market-leading business with exposure to profitable segments of the non-standard finance sector and capable of delivering highly attractive returns.
- **Implement a transformation plan to revitalise the performance of Provident's core businesses**—this is expected to be achieved by implementing the following initiatives across Provident's businesses within the Enlarged NSF Group (subject to any applicable regulatory

consent). Each of these initiatives is described in more detail in paragraph 6 below at *Future business of the Enlarged NSF Group*:

- the appointment of strengthened management teams;
 - the execution of revised business strategies including an optimised product offering and the improvement of operational cost control;
 - a review of the product offering to ensure a complementary product range will be offered and taking advantage of cross-selling opportunities across the enlarged customer base; and
 - the restoration of Provident's culture, enhancing the focus on the delivery of good customer outcomes.
- **Realise synergies**—the NSF Board expects the Transaction to generate operational cost savings, reduced funding costs and revenue synergies for the Enlarged NSF Group:
 - **Operational cost synergies:** NSF believes that there is potential for cost savings by removing duplicated functions across the Enlarged NSF Group and achieving greater operational efficiencies, in particular, potentially reducing the size of Provident's central costs and the cost base of Provident's home credit business.
 - The NSF Board believes the costs in home credit are too high, as evidenced by its cost to income ratio of 69 per cent. for the six months ended 30 June 2018 (30 June 2017: 47 per cent.) compared to, despite its smaller size, the considerably lower ratio of Loans at Home for the same period (H1 2018: 59 per cent.; H1 2017: 58 per cent.) and which has fallen further to 57 per cent. in 2018 (2017: 63 per cent.).
 - NSF will seek to reverse Provident's central cost base inflation which, based on Provident's management guidance (as communicated at the 2018 interim results of Provident), is expected to grow by £10 million in 2018 (from a central cost base of £12.8 million in 2017). Following Completion, NSF expects, subject to completion of a review of functional requirements and any consultation obligations, to be able to reduce costs from the rationalisation of overlapping head office functions and central costs as well as the simplification of management structures and certain corporate and support functions related to Provident's status as a listed company, which will no longer be required.
 - The NSF Board notes that Provident publicly acknowledged the high cost base of its home credit business as long ago as 16 January 2018, an acknowledgement which it restated on 6 March 2019. Although the Provident Board claims to be taking certain actions to align the cost base, the NSF Board firmly believes that the right team, with the right operational experience in the sector, is needed in order to bring about lasting improvements, something which the Provident Board has thus far failed to achieve.
 - **Reduced funding costs:** The NSF Board expects to leverage the enhanced scale of the Enlarged NSF Group to secure funding at similar levels to those currently available to Provident. NSF, which is presently unrated, has funding of £231 million (as stated in the NSF Group's preliminary statement of annual results for the year ended 31 December 2018) at an average cost of 8.7 per cent., whereas Provident, which is BBB- rated, secures blended funding at a cost of 4.3 per cent. The NSF Board believes that there will be further scope to reduce the Enlarged NSF Group's funding costs through the successful implementation of its transformation plan to restore profitability and growth.
 - **Revenue synergies:** Given the complementary product offering of Vanquis, Everyday Loans and the NSF Guarantor Loans Division, NSF believes there are cross-selling opportunities from introducing Everyday Loans and the NSF Guarantor Loans Division's products to

Vanquis' base of 1.7 million customers, 65 per cent. of which have previously expressed an interest in a personal loan.

- **Credit quality:** The NSF Board believes that the credit quality of the Enlarged NSF Group will improve. The proposals for the Enlarged NSF Group, which are intended to enhance value through synergies, cross-selling and focusing on four core divisions, are expected to have a beneficial effect on the Enlarged NSF Group's credit quality. Following Completion, without loss-making subsidiaries, such as Satsuma, and with the addition of two successful businesses, financing providers are expected to benefit from a stronger and more profitable corporate group.
- **Financing arrangements:** In order to be fully informed, and take advantage, of financing opportunities, the NSF Board has been actively exploring options in relation to financing arrangements for both Provident and the Enlarged NSF Group. The NSF Board believes that a number of attractive financing options are available for both Provident and the Enlarged NSF Group. Separately, NSF is aware that Moneybarn is a guarantor of the Provident Group's existing financing arrangements. Although the Provident Group's existing RCF agreement is not publicly available, based on information available in the public domain regarding the Provident Group's financing arrangements (including the terms of the Provident Group's existing bonds), the NSF Board has made conservative assumptions as to the restrictions that are likely to be contained in the existing RCF agreement. This analysis takes account of the likely need for lender consent for any significant disposals into its post-completion planning.
- **Simplify the structure of the Enlarged NSF Group to unlock shareholder value**—the NSF Board intends to simplify the structure of the Enlarged NSF Group in order to create value for its shareholders.
- **The Demerger of NSF's home credit business, Loans at Home**—although the timing and structure of the Demerger remain subject to further consideration, including by the CMA, it is expected that the Demerger would take place following Completion, and that Loans at Home would be admitted to trading either on the Main Market (with a standard listing) or on AIM.
 - It is therefore expected that, as a result of the Demerger, in addition to holding New NSF Shares, Provident Shareholders who participate in the Transaction will benefit from holding shares in the newly-listed Loans at Home. The Demerger is intended to assist with the competition approval process with the CMA to receive the Antitrust Approval.
 - The NSF Board considers that Loans at Home is, and will continue to be, a viable, well-managed, independent, standalone business especially given its strong market position as the UK's third largest provider of home credit. It is expected that Mike Palmer will become CEO of Loans at Home following the Demerger, bringing to the role his extensive experience in leading a nationally distributed workforce.
 - Companies of a similar size and business activity to Loans at Home have successfully maximised value in a public markets context. For example, since listing on AIM in May 2016, Morses Club plc has increased in market value by over 60 per cent.
 - The home credit market itself is well-established, with approximately 1.6 million customers using the services of home collected credit lenders, and Loans at Home continues to demonstrate strong growth in the sector by offering shorter-term products aligned with home credit customer needs.
 - In addition, the Loans at Home business model has proven to be profitable and cash generative. In the year ended 31 December 2018, Loans at Home increased normalised revenue by 28 per cent. to £65.2 million (compared to £50.7 million for the same period

ended 31 December 2017) and increased normalised operating profit by 116 per cent. to £6.7 million (compared to £3.1 million for the same period ended 31 December 2017).

- As the Demerger remains subject to review by the CMA, NSF reserves the right to change its strategic plans with respect to Loans at Home as described in this document, including (without limitation) the timing of the Demerger.
- **The sale of Moneybarn and the sale or closure of Satsuma**—NSF views both businesses as non-core to the future strategy of the Enlarged NSF Group.
 - Moneybarn is Provident’s vehicle finance business and a leader in the provision of vehicle finance for the non-standard credit market. While Provident asserted in its announcement on 6 March 2019 that there are synergistic benefits with Vanquis, the NSF Board believes that those benefits are overrated and outweighed by the benefits of streamlining the business and focusing on a strong core. NSF accordingly intends to sell Moneybarn in a competitive auction process, to be launched following Completion.
 - Satsuma is Provident’s short-term unsecured loans business. Satsuma has been loss-making since its inception and despite statements by the Provident Board dating back to 2015 conveying its expectation and aim that Satsuma would move into profitability, this has failed to materialise. While Provident announced on 6 March 2019 its plan to launch a personal loans pilot under the Satsuma brand, Provident has a poor track record for launching new products, having twice tried and failed to launch a guarantor loan product. The NSF Board does not believe it makes commercial sense to pursue this strategy and does not think it will salvage a failing business; NSF accordingly intends to sell Satsuma or to close it, running-off its loan book in due course.
- **Dividend policy and potential for shareholder distributions**—given Provident’s recent financial performance and operational shortcomings, the NSF Board will need to review its dividend policy shortly following Completion. However, the NSF Board intends that future dividend payments to shareholders of the Enlarged NSF Group will, over time, reflect its stated policy of paying out at least 50 per cent. of normalised post-tax earnings. This is subject to discussions with, and agreement by the PRA in respect of the restrictions currently imposed on the payment of dividends from the Vanquis business. NSF also intends to distribute to shareholders of the Enlarged NSF Group any excess capital arising from the expected improvement of Provident’s capital efficiency and the proceeds of any sale of Moneybarn and/or Satsuma, subject to the outcome of discussions with lenders to the Enlarged NSF Group. NSF’s final year dividend for the financial year ended 31 December 2018 is in line with its stated policy and is expected to be paid to existing NSF Shareholders with a record date of 3 May 2019, i.e. prior to Completion.
- **Restore the confidence of regulators**—the NSF Board believes the transformation plan it will implement across the Provident businesses within the Enlarged NSF Group to, over time, restore confidence of regulators in the management of both Provident and Vanquis, a process that NSF believes should then permit the release of excess capital from the Provident Group, with the regulators’ agreement.
- **Transfer NSF to a premium listing**—the NSF Board will apply to the FCA to transfer NSF’s current listing on the Official List under the Listing Rules from a standard listing to a premium listing as soon as possible following Completion. A separate announcement will be made regarding the transfer in due course.

NSF as a growth driver

NSF was founded in 2014 by a highly experienced management team led by John van Kuffeler with the objective of acquiring and then growing businesses in the UK’s non-standard consumer finance

sector. Regulated by the FCA, the sector is fragmented, with few large, well-capitalised groups, creating an opportunity for NSF.

NSF's strategy is to become a leader in each of its chosen segments, by acquiring attractive businesses with high risk adjusted margins and the potential to deliver annual loan book growth and a return on assets of 20 per cent. or more. Once acquired, NSF seeks to realise that potential through careful investment in each business's core assets including distribution networks, people, technology and brands. At the same time, NSF is focused on ensuring the delivery of good customer outcomes through a positive business culture whilst maintaining tight controls on risk and impairment.

Since its creation, NSF has experienced significant growth, leading to a total net loan book value of over £310 million (reflecting year-on-year growth of 29 per cent. for the 12 month period ended 31 December 2018) and a combined customer base of over 180,000 from its network of over 130 locations across the UK. This growth has been driven both by acquisitions, in accordance with the company's founding objective, and organically by the diligent execution of NSF's strategy by its highly experienced management team, creating a leading player in NSF's chosen segments of the non-standard finance sector.

Year-on-year, each of the NSF business divisions has experienced strong growth on a standalone basis. Everyday Loans remains the largest NSF business, whose branch network has almost doubled in size in the three years of NSF ownership. As at 31 December 2018, Everyday Loans' net loan book, before fair value adjustments, had increased by 25 per cent. to £186.2 million (2017: £149.4 million) driven by a combination of new branches and a high level of productivity. The NSF Guarantor Loans Division has also grown strongly, benefitting from high market demand which gave rise to a record number of leads into the two guarantor loan brands and an increased conversion of those leads into loans. As at 31 December 2018, the NSF Guarantor Loans Division's net loan book before fair value adjustment had reached £83.1 million (2017: £51.6 million), representing an increase of 61 per cent. compared to the previous year. Following a period of structural transformation, NSF's home credit business, Loans at Home, also performed well after a particularly strong rate of growth in 2017 and increased its loan book before fair value adjustment by 2.0 per cent. to £41.0 million as at 31 December 2018 (2017: £40.2 million).

Against this backdrop, the NSF Board believes that the NSF share price does not reflect the underlying value or progress of the business and has been hindered by NSF's concentrated shareholder register and low levels of liquidity. The demise of Provident over recent years, despite being company-specific, has also raised questions about the prospects for the wider non-standard finance sector and, in the view of the NSF Board, has put pressure on the NSF share price. However, NSF has demonstrated strong growth in both loan book and customer numbers which the NSF Board believes will translate into shareholder value over time, following successful completion of the Offer and the implementation of its transformation plan for Provident.

NSF intends to capitalise on the NSF Group's commercial and operational success, by acquiring and transforming Provident in order to unlock substantial value for all shareholders of, and stakeholders in, both Provident and NSF. The Transaction is expected to create a well-balanced group with leading positions in some of the most attractive segments of the non-standard finance sector.

NSF has a highly experienced management team

The NSF Board believes that, under NSF's stewardship, the Enlarged NSF Group will be particularly well-placed to take full advantage of the continued strong demand for non-standard finance in the UK in a way which Provident has not managed to do in recent years.

NSF has a strong pool of managerial talent which it intends to deploy across the business divisions of the Enlarged NSF Group. In particular, the NSF Board includes the former Chairman and CEO, and Deputy Chairman, of Provident with combined experience of over 33 years at Provident. NSF's CEO, John van Kuffeler, was Chief Executive, and then Chairman, of Provident for a combined total of 22 years. Under his leadership, Provident established Vanquis (the Provident Group's banking

business) and delivered an exceptional performance, with a cumulative total shareholder return over the period of more than 4,000 per cent.

Since John van Kuffeler stepped down from the Provident Board, Provident has been under significant pressure both strategically and operationally with the result that Provident's performance has deteriorated dramatically. Provident has issued three profit warnings in just over 18 months (January 2019, August 2017 and June 2017) with profits falling from £343.9 million in 2016 to a loss of £123.0 million in 2017 and the suspension of Provident's dividend in 2017. Since Provident's first profit warning in June 2017, Provident's share price has declined by more than 70 per cent.

Drawing upon its experience, the NSF Board believes that through the application of a revised strategy, executed by its highly experienced management team, NSF can both revitalise Provident's performance and unlock substantial value from both Provident and NSF for the benefit of all shareholders of the Enlarged NSF Group.

Provident's recent performance and operational shortcomings

A number of shortcomings at Provident, described in more detail below, have had a significant and adverse impact on its performance in recent years, and those shortcomings have been overseen by Provident's current CEO, Malcolm Le May, initially as Senior Independent Director, then Chairman and now as CEO.

- **The Provident Board and management's limited operational experience in the non-standard finance sector:** In contrast to NSF, the Provident Board, which has seen a high turnover in its composition over the past 18 months, has limited experience of the non-standard consumer credit sector and limited operational experience of its three business divisions.
 - Whilst Provident announced on 6 March 2019 that it will appoint a new Managing Director to Vanquis in April, and that it expects to announce the appointment of a new Chairman shortly, such changes are reactive and come too late for one of Provident's core businesses which, since its previous CEO stepped down in November 2018, has seen a material decrease in new account bookings. Provident further stated that "the management team is in the process of developing and implementing a number of planned growth and efficiency initiatives" but, following three successive profit warnings, management's track record does not inspire confidence as to the prospects of any such initiatives.
 - By comparison, the NSF Board has decades of operational knowledge and experience in the non-standard finance sector and includes board members who have held major roles at UK banks, who have chaired FTSE 100 companies and two directors that led the Provident Board in founding Vanquis.
 - In addition to its day-to-day operational expertise, the NSF Board also has extensive experience in overseeing and implementing large transactions which includes Charles Gregson's involvement on the sale of ICAP's voice broking business and the sale of Nex Group plc, Niall Booker's role as CEO during the recapitalisation of the Co-operative Bank, Nick Teunon's roles at FTSE International when the London Stock Exchange bought out Pearson and, alongside John van Kuffeler and Miles Cresswell-Turner's, on the sale of Marlin Financial Group Limited. John van Kuffeler and Charles Gregson also oversaw the demerger of International Personal Finance plc from Provident in 2007.
- **The project to transform Provident's home credit business:** In the Provident 2017 Annual Report, the Chairman acknowledged that Provident's migration to a new operating model in its home credit business was "*poorly executed*".
 - The result was an unprecedented and substantial increase in agent attrition and vacancies, a change that was unanticipated by the Provident Board, causing discontinuity and disruption to Provident's service to customers. Provident experienced a pre-exceptional loss of

£118.8 million during 2017 (compared with a pre-exceptional profit of £115.2 million during 2016), a sharp reduction in active customers from 782,000 (2016) to 527,000 (2017) and a £207.8 million reduction in the receivables book from £560.0 million (2016) to £352.2 million (2017).

- NSF believes that it was both the failure to appreciate the fundamental importance of the customer relationship and the absence of any rigorous challenge to a highly risky implementation plan that led to the substantial deterioration in the trading performance of the home credit business. Following the transition to a new operating model, Provident has failed to address effectively the size of the division's cost base which, despite Provident's significant scale, remains high as a percentage of its revenue and the business remains loss-making, with collections on older balances not improving.
- Although the business is now FCA authorised and has reached agreement with the FCA on certain matters including on variable pay, Provident has been forced to moderate its publicly-stated expectations for returning its home credit business to profitability: having previously stated, in its interim results for the six months ended 30 June 2018, that the business was "expected to return to profitability in 2019", Provident subsequently fell back on a statement that profitability would follow in "due course" in its trading update of 15 January 2019, with no reference made to profitability being expected in 2019. The plans Provident mentioned in its announcement on 6 March 2019, do not show any operational progress and the NSF Board does not believe the plans cited are sufficient to address the high cost base.
- **Failure of Provident's recovery plan:** In the prospectus issued in connection with Provident's rights issue in February 2018, Provident stated that it expected its recovery plan to be substantially implemented by the end of the first half of 2018. While Loans at Home obtained FCA authorisation in May 2017, Provident's home credit business only managed to receive full authorisation in November 2018. The NSF Board believes that this delay in obtaining an FCA licence and FCA clearance to enable the implementation of variable pay for field staff, and continued poor collections performance from its back book (falling short of internal plans), may have led Provident to not repeat its aim, stated in June 2018, of returning the home credit business to profitability in 2019.
- **A series of regulatory failures:** The Provident Board has overseen significant regulatory failings in all three of its business divisions and has not been able to meet its own stated aims. While Provident asserted in its announcement on 6 March 2019 that all material outstanding regulatory issues are resolved, supervisory measures, investigations and refund programmes remain ongoing.
 - In light of Vanquis being ordered to pay compensation to customers by the FCA, Vanquis negotiated a settlement with the FCA in 2017 at a total cost of £172.1 million following failures by its sales teams to disclose to customers the treatment of charges for Vanquis' repayment option plan product ("**ROP**") as a purchase transaction which could attract interest. While Provident stated in its announcement on 6 March 2019 that over 99 per cent. of its ROP refund programme is now complete, the programme remains ongoing and has come at considerable expense to the business and detriment to its customers.
 - Moneybarn, Provident's car finance division, is subject to ongoing investigation by the FCA in relation to affordability, forbearance and termination options. This resulted in Provident reflecting a provision of £20.0 million in its 2017 accounts. While Provident stated in its announcement on 6 March 2019 that it was working towards concluding the matter in the coming weeks, this investigation is still not concluded and has been ongoing since 2017.
 - Despite having been subject to enhanced supervision by the FCA following the poorly executed transition to a new business model and other regulatory failings outlined above, and despite assurances provided in the company's rights issue prospectus that the Provident Board was addressing *'governance and culture issues more widely across the Provident*

Financial Group, refocusing on the customer first, the Provident Group's home credit business was sanctioned in January 2019 by the ASA, which found that one of Provident's marketing initiatives was irresponsible. The Provident Group has also received fines from the ICO for sending nuisance communications in the form of spam text messages and emails.

- **Enhanced supervision and increased capital requirements:** As a consequence of the disruption to Provident's home credit business and the FCA's investigations into Vanquis and Moneybarn, Provident has been under enhanced supervision by the FCA since 2017. The FCA has also required Provident to undertake certain formal commitments, including the successful execution of its home credit recovery plan. Separately, the PRA has substantially increased the Provident Group's regulatory capital requirements. These increased requirements, which include a block on dividends from Vanquis to the rest of the Provident Group (as agreed by Vanquis with the PRA), combined with Provident's deteriorating financial performance in 2017, resulted in Provident launching a deeply-discounted rights issue in February 2018.
- **Failure to enter high growth segments of the non-standard finance sector:** Despite significant financial resources, a broad customer base and a long history of offering non-standard finance products to the British public, Provident has failed to capitalise on these opportunities and enter and exploit new and fast-growing segments of the UK's non-standard finance sector.
 - Provident has twice tried and failed to launch a guarantor loan product within its consumer credit division (first using the 'Tandem' brand and then subsequently using the 'Glo' brand), resulting in the run-off of the business in 2016 and the write-off of its IT investment. In contrast, NSF's guarantor loans business has continued to perform strongly with a more than six-fold increase in revenue and 36-fold increase in normalised operating profit during the six months to 30 June 2018. In its latest trading update, NSF confirmed that, in the 12 months to 31 December 2018, its guarantor loans business grew its loan book by 61 per cent.
 - Vanquis has struggled to materially grow its customer base and operating profit at the rates achieved prior to the ROP settlement, with new account bookings for 2018 of 366,000, 71,000 lower than in 2017. Although Provident asserted in its announcement on 6 March 2019 that it plans to reintroduce ROP, no specific timings were outlined and no indication was given of how this would be effected in a manner compliant with relevant regulation.
 - In the announcement on 6 March 2019, the Provident Board also outlined certain high level strategic plans for its other existing businesses but the NSF Board believes that it continues not to understand the importance of certain high growth segments of the sector to overall growth and profitability.
- **Significant increase in costs:** Central operating costs at Provident have increased significantly due to the recruitment of additional individuals to central functions. The NSF Board believes that this has duplicated equivalent divisional roles. NSF believes that certain areas of the Provident Group have grown out of proportion to their operational needs, in particular the Provident Group head office and the central management of Provident's home credit business. While the Provident Board has acknowledged this high cost base, the NSF Board does not believe that the steps it set out in its announcement on 6 March 2019 (including a voluntary redundancy programme as part of a headcount reduction) are in any way sufficient to address the size of the cost base.
- **Continuing cultural challenges:** Despite the launch of a series of initiatives in 2018, there is little evidence to suggest that the Provident Board has been successful in addressing Provident's cultural failings which included poor communication between the operational teams and the Provident Board as well as a lack of focus on the delivery of positive customer outcomes. Separately, the recent ASA sanction and associated public criticism suggests that the business is not yet sufficiently focused on delivering positive customer outcomes.
- **Disappointing financial performance:** Despite having stated on 19 October 2018 that: *'The group has continued to make sound progress during the third quarter on delivering its operational*

objectives for 2018, Provident's latest trading update issued on 15 January 2019 included a further profit warning, in addition to those issued in June 2017 and August 2017. This detrimental outlook prompted a 19 per cent. reduction in Provident's share price on the day of its trading update.

In the view of the NSF Board, each of these factors has contributed to Provident's poor operating and financial performance that have in turn reduced shareholder value by more than 70 per cent. over the past three years. NSF views the Transaction as an opportunity to reposition and revitalise Provident's businesses and their respective product offerings within the non-standard finance sector, to restore Provident's culture by enhancing the focus on good customer outcomes and, under the leadership of NSF's management, over time, restore the confidence of regulators in the management of Provident's businesses and extract significant value from the Enlarged NSF Group.

6. NSF's detailed plans for the Enlarged NSF Group and intentions regarding Provident's businesses, employees and pension scheme

Lack of access to undertake detailed planning

NSF and its advisers have not been provided with access to the Provident Board or to Provident's non-public information or documentation and therefore have only been able to undertake due diligence from industry information and publicly available data. Accordingly, NSF has not been able to undertake any substantial analysis in order to formulate detailed plans or intentions regarding the impact of the Transaction on the Provident business. No statement in this document is a post-offer undertaking for the purpose of Rule 19.5 of the City Code.

Nevertheless, NSF management and the NSF Board have longstanding sector involvement and experience in acquiring and operating regulated businesses, including past direct involvement and detailed working knowledge of Provident. Their intentions with respect to the Provident business, based on this experience and knowledge alone, are set out in this paragraph 6. The proposals outlined in this paragraph 6 remain subject to detailed implementation planning following Completion and in certain cases will require regulatory approval before implementation. Employees or their representatives will be consulted regarding proposals in accordance with any applicable consultation requirements. NSF will also work closely with the regulators in relation to the design and implementation of a number of these proposals.

Following Completion, NSF intends to complete a detailed review of Provident in order to fully evaluate the opportunities to realise value (the "**Post-Completion Review**"). It is envisaged that the Post-Completion Review will lead to changes in the composition of the Provident business following the Transaction. While the parameters of the Post-Completion Review have not been finalised, it is expected to comprise a review of the Enlarged NSF Group, in particular, its product offering (including potential cross-selling opportunities) as well as the culture, regulatory relationships, management, cost base and central functions of Provident. Further details are set out in this paragraph 6.

Future business of the Enlarged NSF Group

Although no discussions have yet been held between NSF and Provident in relation to integration of the respective businesses, as set out in paragraph 5, the NSF Board believes that the Enlarged NSF Group will have a comprehensive suite of capabilities and a broad product offering for non-standard finance consumers.

As the Post-Completion Review has not yet taken place, NSF cannot be certain what effect there will be on Provident's business. The NSF Board has, however, already identified a number of actions which (subject to it working with the regulators and receiving any required regulatory approval/

consent) it expects to implement in relation to Provident's core businesses within the Enlarged NSF Group following Completion:

(i) **Strengthening of management teams**

- **The Provident Board:** While the NSF Board is expected to remain unchanged following Completion with John van Kuffeler, Charles Gregson and Nick Teunon remaining, respectively, as CEO, Chairman and CFO to oversee the Enlarged NSF Group, the NSF Board expects that each of the existing Provident directors (including the existing Provident Non-Executive Directors) will cease to be directors of Provident on or shortly after Completion.
- **Vanquis:** Vanquis has suffered from weak performance with a material decrease in new account bookings, and has not had a permanent CEO since the departure of Chris Sweeney on 1 November 2018. At Completion, NSF intends to appoint a new Chairman and CEO of Vanquis to help re-energise growth and oversee a refresh of Vanquis' product offering.
 - Subject to the receipt of relevant regulatory approvals, Niall Booker, a Non-Executive Director of NSF, is expected to join Vanquis as Chairman following Completion. Niall brings considerable experience, having previously held a number of senior positions within large regulated banks including: HSBC, where he spent 30 years and managed the bank's US sub-prime card business successfully through the financial crisis; and the Co-operative Bank, where he was appointed CEO after it announced a £1.5 billion capital shortfall in June 2013. While at the Co-operative Bank, Niall oversaw the initial recapitalisation of the bank, the rebuilding of its relationship with the regulators, the unwinding of its distressed credit book, the rebuilding of its risk function, the successful migration of its IT system and the retention of a substantial portion of its customer base. The directors of NSF are confident that Niall's years of experience and proven leadership in the industry will be a valuable asset to Vanquis going forward.
 - NSF has also identified a number of highly experienced candidates for the role of CEO of Vanquis and expects to be in a position to announce an appointment, subject to the receipt of relevant regulatory approvals, prior to Completion.
- **Home credit:** As further set out at (ii) *Transformation plan for Provident: Home Credit* of this paragraph 6, it is expected that Loans at Home's current CEO, Davie Thompson, and its current CFO, Jono Gillespie (who have 55 years of combined experience in the home credit sector), as well as its Chief Risk Officer, Paul Gill, will in due course operate the home credit business of the Enlarged NSF Group while John van Kuffeler is expected to become Chairman of the division (the "**Home Credit Team**").
- **Regulatory authority approval:** The NSF Board expects that the individuals to be appointed to the boards of Vanquis, Provident Personal Credit Limited, Moneybarn and the Enlarged NSF Group's home credit business will need to be approved by the FCA, the PRA and/or the CBI. Further details of the timing implications of obtaining these approvals are set out in paragraph 10 below.

(ii) **Transformation plan for Provident**

- **Vanquis:** The NSF Board intends to review the Vanquis product offering to ensure that a complementary product range will be offered by Vanquis, Everyday Loans and the NSF Guarantor Loans Division to the customers of the Enlarged NSF Group.
 - The NSF Board also intends to reintroduce, subject to dialogue with the FCA to ensure such reintroduction is carried out in a fully regulatory compliant manner, a refreshed ROP product. While Provident stated in its announcement on 6 March 2019 that discussions were commencing with the FCA regarding its reintroduction of ROP, the NSF Board notes that these newly-announced proposals come 12 days after NSF's announcement of similar

proposals and do not give any further details. Given that Provident's ROP refund programme is not yet complete and that, in its announcement on 6 March 2019, Provident only stated that it expects to provide 'updates' during the course of 2019, the NSF Board believes it is unlikely that the Provident Board will be able to reintroduce the product successfully in the short-term.

- Prior to the ROP settlement, ROP had been a popular Vanquis product giving customers an optional add-on to their credit card to assist them in managing their credit. ROP is a practical addition to the Vanquis product offering that, if reintroduced in a regulatory compliant manner (i.e. in consultation with, and with the agreement of, the FCA), will enable Vanquis to enhance the value of its existing products for its customer base while enabling consumers to manage their credit in a responsible manner.
- It is also expected that the Vanquis customer base will benefit from a wider range of products offered by other businesses within the Enlarged NSF Group such as Everyday Loans and the NSF Guarantor Loans Division as detailed below, increasing their choice and improving customer outcomes.
- **Home credit:** NSF will, in due course, and subject to appropriate regulatory approvals, introduce Loans at Home's experienced and proven leadership team to run the home credit division of the business of the Enlarged NSF Group. The Home Credit Team will draw upon both its experience at Loans at Home, including its operational and cultural transformation of Loans at Home, as well as its considerable knowledge of the non-standard finance sector more generally, to revitalise the home credit business of the Enlarged NSF Group.
 - While at Loans at Home, the Home Credit Team has worked closely with specialist regulatory advisers and trade organisations and also established an open and positive working relationship with the FCA. The NSF Board expects the Home Credit Team to implement the same transparent and proactive approach in the home credit business of the Enlarged NSF Group.
 - In addition, the Home Credit Team has revolutionised Loans at Home's operating processes through the introduction of a technology-driven model to reflect the fast pace of change in the home credit sector and new methods of consumer engagement. Loans at Home customers can now benefit from a mobile-friendly customer portal and recent developments have included a delegation app for agents and the introduction of a manager lending app. The NSF Board expects the Home Credit Team to implement a business turnaround based on a more flexible operating model, utilising technological innovation to improve operational oversight and lending and collections performance.
 - Following Completion, the NSF Board expects the home credit business of the Enlarged NSF Group to start to shift the mix of loans written towards more shorter-term products than is currently the case in Provident's home credit business. By shortening the average term of loans written, whilst there may be a temporary reduction in the rate of loan book growth, average yield should start to increase, which the NSF Board believes would lead to an improved financial performance. The NSF Board also believes that shorter-term products are more closely aligned with home credit customer needs as they reduce the total cost of credit, which should lead to better customer outcomes.
 - It is also expected that, following Completion, the Home Credit Team would seek to increase the cost efficiency levels of the home credit business of the Enlarged NSF Group and start to bring them towards the levels of Loans at Home today, with a view to further identifying opportunities for cost reduction given economies of scale over time. The NSF Board believes the costs in home credit are too high, as evidenced by its cost to income ratio of 69 per cent. for the six months ended 30 June 2018 compared to, despite its smaller size, the considerably lower ratio of Loans at Home for the same period (30 June 2018: 59 per cent.).

For the year ended 31 December 2018, Loans at Home's cost to income ratio had fallen further to 57 per cent. (2017: 63 per cent.).

- On 22 February 2019, the NSF Board announced that, following Completion, subject to approval of the FCA (and any approval required from the CBI), it intended to adopt a variable pay structure for employees of the home credit business of the Enlarged NSF Group. On 6 March 2019, Provident announced that it had reached agreement with the FCA on the introduction of variable pay for its home credit division. Given the Provident Board's recent history of unsuccessfully implementing change within this business, the NSF Board believes that NSF, working alongside the FCA, is best placed to introduce the variable pay structure. In accordance with NSF's current practice with respect to the business managers in its Loans at Home business, it is expected to involve potential bonus payments for the relevant employees with the quantum of any such payments being based on a balanced scorecard. While Provident's proposal is also based relating to variable pay based on a balanced scorecard, the NSF Board believes that the Provident proposal has a different primary objective to that of NSF (hence the expectation of further engagement with the FCA on the subject). In its announcement, Provident frames it as a tool to manage its workforce, whereas NSF wants the focus to be centred on the achievement of good customer outcomes. Affected employees will be contacted in due course regarding the effect of this change.
- In conjunction with variable pay, NSF intends to implement a more flexible operating model, enabling field staff to better match customer requests for the timing of visits with their own working hours. This will encompass a return to face-to-face underwriting by field staff, who the NSF Board believes are best-placed to assess the latest circumstances facing the customer.

(iii) Cross-selling of products across the enlarged customer base

- **Everyday Loans:** Everyday Loans will look to take full advantage of the cross-selling opportunities for its products in order to capitalise on Vanquis' extensive customer base that has similar demographics to NSF's branch-based lending and guarantor loans customers. The NSF Board expects such cross-selling opportunities to arise once the management of the core Provident businesses within the Enlarged NSF Group have managed to turnaround the current cultural and regulatory shortcomings.
 - NSF expects to gradually introduce Everyday Loans' unsecured loan products to Vanquis' substantial customer base of 1.7 million customers, subject always to be it being appropriate for it to do so (i.e. where affordability and suitability requirements are met). The NSF Board intends to carry out a strategic review of Vanquis' pilot lending business with the possibility of closing it and instead referring Vanquis customers to Everyday Loans and the NSF Guarantor Loans Division for loans, both of which are scalable and have a proven track record of delivering profitable growth and attractive products for customers.
 - Given the similarity in customer profile between Everyday Loans and Vanquis, NSF believes that Everyday Loans' products and approach will be attractive to a meaningful proportion of Vanquis' customer base, 65 per cent. of which have indicated their interest in a personal loan. Everyday Loans currently has over 60,000 customers and so NSF believes that the potential upside to Everyday Loans' standalone growth potential could be significant, while the increased choice to Vanquis's customers is likely to drive better outcomes for those customers.
- **NSF Guarantor Loans Division:** The NSF Board intends to seek additional growth opportunities for the NSF Guarantor Loans Division by offering guarantor loan products to the current Provident customer base, in particular, focusing on existing Vanquis consumers, subject always to be it being appropriate for it to do so (i.e. where affordability and suitability requirements are met). The NSF Guarantor Loans Division will look to take full advantage of opportunities to cross-sell its

guarantor loan products, which have been experiencing significant growth in consumer demand in a fast growing segment and which are not currently offered to Provident customers by the Provident Group. Given the expanded customer base and expected appetite for such products from Vanquis customers, the NSF Board expects the NSF Guarantor Loans Division to be able to capitalise on this opportunity to drive accelerated growth in what will be one of the Enlarged NSF Group's four core areas of focus and to deliver a broader range of products to those customers, enhancing their experience and improving customer outcomes more generally. The NSF Guarantor Loans Division currently has over 25,000 customers and so NSF believes that the potential upside to the NSF Guarantor Loans Division's standalone growth potential could be significant, while the increased choice to Vanquis's customers is likely to drive better outcomes for those customer.

(iv) **Restoration of a positive business culture**

- **Strong values:** NSF has strong values based on positive stakeholder outcomes which the NSF Board believes has helped to drive NSF's success to-date. The NSF Board has developed this culture by focusing on the well-being of its staff and self-employed agents, clear stakeholder communications, appropriate staff incentives, investment in recruitment and training and engagement with the communities in which the businesses operate. These elements will remain a focus for the NSF Board within all businesses of the Enlarged NSF Group.
- **Customer relationships:** Across the Provident businesses within the Enlarged NSF Group, the NSF Board will inject a clear focus on building longstanding personal relationships with customers as the NSF Board believes that the quality of customer relationships, and how they are managed, is one of the key drivers of NSF's operational success and that this can be replicated across Provident. Increasing customer engagement is a key goal for the NSF Group and the NSF Board is committed to putting the customer at the heart of the operations of the Enlarged NSF Group.
- **Employee and management incentives:** Under John van Kuffeler's leadership, the NSF Board and senior management will seek to infuse NSF's existing culture into the Provident business by deploying its balanced approach with appropriate incentives for management and employees across the Enlarged NSF Group, including potentially operating malus in an appropriate range of circumstances including where customer outcomes are compromised. These incentives will help to increase focus on front line customer relationships as well as operational and financial performance including the reduction of the cost base. This will be a particular focus in the Provident businesses within the Enlarged NSF Group and will include appropriate packages for the new management at Vanquis and the Enlarged NSF Group's home credit business. Incentives will be subject to approval of shareholders of the Enlarged NSF Group, the FCA and the PRA at the appropriate time, to the extent required. The Board also intends to grant every individual who is a Loans at Home employee on the date of the Demerger (and not under notice) an option over shares in the newly-listed Loans at Home equal in value to £2,000 (by reference to the offer price of Loans at Home shares on initial public offering), subject to the individual remaining an employee of Loans at Home for a period of three years thereafter (at which point the shares in Loans at Home may be sold).
- **Business practice:** The strengthened management of Vanquis and the home credit business of the Enlarged NSF Group will introduce best-in-class regulatory practices to the respective businesses with a view to improving those businesses' relationships with the FCA, the PRA and the CBI, ensuring compliance with applicable law and regulation and restoring regulators' confidence in the management of both Provident and Vanquis. The NSF Board has discussed the Transaction with representatives from the FCA and the PRA. Discussions were initiated several weeks prior to the announcement of the Transaction on 22 February 2019 and remain ongoing.

Employees and management, headquarters and locations

NSF attaches great importance to the skills and experience of the employees of the Provident Group and expects existing Provident Group personnel to play an important role in driving the future success of the combined business following Completion. However, the NSF Board believes that, in light of Provident's recent financial performance and as part of the Post-Completion Review, Provident's high cost base needs to be evaluated and reduced. Subject to the outcome of the Post-Completion Review, a reduction in headcount may be appropriate. Any such reduction, if necessary, is expected to predominantly involve Provident's London office, as the NSF Board intends to implement a de-centralised divisional strategy across the businesses of the Enlarged NSF Group alongside a lean London-based head office. This approach, which is consistent with the proven NSF model, is expected to simplify management structures enabling fast economic-based decision-making within each core division and the creation of an efficient, non-bureaucratic organisation with reduced central costs. Each of the four core businesses will have a strong management team supported by members of the NSF Board and senior management in non-executive positions to provide coordination and oversight over non-business specific areas such as IT, Risk, HR and regulation.

The headquarters of the Enlarged NSF Group will be in London. While the NSF Board has no intention to make changes to Provident's divisional head office locations, the NSF Board does expect, subject to the outcome of the Post-Completion Review, to implement a rationalisation plan to simplify the central functions of and, where relevant, remove duplication from, the head office functions and locations of the Enlarged NSF Group.

The Provident Group occupies 201 properties in the UK and the Republic of Ireland (as at 31 December 2017) (including home credit branches nationwide, a home credit contact centre in Bradford and a Vanquis contact centre in Chatham) and the NSF Group (excluding Loans at Home, which is expected to be subject to the Demerger) occupies over 60 properties (as at 31 December 2018). NSF may choose to leverage its geographic footprint to consolidate some of these non-head office locations within the Enlarged NSF Group where appropriate. The NSF Board does not expect any such consolidation to result in a material rationalisation of the non-head office locations and it is expected that Provident's home credit business will remain operationally based and headquartered in Bradford and the Vanquis contact centre will remain in Chatham.

Notwithstanding the plans described above, NSF intends to safeguard the existing contractual and statutory employment rights of Provident employees, subject to the introduction of flexible working and the operation of a variable pay structure (subject to further discussions and agreement with the FCA (see paragraph (ii) above), and as to be agreed with the CBI (to the extent required)) to the contractual terms of employees of the Enlarged NSF Group's home credit business. Save as indicated elsewhere in this paragraph 6, NSF does not expect to make a material change in the balance of skills and functions of the employees and management of Provident.

Other than the changes described *Employees and management, headquarters and locations* of this paragraph 6 and any sale of fixed assets forming part of Moneybarn or Satsuma, no changes are expected with regard to the Provident Group's fixed asset base.

Pensions

The existing contractual and statutory rights in relation to existing pensions contributions of Provident's management and employees will be safeguarded in accordance with applicable law. The accrued benefits for members of Provident's defined benefit pension scheme will not be affected by the Transaction. Provident's defined benefit pension scheme will remain substantially closed to new members. Given that NSF and its advisers have only been able to undertake due diligence based on publicly available information, NSF does not have information about the funding position of Provident's defined benefit pension scheme necessary to form intentions regarding the current arrangements for the funding of any scheme deficit.

The NSF Board recognises the importance of Provident's pensions stakeholders, and wrote to the trustees of Provident's defined benefit pension scheme on 22 February 2019 (the day of the Rule 2.7 Announcement) requesting a meeting. NSF would welcome the opportunity to have a discussion with the trustees at the earliest opportunity.

Save as set out in this paragraph 6, the Board does not intend for the Transaction to have any impact on the existing businesses of NSF.

7. Information relating to Provident

Provident is incorporated in England and Wales with registered number 00668987. Its registered office is located at No. 1 Godwin Street, Bradford, West Yorkshire, BD1 2SU. Provident's ordinary shares are admitted to the Official List and to trading on the Main Market of the London Stock Exchange, with a premium listing.

Established in 1880, the core business of the Provident Group is to supply personal credit products to non-standard credit market customers, being those with lower incomes, those with no credit history or a very limited credit history and those who have had problems with credit in the past but are now over those problems. The Provident Group operates through three divisions which focus on different areas of the non-standard lending market: (i) Vanquis, which primarily offers non-standard credit cards to approximately 34,700 depositors (as at 31 December 2017); (ii) the consumer credit division, encompassing Provident (which provides home collected credit products) and Satsuma (which provides online unsecured loans); and (iii) Moneybarn, which provides vehicle finance. It serves approximately 2.5 million customers and has approximately 5,947 employees (as at 22 February 2018). In 2017, the Provident Group reported a loss after tax and exceptional items of £134.4 million, a loss per share of 90.7 pence and made no dividend payments.

Provident's current trading and prospects

As Provident announced the delay of its full-year 2018 results to 13 March 2019 on 25 February 2019, published audited accounts for Provident for the financial year ended 31 December 2018 are not yet available.

Provident published interim results for the six months to 30 June 2018 on 31 July 2018, which are incorporated by reference into this document. For the six months ended 30 June 2018, the adjusted profit before tax of the Provident Group was £74.9 million (compared to £115.3 million for the same period in 2017) and the annualised return on assets of the Provident Group was 5.3 per cent. (compared to 11.9 per cent. for the same period in 2017).

On 15 January 2019, Provident released a trading statement, an extract of which is set out below:

"The group...expects to report profits for 2018 towards the lower end of the range of market expectations of £151m to £166m"

Published audited accounts for Provident for the years ended 31 December 2017 and 31 December 2016 are available in English on Provident's website, www.providentfinancial.com and are incorporated by reference into this document.

Financial information and ratings information relating to Provident is set out in Appendix III of this document.

* Market expectations in this announcement represent a mean consensus 2018 group profit before tax, amortisation of acquisition intangibles and exceptional items of £159m with a range of £151m to £166m based on the forecasts published by 12 equity research analysts."

8. Information relating to NSF

NSF is incorporated in England and Wales with registered number 09122252. Its registered office is at 7 Turnberry Park Road, Gildersome, Morley, Leeds, LS27 7LE. NSF's ordinary shares are admitted to the Official List and to trading on the Main Market of the London Stock Exchange, with a standard listing.

NSF was established in 2014 to acquire and grow businesses in the UK's non-standard consumer finance sector. Under the direction of its highly experienced board, NSF has acquired a sustainable group of businesses offering credit to the estimated 10 million UK adults who are not served by (or choose not to use) mainstream financial institutions. NSF provides credit to over 180,000 customers through its three business divisions: (i) unsecured branch-based lending; (ii) guarantor loans; and (iii) home credit. Each business is fully authorised by the FCA and has benefited from significant investment in branch expansion, recruitment, training and new IT infrastructure and systems. These investments have supported the delivery of improved customer outcomes together with growing financial returns for shareholders. During the year ended 31 December 2018, NSF's net loan book, before fair value adjustments, increased by 29 per cent. to £310.3 million (2017: £241.2 million), driven by investment in new branches, systems and people as well as productivity improvements and continued tight management of impairment across all three business divisions.

NSF has continued to consolidate its position as a leading player in its chosen segments of the UK's non-standard finance sector. Strong organic growth in branch-based lending and home credit has been complemented by contributions from George Banco which, was acquired in August 2017, positioning the Group as a leading player in the fast growing guarantor loans segment.

Details of NSF's business divisions:

- **Unsecured branch-based lending:** Everyday Loans, NSF's largest business, has 68 branches, confirming NSF's position as the UK's largest branch-based provider of unsecured loans in the non-standard finance sector. NSF has a wide geographic coverage and therefore strong access to customers.
- **Guarantor loans:** The acquisition of George Banco in August 2017 transformed NSF's position in the exciting and fast growing UK guarantor loans segment. NSF's guarantor loan business has experienced particularly strong performance across a range of key performance indicators including loan book growth and number of customers whilst maintaining a tight control on impairment.
- **Home credit:** Loans at Home has a network comprising 897 self-employed agents operating out of over 65 offices and serving 93,500 active customers, and has enjoyed strong year-on-year loan book growth.

NSF has great strength and depth of management expertise and sectoral knowledge. NSF's CEO, John van Kuffeler, has extensive experience in the non-standard finance sector. He was Chief Executive, and then Chairman, of Provident for a combined total of 22 years. In addition, he was Chairman of Marlin Financial Group Limited, the consumer debt purchasing company, for four years until its sale in February 2014 and was also Chairman of Hyperion Insurance Group Limited for five years until December 2013. John van Kuffeler was previously Chief Executive of Brown Shipley Holdings PLC which included Medens Trust Limited, a consumer car finance company, and was Chairman of the credit committee of Brown Shipley Holdings PLC's main banking subsidiary, Brown, Shipley & Co. Limited. He is also a former Chairman of the J.P. Morgan Fleming Technology Trust PLC and the Finsbury Smaller Quoted Companies Trust PLC.

NSF's CFO, Nick Teunon, was Chief Financial Officer of the consumer debt purchasing company, Marlin Financial Group Limited, led the finance function and mergers and acquisitions activity as CFO of FTSE International and was Group Finance & Strategy Director at the Press Association for seven years.

Before joining NSF as an Executive Director and as CEO of Everyday Loans, Miles Cresswell-Turner was a partner in Duke Street LLP specialising in the finance sector, a partner at Palamon Capital Partners LLP and a director at HSBC Investment Bank.

NSF's Non-Executive Chairman, Charles Gregson has held a number of senior positions including at Provident where he was a Non-Executive Director and Deputy Chairman for a total of 12 years, Nex Group plc where he was Chairman, Wagon Finance Group Limited and International Personal Finance Plc.

NSF's independent Non-Executive Directors also bring considerable managerial experience to the team. Niall Booker has spent 35 years in a number of senior banking roles, including as Group Managing Director and CEO of HSBC North America, and CEO of the Cooperative Bank where he was recruited to turn around the performance of the bank in 2013.

Heather McGregor, who has a PhD in structured finance, spent her early career at ABN Amro and is now the Executive Dean of Edinburgh Business School and the Graduate School of Business of Heriot-Watt University. A consumer champion, she was a regular columnist for the Financial Times as 'Mrs Moneypenny'.

This highly experienced Board and senior management team have an unrivalled knowledge of the non-standard finance sector and a history of creating value for shareholders. The NSF Board includes the former Chairman and CEO and Deputy Chairman of Provident with a combined 33 years of experience at Provident. The NSF Board therefore has a detailed working knowledge of Provident's business.

NSF's current trading and prospects

NSF's ordinary shares are traded on the London Stock Exchange. Based on the closing middle-market price of 59 pence per NSF Share on 7 March 2019 (being the latest practicable date before the publication of this document), NSF had a market capitalisation of approximately £185 million.

As outlined in the information at paragraph 5 (*NSF as a growth driver*) above, and as set out in the preliminary statement of annual results for the year ended 31 December 2018 and the NSF interim results published for the six months to 30 June 2018 on 2 August 2018 (which are incorporated by reference into this document), NSF has experienced strong year-on-year growth for each of the NSF business divisions on a standalone basis. In its preliminary statement of annual results for the year ended 31 December 2018, NSF reported revenue after fair value adjustments of £158.8 million (compared to £107.8 million for the year ended 31 December 2017) and total net loan book increased by 29 per cent. to £310.3 million, with growth in all three divisions.

Given the relative difference in size of NSF and Provident prior to Completion, it is likely that the effect of full acceptance of the Offer will increase the earnings, assets and liabilities of NSF.

Published audited accounts for NSF for the years ended 31 December 2017 and 31 December 2016, NSF's interim results announcement for the six months ended 30 June 2018 and NSF's preliminary statement of annual results for the year ended 31 December 2018 are available in English on NSF's website, www.nsfgroupplc.com and are incorporated by reference into this document. Your attention is drawn to the financial information in respect of the NSF Group contained in Appendix IV of this document.

9. Provident Share Schemes

Participants in the Provident Share Schemes will be contacted regarding the effect of the Transaction on their rights under the Provident Share Schemes and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in separate letters to be sent to participants in the Provident Share Schemes.

The Offer extends to any Provident Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) on or before the date on which the Offer closes (or such earlier date as NSF may, subject to the Code, decide) including any such shares allotted or issued pursuant to the exercise or release of existing options and awards granted under the Provident Share Schemes following the Offer becoming or being declared unconditional in all respects.

10. Timetable of third party approvals

The timetable for obtaining each of the Regulatory Approvals is controlled, respectively, by the FCA, the PRA and the CBI and the timetable for obtaining the Antitrust Approval is controlled by the CMA. These timetables differ from, and can be longer than, the conventional timetable for an offer under the City Code. It is envisaged that it will take up to approximately 12 weeks from the date of the Rule 2.7 Announcement to receive the Regulatory Approvals and approximately eight weeks from the date on which the formal CMA filing relating to the Offer is made to receive the Antitrust Approval.

The NSF Board expects that the individuals to be appointed to the boards of the Enlarged NSF Group's home credit business, Provident Personal Credit Limited, Provident Financial Management Services Limited, Vanquis, Moneybarn Limited, Moneybarn No. 1 Limited and Moneybarn No.4 Limited will need to be approved by: (i) the FCA, to perform one or more controlled functions; (ii) the PRA and/or the FCA, to perform one or more senior management functions; and/or (iii) the CBI, under its fitness and probity regime, depending on precisely which functions the individuals will perform for the relevant businesses.

The timetable for obtaining approvals in respect of such individuals will be controlled by the FCA, PRA and/or the CBI, as applicable. Although such applications are technically made by the firms for which an individual is to perform a function, in the context of the Transaction NSF has requested that these processes run alongside the processes to approve NSF as a controller of Vanquis, Provident Financial Management Services Limited, Provident Personal Credit Limited, Moneybarn Limited, Moneybarn No. 1 Limited and Moneybarn No.4 Limited respectively and/or that those individuals can perform relevant functions without formal approval for a short period after Completion, by relying on transitional provisions. The NSF Board does not currently expect any adverse impact on the Transaction timetable especially given that the respective individuals are already approved by the FCA to perform controlled functions in respect of NSF (even if they are not approved to conduct any senior management functions for any person and have not received the CBI fitness and probity regime approval in the past).

11. United Kingdom taxation

The following paragraphs, which are intended as a general guide only and not a substitute for detailed tax advice, are based on current UK legislation and HMRC published practice as at the last practicable date prior to the issue of this document, which may change, possibly with retrospective effect. They summarise certain limited aspects of the UK taxation treatment of acceptance of the Offer only. They relate only to the position of Provident Shareholders who are resident and, in the case of individuals, domiciled in (and only in) the UK for taxation purposes at all relevant times and who hold their Provident Shares as an investment (other than under a personal equity plan or an individual savings account) and who are the absolute beneficial owners of the Provident Shares and who have not (and are not deemed to have) acquired their Provident Shares by reason of an office or employment. The comments below apply only to certain categories of person and may not apply to persons such as (but not limited to) market makers, brokers, dealers, intermediaries, insurance companies, charities and persons connected with Provident, to whom special rules may apply.

For further information on the UK tax consequences of a subsequent disposal of all or any New NSF Shares acquired under the Offer or otherwise and dividends paid in respect of the New NSF Shares please see Part XIX (*Taxation*) of the Prospectus.

If you are in any doubt as to your taxation position or if you may be subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

11.1 UK taxation of chargeable gains

(A) General

A Provident Shareholder's liability to UK capital gains tax or corporation tax on chargeable gains (as applicable) ("CGT") in respect of the disposal of Provident Shares pursuant to the Offer will depend on that shareholder's individual circumstances.

(B) New NSF Shares

The receipt of New NSF Shares under the Offer should be treated as a reorganisation for the purposes of CGT. Accordingly, Provident Shareholders should not be treated as having made a disposal of Provident Shares exchanged for New NSF Shares under the Offer for CGT purposes. Instead, the New NSF Shares should be treated as the same asset as the Provident Shares in respect of which they are issued and treated as acquired at the same time as those Provident Shares for the same acquisition cost. The New NSF Shares should therefore have the same base cost for CGT purposes as the Provident Shares they replace.

Any Provident Shareholder who alone, or together with persons connected with them, holds more than 5 per cent. of Provident Shares will be eligible for the above treatment only if the exchange is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is the avoidance of liability to CGT. Such Provident Shareholders are advised that an application for clearance has been made by NSF under section 138 of the Taxation of Chargeable Gains Act 1992 for confirmation that HMRC is satisfied that the Offer will be effected for bona fide commercial reasons and will not form part of such a scheme or arrangement. The Offer is not conditional upon receipt of such clearance.

(C) Fractional Entitlements

A Provident Shareholder who receives cash as well as New NSF Shares by virtue of the sale on his behalf of any fractional entitlement to New NSF Shares may not in practice be treated as disposing of the shares in respect of which the cash was received if the amount of cash received is small in comparison with the value of the original shareholding. In that case, the cash may be treated as a deduction from the base cost of his original shares for the purpose of calculating any chargeable gain or allowable loss on a subsequent disposal. This treatment will not apply where the cash proceeds are greater than the capital gains tax base cost of the original shareholding. Under current HMRC practice, any cash payment of £3,000 or less or which is five per cent. or less of the value of a Provident Shareholder's shareholding at the time of the disposal may generally be treated as small for these purposes.

12. Overseas Shareholders

The attention of Overseas Shareholders (and any person, including, without limitation, any custodian, nominee or trustee who may have an obligation to forward any document in connection with the Offer outside the United Kingdom) is drawn to paragraph 7 of Part C of Appendix I to this document, to paragraph (B) of Part D of Appendix I to this document and to the relevant provisions of the Form of Acceptance (for holders of Provident Shares in certificated form) and to paragraph (B) of Part E of Appendix I to this document (for holders of Provident Shares in uncertificated form).

The availability of the Offer to persons not resident in the United Kingdom may be affected by laws of the relevant jurisdiction. Persons who are subject to the laws of any jurisdiction other than the United

Kingdom should inform themselves about the laws of any such relevant jurisdictions and observe any applicable requirements.

The Offer referred to in this document and the accompanying documents is not being made, directly or indirectly, in, into or by the use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or by any facilities of a national securities exchange of, the United States or any other Restricted Jurisdiction unless otherwise determined by NSF. Copies of this document and the Form of Acceptance and any related documents are not being, and must not be, mailed, transmitted or otherwise forwarded, distributed or sent in whole or in part in, into or from the United States or any other Restricted Jurisdiction and persons receiving this document (including, without limitation, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in, into or from the United States or any other Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. Notwithstanding the foregoing, NSF will retain the right to permit the Offer to be accepted and any sale of securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

Any person (including without limitation, custodians, nominees and trustees) who intend to forward this document and the accompanying documents to any jurisdiction outside the United Kingdom should read paragraph 7 of Part C of Appendix I to this document and seek appropriate advice before taking any action.

The New NSF Shares to be issued pursuant to the Offer have not been, and will not be, registered under the relevant securities laws of the United States or any other Restricted Jurisdiction and the relevant clearances have not been, and will not be, obtained from the relevant securities commission of the United States or any other Restricted Jurisdiction and neither this document nor any prospectus in relation to the New NSF Shares has been or will be lodged with, reviewed by, or registered by, any such securities commission or any regulatory authority outside of the UK. Accordingly, the New NSF Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or any other Restricted Jurisdiction if to do so would constitute (or result in the Offer constituting) a violation of relevant laws or require registration thereof, or to or for the account or benefit of any Restricted Overseas Person.

Accordingly:

- accepting Provident Shareholders who hold their Provident Shares in certificated form (that is, not in CREST) who are unable to give the representations and warranties set out in paragraph (B) of Part D of Appendix I to this document and who put “No” in Box 4 of the Form of Acceptance will be deemed not to have validly accepted the Offer;
- accepting Provident Shareholders who complete Box 4 of the Form of Acceptance with an address in the United States or any other Restricted Jurisdiction or who have a registered address in the United States or any other Restricted Jurisdiction and in any such case does not insert in Box 4 of their Form of Acceptance the name and address of a person or agent outside the United States or any other Restricted Jurisdiction to whom they wish the consideration to which they are entitled under the Offer to be sent may be deemed not to have validly accepted the Offer;
- accepting Provident Shareholders who hold their Provident Shares in uncertificated form (that is, in CREST) who are unable to give the representations and warranties set out in paragraph (B) of Part E of Appendix I to this document will not be able to validly accept the Offer; and
- envelopes containing Form of Acceptance, evidence of title or other documents relating to the Offer should not be postmarked in the United States or any other Restricted Jurisdiction or otherwise despatched from such jurisdictions and all acceptors must provide addresses outside any such Restricted Jurisdiction for the settlement of the consideration to which they are entitled

under the Offer or for the return of a Form of Acceptance or documents of title, except Eligible US Holders who have satisfied NSF (acting in its sole discretion) of their eligibility to participate in the Offer through the return of a QIB and IAI questionnaire and acknowledgement and any required supporting documentation, in a form acceptable to NSF, in which case the postmarks and addresses provided may be in the United States.

13. Procedure for acceptance of the Offer

This section should be read in conjunction with Appendix I to this document and, in respect of Provident Shares held in certificated form, the notes on the accompanying Form of Acceptance which are deemed to form part of the terms of the Offer in respect of such Provident Shares.

Holders of Provident Shares in certificated form (that is, not in CREST) may only accept the Offer in respect of such shares by completing and returning the accompanying Form of Acceptance in accordance with the procedure set out in paragraphs 13.1(A) to (E) below.

Holders of Provident Shares in uncertificated form (that is, in CREST) may only accept the Offer in respect of such shares by TTE instruction in accordance with the procedure set out in paragraphs 13.2(A) to (D) below.

If you hold Provident Shares in both certificated form and uncertificated form, you should follow the procedures set out in the paragraphs below for each type of holding separately.

If you are in any doubt as to the procedure for acceptance, please telephone Computershare, Receiving Agent for the Offer, on 0370 707 1066 (from within the UK) or +44 370 707 1066 (from outside the UK). Alternatively, you may contact Computershare in writing at Corporate Actions Projects, Bristol BS99 6AH. However, you should be aware that Computershare cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

If your Provident Shares are in the course of being converted from uncertificated to certificated form, or from certificated to uncertificated form, please refer to sub-paragraph 13.3 below.

13.1 Provident Shares held in certificated form (that is, not in CREST)

(A) Completion of the Form of Acceptance

To accept the Offer in respect of Provident Shares held in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. The instructions printed on the Form of Acceptance are deemed to form part of the terms of the Offer. You should complete a separate Form of Acceptance for Provident Shares held in certificated form but under different designations.

Additional Forms of Acceptance are available from Computershare at the address set out above. The instructions for completing a Form of Acceptance in the paragraph below apply, where relevant, to each separate Form of Acceptance to be completed by you.

To accept the Offer in respect of all your Provident Shares held in certificated form, you must complete Box 2 on the Form of Acceptance. If appropriate, you should also complete Box 4 and/or Box 5. **In all cases, you must sign Box 3 of the enclosed Form of Acceptance in accordance with the instructions printed on the Form of Acceptance.** If you are an individual you must sign in the presence of a witness, who should also sign in accordance with the instructions printed on the Form of Acceptance. Any Provident Shareholder which is a company should execute the Form of Acceptance in accordance with the instructions printed on it.

To accept the Offer in respect of less than all of your Provident Shares, you must insert in Box 2 of the Form of Acceptance such lesser number of Shares in respect of which you accept the Offer. If you do not insert a number in Box 2 or insert a number greater than your entire registered certificated holding,

and you have signed Box 3, your acceptance will be deemed to be in respect of all Provident Shares in certificated form held by you. In addition, you must be able to make the representations and warranties set out in paragraph (B) of Part D of Appendix I of this document.

Unless otherwise determined by NSF at its sole discretion, the Offer may only be accepted by Provident Shareholders who are not Restricted Overseas Persons.

(B) Return of Form of Acceptance

To accept the Offer in respect of Provident Shares held in certificated form, the completed Form of Acceptance must be returned, together with your share certificate(s) and/or other document(s) of title for your Provident Shares, to Computershare by post at Corporate Actions Projects, Bristol, BS99 6AH or by hand (only during normal business hours) to The Pavilions, Bridgwater Road, Bristol BS13 8AE, as soon as possible, and in any event so as to be received by no later than 1.00 p.m. (London time) on 8 May 2019. A first class reply paid envelope is enclosed for your convenience and may be used by Provident Shareholders for returning a Form of Acceptance from within the UK. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope postmarked in the United States or in any other Restricted Jurisdiction or otherwise appearing to NSF or any of its agents to have been sent from any of these jurisdictions may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 12 above.

(C) Documents of title

If your Provident Shares are held in certificated form, the completed, signed and witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If, for any reason, your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should still be completed, signed and returned as stated above so as to arrive by no later than 1.00 p.m. (London time) on 8 May 2019. You should send any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the balance will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible. No acknowledgement of receipt of document(s) will be given.

In the case of loss, you should write as soon as possible to Provident's registrar, Link Market Services Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU), requesting a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Computershare as set out in the paragraph above. Otherwise, by completing and signing the Form of Acceptance, you agree to the declaration, undertaking and indemnity set out in note 6 on page 4 of the Form of Acceptance in favour of Provident, NSF and Computershare including in respect of all share claims, demands, liabilities, charges and expenses relating to share certificate(s) and/or other document(s) of title that are lost or otherwise not enclosed with your Form of Acceptance or otherwise not forwarded separately.

(D) Validity of acceptances

Without prejudice to Part C and Part D of Appendix I to this document and subject to the provisions of the Code, NSF reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no New NSF Shares will be issued (and no payment of cash in respect of fractional entitlements will be made) until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to NSF have been received, unless otherwise determined by NSF.

(E) Overseas Shareholders

The attention of Provident Shareholders holding Provident Shares in certificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 7 of Part C and paragraph (B) of Part D of Appendix I.

13.2 Provident Shares held in uncertificated form (that is, in CREST)

(A) General

Holders of Provident Shares in uncertificated form (that is, in CREST) may only accept the Offer in respect of such Provident Shares by TTE Instruction in accordance with this paragraph 13.2(A) and, if those Provident Shares are held under different member account IDs, such holders should send a separate TTE instruction for each member account ID.

If your Provident Shares are held in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the Provident Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s) (that is, send a TTE instruction), specifying Computershare (in its capacity as a CREST participant under the Escrow Agent's relevant participant ID referred to below) as the Escrow Agent, as soon as possible and in any event so that the TTE instruction settles not later than 1.00 p.m. (London time) on 8 May 2019. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational)—you should therefore ensure you time the input of any TTE instructions accordingly.

The input and settlement of a TTE instruction in accordance with this paragraph 13.2(A) will (subject to satisfying the requirements set out in Part C and Part E of Appendix I) constitute an acceptance of the Offer in respect of the number of Provident Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your Provident Shares.

By submitting a TTE instruction, the Provident Shareholder for whom the acceptance is made represents that he has read and understood Part E of Appendix I to this document and agrees to be bound by the terms therein.

After settlement of a TTE instruction, you will not be able to access the Provident Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer the Provident Shares concerned to itself in accordance with paragraph (D) of Part E of Appendix I to this document.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Provident Shares to settle prior to 1.00 p.m. (London time) on 8 May 2019. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(B) To accept the Offer

To accept the Offer in respect of Provident Shares held in uncertificated form, you should send (or if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in

accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to any other information that is required for a TTE instruction to settle in CREST, the following details:

- (i) the ISIN number for the Provident Shares (this is GB00B1Z4ST84);
- (ii) the number of Provident Shares in respect of which you wish to accept the Offer (i.e. the number of Provident Shares to be transferred to escrow);
- (iii) your member account ID;
- (iv) your participant ID;
- (v) the participant ID of the Escrow Agent in its capacity as CREST receiving agent (this is 8RA15);
- (vi) the member account of the Escrow Agent for the Offer (this is PRONSF01);
- (vii) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 8 May 2019;
- (viii) the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (ix) input with a standard delivery instruction priority of 80; and
- (x) the contact name and telephone number inserted in the shared note field.

(C) Validity of acceptances

A Form of Acceptance which is received in respect of Provident Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded. Holders of Provident Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before 1.00 p.m. (London time) on that date. Without prejudice to Part C and Part E of Appendix I to this document and subject to the provisions of the Code, NSF reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant TTE instruction. In that event, no New NSF Shares will be issued (and no payment of cash in respect of fractional entitlements will be made) until after the TTE instruction or indemnities satisfactory to NSF have been received.

(D) Overseas shareholders

The attention of Provident Shareholders holding Provident Shares in uncertificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 7 of Part C and paragraph (B) of Part E of Appendix I.

13.3 General

NSF will make an appropriate announcement if any of the details contained in this paragraph 13 change for any reason that is material for Provident Shareholders.

Normal CREST procedures (including timings) apply in relation to any Provident Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Provident Shares or otherwise). Holders of Provident Shares who are proposing to so convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. (London time) on 8 May 2019.

If you are in any doubt as to the procedure for acceptance, please telephone Computershare, Receiving Agent for the Offer, on 0370 707 1066 (from within the UK) or +44 370 707 1066 (from outside the UK). Alternatively, you may contact Computershare in writing at Corporate Actions Projects, Bristol BS99 6AH. However, you should be aware that Computershare cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

14. Listing, dealings and settlement

Application will be made to the UK Listing Authority for the New NSF Shares to be admitted to listing on the standard listing segment of the Official List and application will be made to the London Stock Exchange for the New NSF Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the New NSF Shares will commence on the London Stock Exchange at, or as soon as possible after, 8:00 a.m. on the date on which the Offer becomes or is declared unconditional in all respects (subject only to the condition relating to Admission contained in paragraph (C) of Part A of Appendix I of this document).

Subject to the Offer becoming or being declared unconditional in all respects (except as provided in paragraph 7 of Part C of Appendix I to this document in the case of certain Overseas Shareholders) and provided that the TTE instruction, Form of Acceptance, share certificate(s) and/or other document(s) of title are in order, settlement of the consideration to which any Provident Shareholder is entitled under the Offer will be effected (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Offer becomes or is declared wholly unconditional in all respects, within 14 days of such date; or (ii) in the case of acceptances of the Offer received, valid and complete in all respects, after the date on which the Offer becomes or is declared unconditional in all respects but while it remains open for acceptance, within 14 days of such receipt, in the following manner:

(A) Provident Shares in certificated form (that is, not in CREST)

Where an acceptance relates to Provident Shares held in certificated form, the New NSF Shares to which the accepting Provident Shareholder is entitled will be issued in certificated form. Definitive certificates for New NSF Shares will be despatched by first class post (or by such other method as may be approved by the Panel) to accepting Provident Shareholders or their appointed agents (but not into the United States or any other Restricted Jurisdiction) unless NSF is satisfied in its sole discretion that the New NSF Shares can be offered, sold or delivered to such Provident Shareholder, or for such Provident Shareholder's account or benefit, pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the applicable jurisdiction, and in the case of the United States, the US Securities Act).

Settlement of any cash payment due to a Provident Shareholder as a result of fractional entitlements will be despatched by first class post (or by such other method as may be approved by the Panel) to accepting Provident Shareholders or their appointed agents (but not into the United States or any other Restricted Jurisdiction unless otherwise determined by NSF in its sole discretion). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank.

In the case of joint holders of Provident Shares, those definitive certificates in respect of New NSF Shares (or cheques for any cash payment due to those joint holders) will be despatched to the joint holder whose name and address is set out above Box 1 or, if appropriate, Box 3 and/or Box 5 of the Form of Acceptance or, if no such name and address is set out, to the first-named holder at his registered address (outside the United States and any other Restricted Jurisdiction).

(B) Provident Shares in uncertificated form (that is, in CREST)

Where an acceptance relates to Provident Shares held in uncertificated form, the New NSF Shares to which the accepting Provident Shareholder is entitled will be issued in uncertificated form. In such event, NSF will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the accepting Provident Shareholder with such shareholder's entitlement to New NSF Shares. The stock account concerned will be an account under the same participant ID and member account ID as appear in the TTE instruction concerned. Any cash payment due to a Provident Shareholder as a result of fractional entitlements to which the accepting Provident Shareholder (or the first named Provident Shareholder in the case of joint holders) is entitled will be paid by means of a CREST payment in favour of the accepting Provident Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. NSF reserves the right to settle all or any part of the consideration referred to in this paragraph 14(B) for all or any accepting Provident Shareholder(s) in the manner referred to in paragraph 14(A) if, for any reason, it wishes to do so.

(C) General

If the Offer does not become or is not declared unconditional in all respects:

- (i) in the case of Provident Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address (outside the United States and any other Restricted Jurisdiction) is set out above Box 1 or, if appropriate, Box 3 and/or Box 5 on the Form of Acceptance or, if none is set out, to the first-named or sole holder at his registered address (provided that no such documents will be sent to an address in the United States or any other Restricted Jurisdiction); and
- (ii) in the case of Provident Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), give TFE instructions to Euroclear to transfer all Provident Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Provident Shareholders concerned.

All remittances, communications, notices, certificates and documents of title sent by, to or from Provident Shareholders or their appointed agents will be sent at their own risk.

Except with the consent of the Panel, settlement of the consideration to which any Provident Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which NSF may otherwise be, or claim to be, entitled against such Provident Shareholder.

15. Compulsory acquisition, de-listing and re-registration

If NSF receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the Provident Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by the Provident Shares to which the Offer relates, and assuming that all of the other Conditions have been satisfied or waived (if capable of being waived), NSF intends to exercise its rights pursuant to the provisions of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Provident Shares in respect of which the Offer has not been accepted, on the same terms as the Offer.

Following the Offer becoming or being declared unconditional in all respects, if NSF receives acceptances in respect of the Offer in respect of, or otherwise acquires, 75 per cent. or more of the total number of Provident Shares or the appropriate special resolutions are otherwise passed, and subject to any applicable requirements of the UKLA, it is intended that NSF will procure that Provident makes applications to cancel the listing of Provident Shares on the UKLA's Official List and to cancel trading in Provident Shares on the London Stock Exchange's Main Market for listed securities.

Following such cancellation, it is intended that Provident will be re-registered as a private limited company. Such cancellation and re-registration would significantly reduce the liquidity and marketability of any Provident Shares not assented to the Offer.

16. Further information

The terms and conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the Appendices, which form part of this document, and, if your Provident Shares are held in certificated form, to the accompanying Form of Acceptance which should be read in conjunction with this document.

17. Action to be taken

To accept the Offer in respect of Provident Shares held in certificated form you must complete the Form of Acceptance in accordance with the instructions printed on it and return it together with your share certificate(s) or other document(s) of title to Computershare by post at Corporate Actions Projects, Bristol BS99 6AH or, by hand (only during normal business hours) at The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible, but in any event so as to arrive by no later than 1.00 p.m. (London time) on 8 May 2019. The procedure for acceptance is set out in paragraph 13.1 of this letter and in the Form of Acceptance. Acceptances in respect of Provident Shares held in uncertificated form should be made electronically through CREST so that the TTE instruction settles not later than 1.00 p.m. (London time) on 8 May 2019 in accordance with the procedure set out above in paragraph 13.2 of this letter.

Yours faithfully,

The directors of Non-Standard Finance plc
For and on behalf of Non-Standard Finance plc

APPENDIX I
CONDITIONS AND FURTHER TERMS OF THE OFFER
PART A—CONDITIONS OF THE OFFER

The Offer will be subject to the following conditions (as amended if appropriate):

Acceptance condition

- (A) valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as NSF may, with the consent of the Panel or in accordance with the City Code, decide) in respect of not less than 90 per cent. (or such lower percentage as NSF may decide) (1) in nominal value of the Provident Shares to which the Offer relates, and (2) of the voting rights attached to those shares, provided that this Condition shall not be satisfied unless NSF shall have acquired or agreed to acquire, whether pursuant to the Offer or otherwise, shares in Provident carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at general meetings of Provident. For the purposes of this Condition:
- (i) shares which have been unconditionally allotted but not issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry on being entered into the Register of Members of Provident; and
 - (ii) the expression 'Provident Shares to which the Offer relates' shall be construed in accordance with Part 28 of the Companies Act 2006;

Shareholder approval

- (B) the passing at the NSF General Meeting (or at any adjournment thereof) of such resolution or resolutions as is or are necessary to approve, implement and effect the Transaction and the acquisition of any Provident Shares including a resolution or resolutions to authorise the allotment of New NSF Shares pursuant to the Transaction;

Admission to listing

- (C) (i) the admission to the Official List of the New NSF Shares becoming effective in accordance with the Listing Rules and the admission of such shares to trading becoming effective in accordance with the Admission and Disclosure Standards of the London Stock Exchange; or (ii) if NSF so determines (and subject to the consent of the Panel): (a) the UKLA having acknowledged to NSF or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New NSF Shares to the Official List with a standard listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("**listing conditions**")) will become effective as soon as a dealing notice has been issued by the UKLA and any listing conditions having been satisfied; and (b) the London Stock Exchange having acknowledged to NSF or its agent (and such acknowledgement not having been withdrawn) that the New NSF Shares will be admitted to trading on the Main Market for listed securities of the London Stock Exchange;

Regulatory

- (D) the FCA:
- (i) giving notice for the purpose of section 189(4)(a) of FSMA that it has determined to approve; or
 - (ii) being treated, by virtue of section 189(6) of FSMA, as having approved,
- the acquisition of control (as defined in section 181 of FSMA read in conjunction with the Financial Services and Markets Act 2000 (controllers) (Exemption) Order 2009) over Provident Financial Management Services Limited, Provident Personal Credit Limited, Moneybarn Limited,

Moneybarn No. 1 Limited and Moneybarn No.4 Limited by NSF which will arise from the successful completion of the Transaction;

(E) the PRA:

(i) giving notice for the purpose of section 189(4)(a) of FSMA that it has determined to approve; or

(ii) being treated, by virtue of section 189(6) of FSMA, as having approved,

the acquisition of control (as defined in section 181 of FSMA) over Vanquis by NSF which will arise from the successful completion of the Transaction;

(F) the CBI giving approval for the acquisition of a qualifying shareholding in Provident and Provident Personal Credit Limited;

Antitrust approvals and clearances

(G) either:

(i) the CMA confirming, in terms satisfactory to NSF, that the proposed acquisition of Provident by NSF or any matter arising therefrom or related thereto or any part of it will not be subject to a reference under sections 22 or 33 of the Enterprise Act 2002 (a "**CMA Phase 2 Reference**"); or

(ii) the CMA accepting under section 73(2) of the Enterprise Act 2002 undertakings that are reasonably satisfactory to NSF in lieu of making CMA Phase 2 Reference;

General third party clearances

(H) (other than in respect of or in connection with Conditions (D) to (G) (inclusive)) no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might be expected to:

(i) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture by any member of the Wider NSF Group or any member of the Wider Provident Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof;

(ii) require, prevent or delay the divestiture by any member of the Wider NSF Group of any shares or other securities in Provident;

(iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider NSF Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Provident Group or the Wider NSF Group or to exercise management control over any such member;

(iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider NSF Group or of any member of the Wider Provident Group;

(v) make the Offer or its implementation or the acquisition or proposed acquisition by NSF or any member of the Wider NSF Group of any shares or other securities in, or control of Provident void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;

- (vi) other than pursuant to the Transaction, require any member of the Wider NSF Group or the Wider Provident Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Provident Group or the Wider NSF Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider Provident Group to coordinate its business, or any part of it, with the businesses of any other members; or
- (viii) result in any member of the Wider Provident Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Provident Shares having expired, lapsed or been terminated;

- (I) other than in relation to the Antitrust Approval and the Regulatory Approvals, all:
 - (i) notifications, necessary filings or applications having been made in connection with the Offer and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by any member of the Wider NSF Group of any shares or other securities in, or control of, Provident;
 - (ii) authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals deemed necessary or appropriate by NSF or any member of the Wider NSF Group for or in respect of the Offer, or the proposed acquisition of any shares or other securities in, or control of, Provident by any member of the Wider NSF Group having been obtained in terms and in a form satisfactory to NSF from all appropriate Third Parties or persons with whom any member of the Wider Provident Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all material authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Provident Group remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke, suspend, materially restrict, materially modify or not to renew any of the same at the time at which the Offer becomes otherwise unconditional; and
 - (iii) necessary statutory or regulatory obligations in any jurisdiction having been complied with;

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

- (J) there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Provident Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition of any shares or other securities in Provident or because of a change in the control or management of Provident or otherwise, could or might result in:
 - (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;

- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, modified or affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Provident Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition;

Certain matters occurring since 31 December 2017

- (K) except as publicly announced by Provident in accordance with the Listing Rules, Disclosure Rules or Transparency Rules prior to 22 February 2019, no member of the Wider Provident Group having, since 31 December 2017:
 - (i) save as between Provident and wholly-owned subsidiaries of Provident or for Provident Shares issued pursuant to the exercise of options and vesting of awards granted under the Provident Share Schemes, issued or agreed to be issued, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Provident and wholly-owned subsidiaries of Provident or for the grant of options, awards and other rights under the Provident Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the Provident Group, prior to Completion, 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;
 - (iv) save for intra-Provident Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business;
 - (v) save for intra-Provident Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital;
 - (vi) issued, authorised or proposed the issue of any debentures (save for intra-Provident Group transactions) or, save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
 - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital;
 - (viii) save for intra-Provident Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme,

commitment or other transaction or arrangement or entered into or changed the terms of any contract with any director or senior executive, other than in the ordinary course of business;

- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Provident Group or the Wider NSF Group or which involves or could involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business;
- (x) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed;
- (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Provident Group or the Wider NSF Group;
- (xii) waived or compromised any claim otherwise than of an immaterial amount in the ordinary course of business;
- (xiii) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (K);
- (xiv) having made or agreed or consented to any change to:
 - (a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Provident Group for its directors, employees or their dependents;
 - (b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;
- (xv) proposed, agreed to provide or modified the terms of any of the Provident Share Schemes or other benefit relating to the employment or termination of employment of any person employed by the Wider Provident Group; or
- (xvi) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Provident Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code;

No adverse change, litigation or regulatory enquiry

- (L) except as disclosed in the accounts for the year then ended, since 31 December 2017:
 - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Provident Group and no circumstances have arisen which would or might reasonably be expected to result in such adverse change;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Provident Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, investigation or investigation by any Third Party against or in respect of any member of the Wider Provident Group having been instituted,

announced or threatened by or against or remaining outstanding in respect of any member of the Wider Provident Group; and

- (iii) no contingent or other liability having arisen or become apparent to NSF or increased;
- (M) no government, governmental, quasi-governmental, supranational, statutory or regulatory body, trade agency, association, institution or professional body having responsibility for the regulation or supervision of banking, consumer credit or financial services having taken steps which are likely to:
 - (i) result in the withdrawal, cancellation, termination, material modification of, imposition of material conditions on or refusal to renew any licence held by any member of the Wider Provident Group; or
 - (ii) be instituted, implemented, taken or omitted, or threatened to take or to omit, any other action,

the effect of which would be, or would reasonably be expected to materially and adversely to affect the businesses, assets, prospects or profits of the Wider NSF Group or of the Wider Provident Group, and upon no such licences or permissions terminating or otherwise becoming invalid as a result of the Offer or its implementation the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider NSF Group or of the Wider Provident Group;

No discovery of certain matters

- (N) NSF not having discovered:
 - (i) that any financial, business or other information concerning the Wider Provident Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Provident Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
 - (ii) that any member of the Wider Provident Group or partnership, company or other entity (in which any member of the Wider Provident Group has a significant economic interest and which is not a subsidiary of Provident) is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Provident for the year ended 31 December 2017; or
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Provident Group; and

Anti-corruption, sanctions and criminal property

- (O) NSF not having discovered that:
 - (i) any past or present member of the Wider Provident Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has otherwise been any such use, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which use, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the Wider Provident Group;
 - (ii) there is, or is likely to be, for that or any other reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider Provident Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Provident Group, under any environmental legislation, regulation, notice, circular or

order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or any other person or body in any jurisdiction; or

(iii) any:

- (a) past or present member, director, officer or employee of the Wider Provident Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation and regulation;
- (b) person that performs or has performed services for or on behalf of the Wider Provident Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, or any other applicable anti-corruption legislation and regulation; or
- (c) member of the Wider Provident Group is or has been engaged in any transaction which would cause NSF to be in breach of any law or regulation upon its acquisition of Provident, including the economic sanctions of HMRC, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the European Union or any of its member states.

APPENDIX I
PART B—WAIVER AND INVOCATION OF THE CONDITIONS

NSF reserves the right to waive, in whole or in part, all or any of Conditions, except for Conditions (A) (*Acceptance condition*), (B) (*Shareholder approval*), and (C) (*Admission to listing*), which cannot be waived. Under Rule 13.5 of the Code, NSF may not invoke a Condition to the Offer so as to cause the Offer 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 NSF in the context of the Offer. Condition (A) (*Acceptance condition*) is not subject to this provision of the Code.

Conditions (B) (*Shareholder approval*) and (C) (*Admission to listing*) must be fulfilled by, and Conditions (D) to (O) (inclusive) fulfilled or waived by, midnight on the twenty-first day after the later of the First Closing Date and the date on which Condition (A) (*Acceptance condition*) is fulfilled (or in each such case such later date as NSF may, with the consent of the Panel, decide), failing which the Offer will lapse.

NSF shall be under no obligation to waive or treat as satisfied any of Conditions (D) to (O) (inclusive) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the Offer 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.

APPENDIX I
Part C—FURTHER TERMS OF THE OFFER

The conditions in this Part C and the following further terms apply, unless the context otherwise requires, to the Offer. Except where the context otherwise requires, any reference in Parts B, C or D of this Appendix I and in the Form of Acceptance:

- (i) to the “Offer” will mean the Offer and any revision, variation or renewal thereof or extension thereto and any election in connection therewith;
- (ii) to the “Offer becoming unconditional” means the acceptance condition becoming or being declared satisfied whether or not any other condition of the Offer remains to be fulfilled and references to the Offer having become or not become unconditional shall be construed accordingly;
- (iii) to the “acceptance condition” means the condition set out in paragraph (A) of PART A of this Appendix I;
- (iv) to “acceptances of the Offer” shall include deemed acceptances of the Offer;
- (v) to the “Offer Period” means, in relation to the Offer, the period commencing on 22 February 2019, until the latest of:
 - (a) 1.00 p.m. on 8 May 2019;
 - (b) the time and date when the Offer lapses; and
 - (c) the time and date when the Offer becomes unconditional; and
- (vi) to “acting in concert with NSF” means any such person acting or deemed (except where NSF has determined otherwise with the consent of the Panel) to be acting in concert with NSF for the purposes of the Code and/or the Offer.

1. Acceptance period

- (A) The Offer will initially be open for acceptance until 1.00 p.m. (London time) on 8 May 2019. Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days, or such longer period as may be required by applicable law (or such other period as may be permitted by the Panel), from the date of despatching written notification of the revision to Provident Shareholders. Except with the consent of the Panel, no revision of the Offer may be made or posted to Provident Shareholders after 24 April 2019 or, if later, the date falling 14 days prior to the last date on which the Offer can become unconditional.
- (B) The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight (London time) on 8 May 2019 nor of being kept open for acceptance after that time and date unless it has previously become unconditional, provided that NSF reserves the right, with the permission of the Panel, to extend the Offer to a later time(s) and/or date(s). Except with the consent of the Panel, NSF may not, for the purpose of determining whether the acceptance condition has been satisfied, take into account acceptances received or purchases of Provident Shares made after 1.00 p.m. (London time) on 8 May 2019 or, if the Offer is so extended, any such later time and/or date as may be agreed with the Panel. If the latest time at which the Offer may become unconditional is extended beyond midnight (London time) on 8 May 2019, acceptances received and purchases of Provident Shares made in respect of which the relevant documents are received by Computershare after 1.00 p.m. (London time) on the relevant date may (except where the Code otherwise permits) only be taken into account with the agreement of the Panel.

- (C) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated by or on behalf of NSF that the Offer will remain open until further notice, then not less than fourteen days' notice in writing will be given prior to the closing of the Offer to those Provident Shareholders who have not accepted the Offer.
- (D) If a competitive situation arises (as determined by the Panel) and is continuing on 8 May 2019, NSF will enable holders of Provident Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on 8 May 2019. It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that:
- (i) it is received by Computershare on or before 8 May 2019;
 - (ii) the relevant Provident Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Provident Shares to which such withdrawal relates shall not have been released from escrow before 8 May 2019 by the escrow agent to the competing offer; and
 - (iii) the Provident Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in this document on or before 8 May 2019, but an undertaking is given that they will be so transferred as soon as possible thereafter.

Provident Shareholders wishing to use such special forms of acceptance should apply to Computershare on 0370 707 1066 in the UK or +44 370 707 1066 outside the UK between 8.30 a.m. and 5.30 p.m. (London time) on the Business Day preceding 8 May 2019 in order that such forms can be despatched. Notwithstanding the right to use such special form of acceptance, holders of Provident Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

- (E) If a competitive situation arises (as determined by the Panel) after a "no increase" and/or "no extension" statement (as referred to in the Code) has been made by NSF in relation to the Offer, NSF may, if it specifically reserved the right to do so at the time such statement was made, or otherwise with the consent of the Panel, choose not to be bound by and withdraw such statement and be free to revise or extend the Offer provided that it complies with the requirements of the Code and in particular that:
- (i) it announces such withdrawal and that it is free to extend or revise the Offer (as appropriate) as soon as possible, and in any event, within four Business Days after the firm announcement of the competing offer or other competitive situation and notifies Provident Shareholders in writing thereof at the earliest practicable opportunity or, in the case of Provident Shareholders with registered addresses outside the UK (including in the United States or in any other Restricted Jurisdiction) or whom NSF knows to be nominees, trustees or custodians holding Provident Shares for such persons, by announcement in the UK at the earliest practicable opportunity; and
 - (ii) any Provident Shareholders who accepted the Offer after the date of the "no extension" or "no increase" statement are given a right of withdrawal in accordance with paragraph 3(D) of this Part C of Appendix I.
- (F) NSF may, if it has reserved the right to do so, choose not to be bound by the terms of a "no increase" or "no extension" statement if it would otherwise prevent the posting of an increased or improved offer (either as to the value or nature of the consideration offered or otherwise) which is recommended for acceptance by the board of directors of Provident, or in other circumstances permitted by the Panel.
- (G) NSF may, if it has reserved the right to do so and Provident makes an announcement of the kind referred to in Rule 31.9 of the Code after 17 April 2019, choose not to be bound by a "no increase" or "no extension" statement and revise or extend the Offer with the consent of the Panel, provided that NSF complies with the requirements of the Code and other applicable law

and in particular that notice to this effect is given as soon as possible (and in any event within four Business Days of the date of Provident's announcement) and Provident Shareholders are informed in writing at the earliest opportunity, except those resident in the United States or any other Restricted Jurisdiction who will be notified by announcement in the United Kingdom.

- (H) For the purpose of determining at any particular time whether the acceptance condition has been satisfied, NSF shall take account of Provident Shares carrying voting rights which have been unconditionally allotted or issued before that time and written notice of the allotment or issue of which, containing all the relevant details, has been received by Computershare from Provident or its agents at the address specified in paragraph 3(A) of this Part C of Appendix I. Notification by e-mail or facsimile transmission will not constitute written notice for this purpose.
- (I) NSF reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other relevant document(s) of title or not accompanied by the relevant TTE instruction (subject to paragraphs 5(A) and (B) of this Part C of Appendix I).

2. Announcements

- (A) Without prejudice to paragraph 3(A) of this Part C of Appendix I, by 8.00 a.m. (London time) on the Business Day (the "**relevant day**") following the day on which the Offer is due to expire or becomes or is declared unconditional or is revised or extended, as the case may be (or such later time(s) or date(s) as the Panel may agree), NSF will make an appropriate announcement and simultaneously inform a Regulatory Information Service of the position. Such announcement will also state (unless otherwise permitted by the Panel):
 - (i) the number of Provident Shares for which acceptances of the Offer have been received (showing the extent, if any, to which acceptances have been received from persons acting in concert with NSF or in respect of Provident Shares which were subject to an irrevocable commitment or a letter of intent procured by NSF or any person acting in concert with NSF);
 - (ii) details of any relevant securities of Provident in which NSF or any person acting in concert with NSF has an interest or in respect of which that person has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (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 obligation or right to require another person to purchase or take delivery, will also be stated; and/or
 - (iii) details of any relevant securities of Provident in respect of which NSF or any person acting in concert with NSF has an outstanding irrevocable commitment or letter of intent; and/or
 - (iv) details of any relevant securities of Provident in respect of which NSF or any person acting in concert with NSF has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will in each case specify the percentages of each class of relevant securities of Provident represented by these figures. Any such announcement will include a prominent statement of the total number of Provident Shares which NSF may count towards satisfaction of the acceptance condition and the percentage of Provident Shares represented by this figure.

- (B) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (as defined in paragraph 2(A) of this Part C of Appendix I) (or such later time and/or date as the Panel may agree). The announcement will state the next expiry date (unless the Offer is then unconditional in which case a statement may instead be made that the Offer will remain open until further notice). In computing the number of Provident Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 5 of this Part C, acceptances and purchases which are not in all respects in order or not accompanied by the relevant share certificates and/or other document(s) of title or not accompanied by the relevant TTE instruction or which are subject to verification, save that those

which could not be counted towards fulfilment of the acceptance condition under Notes 4, 5 and 6 on Rule 10 of the Code shall not (unless agreed by the Panel) be included.

- (C) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of NSF include the release of an announcement to the press by public relations consultants or by the Financial Advisers, in each case on behalf of NSF, and the delivery by hand, telephone or facsimile or other electronic transmission of an announcement to a Regulatory Information Service. An announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service (unless otherwise agreed by the Panel).
- (D) A copy of any announcement made by NSF in accordance with this paragraph 2 will be available, subject to certain restrictions relating to persons resident in the United States or in any other Restricted Jurisdiction, for inspection on NSF's website at www.nsfgroupplc.com as soon as possible after the making of such announcement and in any event by no later than 12 noon on the following Business Day and will remain on such website while the Offer remains open for acceptances.
- (E) Without limiting the manner in which NSF may choose to make any public announcement and, subject to the obligations of NSF under applicable law and paragraph (D) above, NSF will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

3. Rights of withdrawal

- (A) If NSF, having announced the Offer to be unconditional, fails to comply by 3.30 p.m. (London time) on the relevant day (as defined in paragraph 2(A) of this Part C of Appendix I) (or such later time and/or date as the Panel may agree) with any of the other relevant requirements specified in paragraph 2(A) of this Part C of Appendix I, an accepting Provident Shareholder may (unless the Panel agrees otherwise) immediately thereafter withdraw his acceptance of the Offer by written notice received by post by Computershare at Corporate Actions Projects, Bristol BS99 6AH or, by hand (only during normal business hours) by Computershare at The Pavilions, Bridgwater Road, Bristol BS13 8AE. Alternatively, in the case of Provident Shares held in uncertificated form, withdrawals can also be effected in the manner set out in paragraph 3(I) of this Part C of Appendix I. Subject to paragraph 1(B) of this Part C of Appendix I, this right of withdrawal may be terminated not less than eight days after the relevant day (as defined in paragraph 2(A)) of this Part C of Appendix I) by NSF confirming, if such be the case, that the Offer is still unconditional, and complying with the other requirements specified in paragraph 2(A)) of this Part C of Appendix I. If any such confirmation is given, the first period of 14 days referred to in paragraph 1(C) of this Part C of Appendix I will run from the date of such confirmation and compliance.
- (B) If by 1.00 p.m. (London time) on 29 May 2019 (or such later time and/or date as the Panel may agree) the Offer has not become unconditional, an accepting Provident Shareholder may withdraw his acceptance at any time thereafter by written notice received by Computershare on behalf of NSF and in the manner referred to in paragraph 3(A) of this Part C of Appendix I (or, in the case of Provident Shares held in uncertificated form, in the manner set out in paragraph 3(I) of this Part C of Appendix I) before the earlier of:
 - (i) the time when the Offer becomes unconditional; and
 - (ii) the final time for lodgement of acceptances of the Offer which can be taken into account in accordance with paragraph 1(B) of this Part C of Appendix I.
- (C) If an accepting Provident Shareholder is permitted to withdraw his acceptance in accordance with this paragraph 3 and so withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) and Computershare will immediately give instructions for the release of securities held in escrow.

- (D) If a “no increase” and/or “no extension” statement has been withdrawn in accordance with paragraph 1(E) of this Part C of Appendix I, any Provident Shareholder who accepts the Offer after the date of such statement may withdraw his acceptance thereafter in the manner referred to in paragraph 3(A) of this Part C of Appendix I (or, in the case of Provident Shares held in uncertificated form, in the manner set out in paragraph 3(I) of this Part C of Appendix I) not later than the eighth day after the date on which notice of the withdrawal of such statement is posted to Provident Shareholders.
- (E) Except as provided by this paragraph 3 of Part C of Appendix I or as otherwise permitted by NSF (either generally or for any particular Provident Shareholder), acceptances of the Offer shall be irrevocable, except as otherwise may be required by applicable law.
- (F) In this paragraph 3, “written notice” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Provident Shareholder(s) or his/their agent(s) duly appointed in writing (evidence of whose appointment in a form reasonably satisfactory to NSF is produced with the notice). E-mail, facsimile or other electronic transmissions or copies will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to NSF or its agents to have been sent from or otherwise evidences use of any means or instrumentality of interstate or foreign commerce of, the United States or any other Restricted Jurisdiction will be treated as valid.
- (G) To be effective, a written notice of withdrawal must be received on a timely basis by Computershare and must specify the name of the person who has tendered the Provident Shares to be withdrawn and (if share certificates have been tendered) the name of the holder of the relevant Provident Shares if different from the name of the person who tendered the Provident Shares.
- (H) NSF may, in its absolute discretion, allow any acceptance of the Offer to be withdrawn, in whole or in part, without allowing withdrawal of other acceptances, insofar as is necessary to enable the relevant Provident Shares to be purchased by it otherwise than pursuant to the Offer.
- (I) In the case of Provident Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 3(A), (B) or (D) of this Part C of Appendix I, an accepting Provident Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:-
- (i) the number of Provident Shares to be withdrawn, together with their ISIN number (this is GB00B1Z4ST84);
 - (ii) the member account ID of the accepting shareholder, together with his participant ID;
 - (iii) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance (this is PRONSF01, together with the Escrow Agent’s participant ID (this is 8RA15));
 - (iv) the CREST transaction ID of the Electronic Acceptance to be withdrawn;
 - (v) the intended settlement date for the withdrawal;
 - (vi) the corporate action number for the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
 - (vii) input with a standard delivery instruction priority of 80.
- Any such withdrawal will be conditional upon Computershare verifying that the withdrawal request is validly made. Accordingly, Computershare will on behalf of NSF reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.
- (J) Provident Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 3 may subsequently be re-assented to the Offer by following one of the

procedures described in paragraph 13 of this document at any time while the Offer remains open for acceptance.

- (K) All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by NSF, whose determination, except as may be determined otherwise by the Panel, will be final and binding. None of NSF, Computershare, Provident or any other person will be under any duty to give notice of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notice.

4. Revised offer

- (A) No revision of the Offer is envisaged. However, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents, on the date on which it is announced (on such basis as the Financial Advisers/NSF may consider appropriate), an improvement (or no diminution) in the value of the Offer as so revised compared with the consideration or terms previously offered or in the overall value received and/or retained by a Provident Shareholder (under the Offer or otherwise), the benefit of the revised Offer will, subject as provided in paragraphs (C), (D) and 7 of this Part C of Appendix I, be made available to any Provident Shareholder who has accepted the Offer in its original or previously revised form(s) and not validly withdrawn such acceptance in accordance with paragraph 3 above (hereinafter called "**Previous Acceptors**"). The acceptance of the Offer by or on behalf of a Previous Acceptor in its original or any previously revised form(s) shall, subject as provided in paragraphs (C), (D) and 7 of this Part C of Appendix I, be treated as an acceptance of the Offer as so revised and shall also constitute the separate and irrevocable appointment of NSF and each of its directors and/or the Financial Advisers and each of their directors as his attorney and/or agent with authority:

- (i) to accept any such revised Offer on behalf of such Previous Acceptor;
- (ii) if such revised Offer includes alternative forms of consideration, to make on his behalf elections for and/or accept such alternative forms of consideration in such proportions as such attorney and/or agent in his absolute discretion thinks fit; and
- (iii) to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such further things (if any) as may be required to give effect to such acceptances and/or elections.

In making any such election and/or acceptance, such attorney and/or agent shall take into account the nature of any previous acceptances made by or on behalf of the Previous Acceptor and such other facts or matters as he may reasonably consider relevant.

- (B) Subject to paragraphs 4(C) and (D) of this Part C of Appendix I, the powers of attorney and authorities conferred by this paragraph 4 and any acceptance of a revised Offer pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his acceptance under paragraph 3 of this Part C of Appendix I and duly and validly does so.
- (C) The deemed acceptance referred to in paragraph 4(A) of this Part C of Appendix I shall not apply and the authorities conferred by that paragraph shall not be exercised, to the extent that a Previous Acceptor:
- (i) in respect of Provident Shares held in certificated form, lodges with Computershare, within 14 days of the posting of the document containing the revised Offer (or such later date as NSF may determine), a Form of Acceptance (or other form validly issued by or on behalf of NSF) in which he validly elects to receive the consideration receivable by him under such revised Offer in some other manner than that set out in his original acceptance; or
 - (ii) in respect of Provident Shares held in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- (a) the number of Provident Shares in respect of which the changed election is made, together with their ISIN number (this is GB00B1Z4ST84);
- (b) the member account ID of the Previous Acceptor, together with his participant ID;
- (c) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance (this is PRONSF01 for the Offer), together with the Escrow Agent's participant ID (this is 8RA15);
- (d) the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed;
- (e) the intended settlement date for the changed election;
- (f) the corporate action number for the Offer, which is allocated by Euroclear and can be found by viewing the relevant corporation action details in CREST;

and, in order that the desired change of election can be effected, must include:-

- (g) the member account ID of the Escrow Agent relevant to the new election; and
- (h) input with a standard delivery instruction priority of 80.

Any such change of election in respect of Provident Shares held in uncertificated form will be conditional upon Computershare verifying that the request is validly made. Accordingly, Computershare will on behalf of NSF reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (D) The deemed acceptance referred to in paragraph 4(A) of this Part C of Appendix I shall not apply and the authorities conferred by that paragraph shall not be exercised if, as a result thereof, the Previous Acceptor would (on such basis as NSF and the Financial Advisers may consider appropriate) thereby receive and/or retain (as appropriate) less in aggregate in consideration under the revised Offer than he would have received and/or retained (as appropriate) in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted and/or elected by him or on his behalf (unless such Previous Acceptor has previously agreed in writing to receive and/or retain (as appropriate) less in aggregate consideration). The authorities conferred by paragraph 4(A) of this Part C of Appendix I shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph.
- (E) NSF and Computershare reserve the right to treat an executed Form of Acceptance or TTE instruction in respect of the Offer (in its original or any previously revised form(s)) which is received (or dated) on or after the announcement or issue of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration made available pursuant thereto. Such acceptances shall constitute an authority in the terms of paragraph 4(A) of this Part C of Appendix I, *mutatis mutandis*, on behalf of the relevant Provident Shareholder.

5. Acceptances and purchases

Notwithstanding the right reserved by NSF to treat an acceptance of the Offer as valid (even though, in the case of Provident Shares held in certificated form, the relevant Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title), except as otherwise agreed by the Panel:

- (A) an acceptance of the Offer shall not be treated as valid for the purposes of the acceptance condition unless the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it (and the Provident Shares to which such acceptance relates do not fall within Note 8 of Rule 10 of the Code);
- (B) a purchase of Provident Shares by NSF or its nominee(s) or, in the case of a Rule 9 offer, any person acting or deemed to be acting in concert with NSF (or such person's nominee) will only be treated as valid for the purposes of the acceptance condition if the requirements of Note 5 and, if

applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it (and the Provident Shares to which such acceptance relates do not fall within Note 8 of Rule 10 of the Code); and

- (C) before the Offer may become unconditional, Computershare must have issued a certificate to NSF or to the Financial Advisers which states the number of Provident Shares in respect of which acceptances have been received which comply with paragraph 5(A) of this Part C of Appendix I and the number of Provident Shares otherwise acquired, whether before or during the Offer Period, which comply with paragraph 5(B) of this Part C of Appendix I. Copies of that certificate will be sent to the Panel and to Provident's financial adviser as soon as possible after it is issued.

6. General

- (A) Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- (B) If NSF is required by the Panel to make an offer or offers for Provident Shares under the provisions of Rule 9 of the Code, NSF may make such alterations to the conditions in PART A of this Appendix I, as are necessary to comply with the provisions of that rule.
- (C) NSF reserves the right to elect (with the consent of the Panel) to implement the Offer by way of scheme of arrangement pursuant to Part 26 of the Companies Act 2006. In such event, such Scheme will be implemented on the same terms so far as applicable, as those that would apply to the Offer, subject to appropriate amendments including such amendments as may be required by law or regulation. In particular, Condition (A) (Acceptance condition) would not apply and the Scheme would become effective and binding following: (i) approval of the Scheme at any meeting, or any adjournment thereof, of the Provident Shareholders convened by order of the Court pursuant to section 899 of the Companies Act 2006 for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) by a majority in number representing 75 per cent. or more in value of Provident Shareholders present and voting either in person or by proxy; (ii) the resolutions required to approve and implement the Scheme, being those set out in the notice of general meeting of the Provident Shareholders, being passed by the requisite majority at such general meeting; and (iii) the sanction of the scheme by the Court (with or without modification, and any such modification being acceptable to NSF and Provident) and the delivery of a copy of the Court order to the Registrar of Companies of England and Wales.
- (D) NSF reserves the right to direct that a portion of the Provident Shares to be transferred pursuant to acceptances of the Offer be transferred directly to a wholly-owned subsidiary of NSF.
- (E) Except with the consent of the Panel, the Offer will lapse unless all the conditions have been satisfied or (if capable of waiver) waived or, where appropriate, have been determined by NSF in its reasonable opinion to be or remain satisfied in each case by midnight (London time) on 29 May 2019 or by midnight (London time) on the date which is 21 days after the date on which the Offer becomes unconditional, whichever is the later, or such later date as NSF may, with the consent of the Panel, decide. If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance and NSF and Provident Shareholders shall cease to be bound by acceptances received on or before the date on which the Offer lapses. NSF shall be under no obligation to waive or treat as satisfied any of the conditions (D) to (O) (inclusive) in Part A of this Appendix I by a date earlier than the latest date specified or referred to above for the satisfaction thereof notwithstanding that such condition or the other conditions of the Offer may at such earlier date have been waived or satisfied and that there are at such earlier date no circumstances indicating that any of such conditions may not be capable of being satisfied.
- (F) The Offer will lapse if there is a Phase 2 CMA reference in respect of the Offer before the later of 3.00 p.m. on 8 May 2019 (the First Closing Date) and the date on which the Offer becomes or is declared wholly unconditional as to acceptances.
- (G) The Offer will extend to all Provident Shares unconditionally allotted or issued and fully paid on 10 March 2019 (excluding any Treasury Shares except to the extent these cease to be held as Treasury Shares before such date as NSF may determine), and any further Provident Shares unconditionally allotted or issued and fully paid including pursuant to the exercise of options under the Provident Share Schemes, before the date on which the Offer closes or such earlier date as

NSF may, subject to the Code, decide, not being earlier than the date on which the Offer becomes unconditional as to acceptances.

- (H) Except with the consent of the Panel, settlement of the consideration to which any Provident Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which NSF may otherwise be, or claim to be, entitled as against such Provident Shareholder and will be effected in the manner described in this document.
- (I) Fractions of New NSF Shares will not be allotted or issued to persons accepting the Offer. Fractional entitlements to New NSF Shares will be aggregated and sold in the market and the net proceeds of sale distributed pro-rata to persons entitled thereto. However, individual entitlements to amounts of less than £5.00 will not be paid to persons accepting the Offer but will be retained for the benefit of the Enlarged NSF Group.
- (J) The Offer is made on 9 March 2019 and is capable of acceptance from that date. The Offer is being made by means of this document. Copies of this document, the Form of Acceptance and any related documents are available, subject to certain restrictions relating to persons resident in the United States or any other Restricted Jurisdiction, for inspection on NSF's website at www.nsfgroupplc.com and from Computershare at the address set out in paragraph 3(A) of this Part C of Appendix I.
- (K) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance will, in respect of Provident Shares held in certificated form, also constitute part of the terms of the Offer. The provisions of this Appendix I shall be deemed to be incorporated in and form part of each Form of Acceptance. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires.
- (L) The Offer and all acceptances thereof and all elections pursuant thereto and the relevant Form of Acceptance or Electronic Acceptance and all contracts made pursuant thereto and action taken or made or deemed to be taken or made under any of the foregoing and the relationship between a Provident Shareholder and NSF or Computershare shall be governed by and construed in accordance with English law. The Offer will comply with the applicable rules and regulations of the FCA and the London Stock Exchange and the City Code. Execution of a Form of Acceptance by or on behalf of a Provident Shareholder or the making of an Electronic Acceptance by or on behalf of a Provident Shareholder will constitute his agreement that:
 - (i) the Courts of England are (subject to paragraph 6(L)(ii) of this Part C of Appendix I) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance, and for such purposes that he irrevocably submits to the jurisdiction of the English Courts; and
 - (ii) paragraph 6(L)(i) of this Part C of Appendix I is included for the benefit of NSF and Computershare and accordingly, notwithstanding the exclusive agreement in paragraph 6(L)(i) of this Part C of Appendix I, NSF and Computershare shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that he irrevocably submits to the jurisdiction of the courts of any such country.
- (M) Any reference in this document and in the Form of Acceptance to 30 March 2019 shall, except in the final paragraph of PART A to this Appendix I and paragraphs 1(A) and 6(F) of this Part C of Appendix I and where the context otherwise requires, be deemed, if the expiry date of the Offer be extended, to refer to the expiry date of the Offer as so extended.
- (N) Any omission or failure to despatch this document, (where relevant) the Form of Acceptance, any other document relating to the Offer or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to paragraph 7 of this Part C of Appendix I, the

Offer extends to all Provident Shareholders to whom this document, (where relevant) the Form of Acceptance and any related documents may not be despatched, or who may not receive such documents, and such persons may collect copies of those documents from Computershare at the address set out in paragraph 3(A) of this Part C of Appendix I or inspect this Offer Document, subject to certain restrictions relating to persons resident in the United States or any other Restricted Jurisdiction, on NSF's website at www.nsfgroupplc.com while the Offer remains open for acceptances.

- (O) If the Offer does not become unconditional in all respects and lapses or is withdrawn:
- (i) in respect of Provident Shares held in certificated form, the Forms of Acceptance and any share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing, at the risk of the person entitled thereto, to the person or agent whose name and address outside the United States or any other Restricted Jurisdiction is set out in the relevant box on the Form of Acceptance or, if none is set out, to the first-named or sole holder at his registered address. No such documents will be sent to an address in the United States or any other Restricted Jurisdiction; and
 - (ii) in respect of Provident Shares held in uncertificated form, Computershare will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit not exceeding 14 days after the lapsing of the Offer), give TFE instructions to Euroclear to transfer all Provident Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Provident Shareholders concerned.
- (P) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I or (where relevant) in the Form of Acceptance are given by way of security for the performance of the obligations of the Provident Shareholder concerned and are irrevocable (in respect of powers of attorney, in accordance with section 4 of the Powers of Attorney Act 1971), except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 3 of this Part C of Appendix I and duly and validly does so.
- (Q) Without prejudice to any other provision in this Part C of Appendix I, NSF and Computershare reserve the right to treat acceptances of the Offer as valid in whole or in part acceptances of the Offer if not entirely in order or not accompanied by the relevant TTE instruction or (as applicable) relevant share certificate(s) and/or other document(s) of title or if received by or on behalf of either of them at any place or places or in any manner determined by either of them otherwise than as set out herein or, in respect of Provident Shares held in certificated form, in the Form of Acceptance.
- (R) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Provident Shareholders (or their designated agent(s)) will be delivered by or sent to or from such Provident Shareholders (or their designated agent(s)) at their risk. No acknowledgement of receipt of any Form of Acceptance, Electronic Acceptance, transfer by means of CREST, communication, notice, share certificate and/or other document of title will be given by or on behalf of NSF.
- (S) NSF and the Financial Advisers reserve the right to notify any matter (including the making of the Offer) to all or any Provident Shareholder(s) with registered address(es) outside the UK or whom NSF or the Financial Advisers know to be nominees, trustees or custodians for such persons by announcement or paid advertisement in any daily newspaper published and circulated in the UK in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Provident Shareholders to receive or see such notice, and all references in this document to notice in writing (other than in paragraph 3 of this Part C of Appendix I) shall be construed accordingly.
- (T) If sufficient acceptances under the Offer are received and/or sufficient Provident Shares are otherwise acquired whether pursuant to the Offer or otherwise, NSF intends to apply the

provisions of sections 979 to 991 of the Companies Act 2006 to acquire compulsorily any outstanding Provident Shares to which the Offer relates on the same terms as the Offer.

- (U) It is also intended that, following the Offer becoming or being declared unconditional in all respects, when NSF has by virtue of its shareholding and acceptances of the Offer acquired or agreed to acquire Provident Shares carrying at least 75 per cent. of the voting rights attaching to the ordinary share capital of Provident, NSF will procure the making of an application by Provident to cancel the listing of Provident Shares on the Official List and to cancel admission to trading in Provident Shares on the London Stock Exchange's market for listed securities. At least 20 Business Days' notice of cancellation will be given once NSF announces it has acquired 75 per cent. of the voting rights. The cancellation of listing and admission to trading of Provident Shares would significantly reduce the liquidity and marketability of any Provident Shares not assented to the Offer.
- (V) Due completion of a Form of Acceptance or the making of a valid Electronic Acceptance will constitute an instruction to NSF that, on the Offer becoming unconditional in all respects, all mandates and other instructions or notices recorded in Provident's records immediately prior to the Offer becoming so unconditional in relation to the Provident Shares will, unless and until revoked or varied, continue in full force, *mutatis mutandis*, in relation to the New NSF Shares allotted or issued to the relevant Provident Shareholders pursuant to the Offer. If a Provident Shareholder holds existing NSF Shares, the mandates, instructions and instruments in force for NSF Shares shall supersede mandates, instructions and instruments of Provident Shares.
- (W) In relation to any acceptance of the Offer in respect of Provident Shares which are held in uncertificated form, NSF reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- (X) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- (Y) All references in this Appendix I to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- (Z) The Provident Shares will be acquired pursuant to the Offer fully paid up and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights existing as at 22 February 2019 or subsequently 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) declared, made or paid on or after 22 February 2019.
- (AA) The New NSF Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing NSF Shares. Applications will be made to the UKLA for the New NSF Shares to be admitted to the Official List with a standard listing and to the London Stock Exchange for the New NSF Shares to be admitted to trading.
- (BB) NSF will have the right to reduce the number of New NSF Shares that Provident Shareholders will receive under the terms of this Transaction by the amount of any dividend (or other distribution) which is declared, paid or made by Provident to Provident Shareholders, on a basis to be determined by NSF. NSF will increase the number of New NSF Shares that Provident Shareholders will receive under the terms of this Transaction by the amount of any dividend (or other distribution) which is declared, paid or made by NSF to NSF Shareholders by reference to a record date falling prior to Completion, save for any final dividend declared by NSF in respect of the year ended 31 December 2018.

7. Overseas shareholders

- (A) The making and availability of the Offer (including the issuance of New NSF Shares outside, or to citizens, residents or nationals of jurisdictions outside, the United Kingdom (“**Overseas Shareholders**”) or to nominees, custodians or trustees for such persons, may be prohibited or affected by the laws of the relevant jurisdictions. Overseas Shareholders should fully acquaint themselves with and observe any applicable legal requirements. No person receiving a copy of this document and/or a Form of Acceptance in any jurisdiction other than the United Kingdom may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Form of Acceptance, if, in the relevant jurisdiction, such invitation or offer cannot lawfully be made to such person or such Form of Acceptance cannot lawfully be used without contravention of any relevant or other legal requirements. In such circumstances, this document and/or such Form of Acceptance are deemed to be sent for information purposes only. It is the responsibility of any Overseas Shareholder wishing to accept the Offer to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholder will be responsible for any such issue, transfer or other taxes or other requisite payments by whomsoever payable and NSF, the Financial Advisers and any person acting on behalf of either of them shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes as NSF (or any person acting on behalf of any of them) may be required to pay.

Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are an Overseas Shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction.

- (B) This document does not constitute an offer to Restricted Overseas Persons and the Offer 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 means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or e-mail) of interstate or foreign commerce of, or by any facilities of a national securities exchange of, the United States or any other Restricted Jurisdiction, and is not capable of acceptance by any such use, means, instrumentality or facility from within, the United States or any other Restricted Jurisdiction, unless otherwise determined by NSF. Neither this document nor the accompanying Form of Acceptance nor any related document are being mailed, and must not be mailed, transmitted or otherwise forwarded, distributed or sent in whole or in part in, into or from the United States or any other Restricted Jurisdiction (including to Provident Shareholders with registered addresses in the United States or any other Restricted Jurisdiction or to persons whom NSF or its agent knows to be custodians, nominees or trustees holding Provident Shares for such persons) and persons receiving such documents (including, without limitation, custodians, trustees and nominees) must not mail or otherwise forward, distribute or send any of them in, into or from the United States or any other Restricted Jurisdiction or use the mails of the United States or any other Restricted Jurisdiction or any such means or instrumentality for any purpose, directly or indirectly, in connection with the Offer. Doing so may invalidate any purported acceptance of the Offer.
- (C) Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be postmarked in the United States or any other Restricted Jurisdiction or otherwise despatched from the United States or any other Restricted Jurisdiction and all acceptors must provide addresses outside the United States or any other Restricted Jurisdiction for the receipt of share certificates in respect of any New NSF Shares and the remittance of cash or for the return of Form(s) of Acceptance and (in relation to Provident Shares held in certificated form) share certificate(s) for Provident Shares and/or other document(s) of title, except Eligible US Holders who have satisfied NSF (acting in its sole discretion) of their eligibility to participate in the Offer through the return of a QIB and IAI questionnaire and acknowledgement and any required supporting documentation, in a form acceptable to NSF, in which case the postmarks and addresses provided may be in the United States.

- (D) The New NSF Shares to be issued pursuant to the Offer have not been, and will not be, registered under the relevant securities laws of any Restricted Jurisdiction and the relevant clearances have not been, and will not be, obtained from the relevant securities commission of any Restricted Jurisdiction and neither this document nor any prospectus in relation to the New NSF Shares has been or will be lodged with, reviewed by, or registered by, any such securities commission or any regulatory authority outside of the UK. Accordingly, the New NSF Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold, delivered or transferred, directly or indirectly, in or into any Restricted Jurisdiction if to do so would constitute (or result in the Offer constituting) a violation of relevant laws or require registration thereof, or to or for the account or benefit of any Restricted Overseas Person.
- (E) A Provident Shareholder will be deemed not to have validly accepted the Offer or to have made a valid election thereunder if:
- (i) He puts "No" in Box 4 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (B) of Part D of this Appendix I;
 - (ii) having inserted in or having completed Box 1 of the Form of Acceptance with a registered address in the United States or any other Restricted Jurisdiction, he does not insert in Box 5 of the Form of Acceptance the name and address of a person or agent outside the United States or any other Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;
 - (iii) he inserts in Box 5 of the Form of Acceptance the name and address of a person or agent in the United States or any other Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer and/or any documents to be sent;
 - (iv) in any case, the Form of Acceptance received from him is received in an envelope postmarked in, or which otherwise appears to NSF or its agents to have been sent from, or otherwise evidences use of any means or instrumentality of interstate or foreign commerce of, the United States or any other Restricted Jurisdiction; or
 - (v) he makes a Restricted Escrow Transfer pursuant to paragraph 7(J) of this Part C of Appendix I unless he also makes a related Restricted ESA instruction (as defined in paragraph 7(J) of this Part C of Appendix I) which is accepted by Computershare.

NSF reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (B) of Part D or (as the case may be) Part E of this Appendix I have been truthfully given by the relevant Provident Shareholder and are correct and, if such investigation is made and, as a result, NSF cannot satisfy itself that such representations and warranties are true and correct, such acceptance and any election thereunder may be rejected as invalid.

- (F) If, in connection with the making of the Offer, any person (including, without limitation, any custodian, nominee and/or trustee), notwithstanding the restrictions set out in paragraph (B) above and whether pursuant to a contractual or legal obligation or otherwise, sends, forwards or otherwise distributes this document, the Form of Acceptance or any related documents, in, into or from the United States or any other Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or e-mail) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States or any other Restricted Jurisdiction in connection therewith, such person should: (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance or election by the recipient; and (iii) draw the attention of the recipient to this paragraph 7 of Part C of Appendix I.
- (G) If any written notice from a Provident Shareholder withdrawing his acceptance in accordance with paragraph 3 of this Part C of Appendix I is received in an envelope postmarked in, or with otherwise appears to NSF or its agents to have been sent from, the United States or any other Restricted Jurisdiction, NSF reserves the right in its absolute discretion to treat that notice as invalid.

- (H) Any acceptance of the Offer by Provident Shareholders holding Provident Shares in certificated form who are unable to give representations or warranties set out in paragraph (B) of Part D of this Appendix I or Provident Shareholders holding Provident Shares in uncertificated form who are unable to give the representations and warranties set out in paragraph (B) of Part E of this Appendix I is liable to be disregarded.
- (I) NSF reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.
- (J) If a Provident Shareholder holding Provident Shares in uncertificated form is unable to give the representations and warranties set out in paragraph (B) of Part E of this Appendix I, including if he is an Eligible US Holder or a nominee holding Provident Shares for an Eligible US Holder, but nevertheless can provide evidence satisfactory to NSF that he is able to accept the Offer in compliance with all relevant legal and regulatory requirements (which evidence, in the case of an Eligible US Holder, may take the form of a QIB and IAI questionnaire and acknowledgement, completed to NSF's satisfaction, as set out in section 7(C) of this Part C of Appendix I), he may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both:
- (i) a TTE instruction to a designated escrow balance detailed below (a "**Restricted Escrow Transfer**"); and
 - (ii) one or more valid ESA instructions (a "**Restricted ESA instruction**").

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and NSF decides, in its absolute discretion, to exercise its right described in paragraph 7(K) of this Part C of Appendix I to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of this Part C of Appendix I. If NSF accordingly decides to permit such acceptance to be made, Computershare will on behalf of NSF accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, Computershare will on behalf of NSF reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- (i) the ISIN number for the Provident Shares (this is GB00B1Z4ST84);
- (ii) the number of Provident Shares in respect of which the Offer is to be accepted;
- (iii) the member account ID and participant ID of the Provident Shareholder;
- (iv) the participant ID of the Escrow Agent (this is 8RA15) and its member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);
- (v) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 8 May 2019;
- (vi) the corporate action number for the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (vii) input with a standard delivery instruction priority of 80; and
- (viii) the contact name and telephone number inserted in the shared note field.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- (i) the ISIN number for the Provident Shares (this is GB00B1Z4ST84);
- (ii) the number of Provident Shares relevant to that Restricted ESA instruction;
- (iii) the member account ID and participant ID of the accepting Provident Shareholder;

- (iv) the member account ID and participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
 - (v) the participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required (details of which are set out in this document);
 - (vi) the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA instruction relates to be inserted at the beginning of the shared note field;
 - (vii) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 8 May 2019;
 - (viii) the corporate action number of the Offer which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST; and
 - (ix) input with a standard delivery instruction priority of 80.
- (K) The provisions of this paragraph (K) and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Provident Shareholder(s) or on a general basis by NSF in its absolute discretion. Subject thereto, the provisions of this paragraph 7 of Part C of Appendix I supersede any terms of the Offer inconsistent with them. References in this paragraph 7 of Part C of Appendix I to a Provident Shareholder shall (as appropriate) include the person or persons executing a Form of Acceptance or making an Electronic Acceptance and, in the event of more than one person executing a Form of Acceptance or making an Electronic Acceptance (as the case may be), the provisions of this paragraph shall apply to them jointly and severally.
- (L) Neither NSF nor the Financial Advisers nor Computershare nor any person on behalf of any of them shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer on any of the bases set out above or otherwise in connection therewith.

APPENDIX I
Part D—FORM OF ACCEPTANCE

Each Provident Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with NSF, the Financial Advisers and Computershare (so as to bind him, his personal representatives, heirs, successors and assigns) to the following effect:

- (A) that the execution of the Form of Acceptance, whether or not any other boxes are completed, shall constitute:
- (i) an acceptance, subject to paragraph 7 of Part C of this Appendix I, of the Offer in respect of the number of Provident Shares held in certificated form inserted or deemed to be inserted in Box 2 of the Form of Acceptance;
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable NSF to obtain the full benefit of this Part D of Appendix I and/or to perfect any of the authorities expressed to be given hereunder or otherwise in connection with such Provident Shareholder's acceptance of the Offer,

in each case, on and subject to the terms and conditions set out or referred to in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 3 of Part C of this Appendix I, each such acceptance shall be irrevocable provided that if (a) Box 2 or any other Box is not completed or (b) the total number of Provident Shares inserted in Box 2 is greater than the number of Provident Shares comprised in the acceptance, but the Form of Acceptance is signed; or (c) "ALL" is inserted in Box 2, it will be deemed to be an acceptance of all of the Provident Shares comprised in the acceptance.

For the purposes of this Appendix I and the Form of Acceptance, the phrase 'Provident Shares comprised in the acceptance' shall mean the number of Provident Shares inserted in Box 2 or if no number (or a number greater than the relevant Provident Shareholder's registered holding of Provident Shares) is inserted, the greater of (1) the relevant Provident Shareholder's entire holding of Provident Shares as disclosed by the register of members made available to Computershare prior to the time the relevant Form of Acceptance is processed by them; (2) the relevant Provident Shareholder's entire holding of Provident Shares as disclosed by the register of members made available to Computershare prior to the latest time for receipt of the Form of Acceptance which can be taken into account for determining whether the Offer is unconditional; and (3) the number of Provident Shares in respect of which certificates or documents of title or an indemnity in lieu thereof is received by Computershare;

- (B) unless "No" is put in Box 4 of the Form of Acceptance, that such Provident Shareholder:
- (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States or any other Restricted Jurisdiction, or any other jurisdiction where such actions may constitute or result in the Offer constituting a breach of any legal or regulatory requirements, and has not otherwise utilised in connection with the Offer or the execution or delivery of the Form of Acceptance, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or e-mail) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States or any other Restricted Jurisdiction;
 - (ii) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in NSF, the Financial Advisers or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof and he is lawfully entitled to make such election under the laws of any jurisdiction to which he is subject;

- (iii) is accepting the Offer from outside the United States or any other Restricted Jurisdiction and has not executed, mailed or sent the Form of Acceptance in or from the United States or any other Restricted Jurisdiction;
 - (iv) in respect of the Provident Shares held in certificated form to which the Form of Acceptance relates, is not and is not accepting the Offers through an agent or a fiduciary acting on a non-discretionary basis for a principal, unless such principal is a corporation or partnership and such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside the United States or any other Restricted Jurisdiction; and
 - (v) is not a Restricted Overseas Person and is not acquiring, and will not hold, the New NSF Shares for the account or benefit of a Restricted Overseas Person or with a view to, or for the purposes of, the offer, sale, resale, delivery or transfer, directly or indirectly, of any New NSF Shares in or into the United States or any other Restricted Jurisdiction or to or for the account or benefit of any Restricted Overseas Person or any other person who such Provident Shareholder has reason to believe is purchasing for the purpose of such offer, sale, resale, delivery or transfer;
- (C) that, in relation to Provident Shares held in certificated form, the execution of the Form of Acceptance and its delivery to Computershare constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Provident Shareholder not having validly withdrawn his acceptance, the irrevocable and separate appointment of each of NSF, the Financial Advisers, Computershare and any director of, or person authorised by, any of them, as such shareholder's attorney and/or agent (the "**attorney**"), and an irrevocable instruction and authorisation to the attorney (in accordance with section 4 of the Powers of Attorney Act 1971):
- (i) to complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the Provident Shares referred to in paragraph (A) of this Part D of Appendix I in favour of NSF or such other person or persons as NSF or its agents may direct in connection with acceptance of the Offer;
 - (ii) to deliver such form(s) of transfer and/or other document(s) at the discretion of the attorney with the certificate(s) and/or other document(s) of title relating to such Provident Shares for registration within six months of the Offer becoming unconditional in all respects; and
 - (iii) to execute all such other documents and do all such other acts and things as may in the opinion of the attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer pursuant to the Form of Acceptance and to vest the Provident Shares referred to in paragraph (A) of this Part D of Appendix I in NSF or its nominee(s);
- (D) that, in relation to Provident Shares held in certificated form, the execution of the Form of Acceptance and its delivery to Computershare constitutes, subject to the Offer becoming unconditional in all respects and to the accepting Provident Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests (subject to paragraph 7 of Part C of this Appendix I):
- (i) to Provident or its agents to procure the registration of the transfer of those Provident Shares referred to in paragraph (A) of this Part D of Appendix I pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the Provident Shares, or satisfactory indemnities, to NSF or as it may direct; and
 - (ii) to NSF or its agents to procure the despatch by post (or by such other method as may be approved by the Panel) of the definitive certificates in respect of any New NSF Shares to which an accepting Provident Shareholder is entitled (and a cheque for any cash payment due to that Provident Shareholder in respect of fractional entitlements), at the risk of such Provident Shareholder, to the person or agent whose name and address (outside the United States or any other Restricted Jurisdiction) is set out in Box 5 of the Form of Acceptance or, if none is set out, to the first-named or sole holder at his registered address (outside the United States or any other Restricted Jurisdiction);

- (E) that the execution of the Form of Acceptance and its delivery to Computershare constitutes the irrevocable appointment of NSF, the Financial Advisers, Computershare and/or their respective directors and agents as the relevant Provident Shareholder's attorney and/or agent within the terms of paragraph 4 of Part C of this Appendix I in respect of the Provident Shares held in certificated form comprised in the acceptance;
- (F) that, subject to the Offer becoming unconditional in all respects (or in the case of voting by proxy, if the Offer would become unconditional in all respects or lapse immediately upon the outcome of the resolution in question or in such other circumstances as NSF may request and the Panel may permit) and pending registration:
- (i) NSF or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Provident or of any class of its shareholders) attaching to any Provident Shares held in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and in respect of which such acceptance has not been validly withdrawn; and
 - (ii) the execution of the Form of Acceptance in respect of the Provident Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (a) constitutes an authority to Provident and/or its agents from such Provident Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Provident in respect of such Provident Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of such Provident Shares into certificated form) to NSF at its registered office;
 - (b) to the irrevocable appointment of NSF or any of its directors or agents to sign on such Provident Shareholder's behalf, such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Provident Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting as his attorney and/or agent and on his behalf and/or to attend and/or execute a form of proxy in respect of such Provident Shares appointing any person nominated by NSF to attend general and separate class meetings of Provident (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to such Provident Shares on such Provident Shareholder's behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding conditions of the Offer; and
 - (c) will also constitute the agreement of such Provident Shareholder not to exercise any such rights without the consent of NSF and the irrevocable undertaking of such Provident Shareholder not to appoint a proxy or representative for or to attend any such general meeting or separate class meeting, save that this authority will cease to be valid if the acceptance is validly withdrawn;
- (G) that he will deliver, or procure the delivery, to Computershare at the address and in the manner referred to in paragraph 3(A) of Part C of this Appendix I, his share certificate(s) and/or other document(s) of title in respect of all the Provident Shares in certificated form held by him in respect of which the Offer has been accepted or is deemed to have been accepted and in respect of which such acceptance has not been validly withdrawn, or an indemnity acceptable to NSF in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- (H) that he is the legal and beneficial owner of, and irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of, the Provident Shares held in certificated form in respect of which the Offer is accepted or deemed to be accepted or he is the legal owner of such Provident Shares and he has the necessary capacity and authority to execute the Form of Acceptance;
- (I) that the Provident Shares held in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up 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 attaching or accruing to them including, without limitation, voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) declared, made or paid after 22 February 2019;

- (J) that the terms and conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be construed accordingly;
- (K) that, if he accepts the Offer, he will do all such acts and things as shall in the opinion of NSF or Computershare be necessary or expedient to vest the Provident Shares referred to in paragraph (A) of this Part D of Appendix I in NSF or its nominee(s) or such other person as NSF may decide;
- (L) that he agrees to ratify each and every act or thing which may be done or effected by NSF or the Financial Advisers or Computershare or any of their respective directors or agents or Provident or its agents, as the case may be, in the proper exercise of any of its or his powers and/or authorities under this document and to indemnify each such person against any losses arising therefrom, other than losses arising as a result of the negligence or wilful default of such person;
- (M) that the execution of the Form of Acceptance constitutes his agreement to the terms of paragraph 6(L)(i) and (ii) of Part C of this Appendix I;
- (N) that on execution and delivery, the Form of Acceptance shall take effect as a deed;
- (O) that, if any provision of Part C of this Appendix I or this Part D of Appendix I shall be unenforceable or invalid or shall not operate so as to afford NSF, the Financial Advisers or Computershare and/or any of their respective directors or agents the full benefit of the authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part C of this Appendix I and this Part D of Appendix I; and
- (P) that he is not a customer (as defined by the rules of the Financial Conduct Authority) of either the Financial Advisers in connection with the Offer.

References in this Part D to a Provident Shareholder shall include references to the person or persons executing a Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of this Part D shall apply to them jointly and severally.

APPENDIX I
Part E—ELECTRONIC ACCEPTANCE

Each Provident Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with NSF, the Financial Advisers and Computershare (so as to bind him, his personal representatives, heirs, successors and assigns) to the following effect:

- (A) that the Electronic Acceptance shall constitute an acceptance of the Offer in respect of the number of Provident Shares held in uncertificated form to which a TTE instruction relates and subject to the terms and conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out in paragraph 3 of Part C of this Appendix I, each such acceptance shall be irrevocable;
- (B) that such Provident Shareholder:
- (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from the United States or any other Restricted Jurisdiction, or any other jurisdiction where such actions may constitute or result in the Offer constituting a breach of any legal or regulatory requirements, and has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of or any means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or e-mail) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States or any other Restricted Jurisdiction;
 - (ii) if an Overseas Shareholder, he has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that will or may result in NSF, the Financial Advisers or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance thereof;
 - (iii) is not a Restricted Overseas Person and is not acquiring, and will not hold, any New NSF Shares for the account or benefit of a Restricted Overseas Person or with a view to, or for the purposes of, the offer, sale, resale, delivery or transfer, directly or indirectly, of any New NSF Shares in or into the United States or any other Restricted Jurisdiction or to or for the account or benefit of any Restricted Overseas Person;
 - (iv) was outside the Restricted Jurisdictions at the time of the input and settlement of the relevant TTE instruction(s); and
 - (v) in respect of the Provident Shares held in uncertificated form to which the Electronic Acceptance relates, is not, and is not accepting the Offer through, an agent or a fiduciary acting on a non-discretionary basis for a principal, unless such principal is a corporation or partnership and such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside the United States or any other Restricted Jurisdictions;
- (C) that in relation to Provident Shares held in uncertificated form, the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting Provident Shareholder not having validly withdrawn his acceptance, the irrevocable and separate appointment of each of NSF, the Financial Advisers, Computershare and any director of, or person authorised by any of them, as such shareholder's attorney and/or agent (the "**attorney**"), and an irrevocable instruction and authorisation to the attorney (in accordance with section 4 of the Powers of Attorney Act 1971) to do all such acts and things as may in the opinion of the attorney be necessary or expedient for the purposes of, or in connection with, the acceptance of the Offer and to vest the Provident Shares referred to in paragraph (A) of this Part E of Appendix I in NSF or its nominee(s);

- (D) that the Electronic Acceptance constitutes the irrevocable appointment of the Escrow Agent as such shareholder's attorney and/or agent and an irrevocable instruction and authority to the attorney:
- (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting Provident Shareholder not having validly withdrawn his acceptance, to transfer to itself (or to such other person or persons as NSF or its agents may direct) by means of CREST all or any of the Provident Shares held in uncertificated form to which such Electronic Acceptance relates (but not exceeding the number of Provident Shares held in uncertificated form in respect of which the Offer is accepted or deemed to be accepted); and
 - (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), to transfer all such Provident Shares to the original available balance of the accepting Provident Shareholder;
- (E) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects and to an accepting Provident Shareholder not having validly withdrawn his acceptance, separate irrevocable authorities and requests (subject to paragraph 7 of Part C of this Appendix I):
- (i) to Provident or its agents to procure the transfer to NSF, or as it may direct, by means of CREST all or any of the Provident Shares held in uncertificated form referred to in paragraph (A) above of this Part E of Appendix I pursuant to the Offer; and
 - (ii) to NSF or its agents to allot and issue any New NSF Shares to which such shareholder is entitled in uncertificated form and procure the making of a CREST payment obligation in favour of such shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash to which such shareholder is entitled, provided that:
 - (a) NSF may (if, for any reason, it wishes to do so) determine that all or any part of any such cash shall be paid by cheque despatched by post; and
 - (b) if the Provident Shareholder concerned is a CREST member whose registered address is in the United States or any other Restricted Jurisdiction, all or any of such New NSF Shares shall be issued in certificated form and any cash to which such shareholder is entitled shall be paid by cheque despatched by post and,

in any case at the risk of such shareholder and such share certificates and cheque shall be despatched to the first-named or sole holder at an address outside the United States or any other Restricted Jurisdiction (in the case of a Provident Shareholder that does not qualify in NSF's sole judgment as an Eligible US Holder) or as otherwise determined by NSF;
 - (iii) to NSF or its agents to procure that such Provident Shareholder's name is entered on the register of members of NSF in respect of the New NSF Shares to which such shareholder becomes entitled pursuant to an election in respect of the Provident Shares held in uncertificated form under the Offer; and
 - (iv) to NSF or its agents, to record and act, in respect of any New NSF Shares to be received by such Provident Shareholder, upon any instructions with regard to payments or notices which have been recorded in the records of Provident in respect of such Provident Shareholder's holdings of Provident Shares;
- (F) that the Electronic Acceptance constitutes the irrevocable appointment of NSF, the Financial Advisers, Computershare and/or their respective directors and agents as the relevant Provident Shareholder's attorney and/or agent within the terms of paragraph 4 of Part C of this Appendix I in respect of the Provident Shares held in uncertificated form referred to in paragraph (A) of this Part E of Appendix I;
- (G) that, subject to the Offer becoming unconditional in all respects (or, in the case of voting by proxy, if the Offer would become unconditional in all respects or lapse immediately upon the outcome of

the resolution in question or in such other circumstances as NSF may request and the Panel may permit) and pending registration:

- (i) NSF or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Provident or of any class of its shareholders) attaching to any Provident Shares held in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted and in respect of which such acceptance has not been validly withdrawn; and
- (ii) an Electronic Acceptance constitutes in respect of the Provident Shares held in uncertificated form comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (a) an authority to Provident and/or its agents from such Provident Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to him as a member of Provident in respect of such Provident Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of such Provident Shares into certificated form) to NSF at its registered office;
 - (b) an irrevocable appointment of NSF or any of its directors or agents to sign on such Provident Shareholder's behalf, such documents and do such things as may in the opinion of such person seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to such Provident Shares (including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting as his attorney and/or agent and on his behalf and/or to attend, and/or execute a form of proxy in respect of such Provident Shares appointing any person nominated by NSF to attend general and separate class meetings of Provident (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to such Provident Shares on such Provident Shareholder's behalf), such votes (where relevant) to be cast so far as possible to satisfy any outstanding conditions of the Offer; and
 - (c) the agreement of such Provident Shareholder not to exercise any such rights without the consent of NSF and the irrevocable undertaking of such Provident Shareholder not to appoint a proxy or representative for or to attend any such general meeting or separate class meeting, save that this authority will cease to be valid if the acceptance is validly withdrawn;
- (H) that he is the legal and beneficial owner of, and irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of, the Provident Shares held in uncertificated form in respect of which the Offer is accepted or deemed to be accepted or he is the legal owner of such Provident Shares and he has the necessary capacity and authority to effect an Electronic Acceptance;
- (I) the Provident Shares held in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up 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 attaching or accruing to them including, without limitation, voting rights and the right to receive and retain in full all dividends of any nature and other distributions (if any) declared, made or paid after 22 February 2019;
- (J) that, if he accepts the Offer, he will do all such acts and things as shall in the opinion of NSF or Computershare be necessary or expedient to vest the Provident Shares referred to in paragraph (A) of this Part E of Appendix I in NSF or its nominee(s) or such other person as NSF may decide and all such acts and things as may be necessary or expedient to enable Computershare to perform its functions as Escrow Agent for the purposes of the Offer;
- (K) that he agrees to ratify each and every act or thing which may be done or effected by NSF, the Financial Advisers or Computershare or any of their respective directors or agents or Provident or its agents, as the case may be, in the proper exercise of any of its or his powers and/or authorities under this document and to indemnify each person against any losses arising therefrom, other than losses arising as a result of the negligence or wilful deceit of such person;

- (L) that if, for any reason, any Provident Shares in respect of which a TTE instruction has been effected in accordance with paragraph 13 of this document are converted to certificated form, he will (without prejudice to paragraph (G)(ii)(a) of this Part E of Appendix I) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Provident Shares so converted to Computershare at the address and in the manner referred to in paragraph 3(A) of Part C of this Appendix I or to NSF at its registered office or as NSF or its agents may direct and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part D of this Appendix I in relation to such Provident Shares without prejudice to the application of this Part E as far as NSF deems appropriate;
- (M) that the creation of a CREST payment obligation in favour of his payment bank in accordance with the CREST payment arrangements referred to in paragraph (E)(ii) of this Part E of Appendix I shall, to the extent of the obligation so created, discharge in full any obligation of NSF or the Financial Advisers to pay to him the cash consideration to which he is entitled pursuant to the Offer;
- (N) that in consideration of NSF making any revised offer available to him as referred to in paragraph 4 of Part C of Appendix I, the deemed acceptances, elections and authorities referred to in such paragraph 4 shall, subject to the right of withdrawal set out in paragraph 3 of Part C of Appendix I, be irrevocable;
- (O) that the making of an Electronic Acceptance constitutes his agreement to the terms of paragraphs 6(L)(i) and (ii) of Part C of this Appendix I;
- (P) that by virtue of the CREST Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant Provident Shareholder in the terms of all the powers and authorities expressed to be given by Part C, this Part E and (where applicable by virtue of paragraph (L) of this Part E of Appendix I), Part D of this Appendix I to NSF, the Financial Advisers, Computershare and any of their respective agents;
- (Q) that if any provision of Part C of this Appendix I or this Part E of Appendix I shall be unenforceable or invalid or shall not operate so as to afford NSF, the Financial Advisers or Computershare or any of their respective directors or agents the full benefit or authority expressed to be given therein, he shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part C of this Appendix I and this Part E of Appendix I; and
- (R) that he is not a customer (as defined by the rules of the Financial Conduct Authority) of either of the Financial Advisers in connection with the Offer.

References in this Part E to a Provident Shareholder shall include references to the person or persons making an Electronic Acceptance and, in the event of more than one person executing an Electronic Acceptance, the provisions of this Part E shall apply to them jointly and to each of them.

APPENDIX II
SUMMARY OF THE NEW NSF SHARES

1. Description of the type and class of the New NSF Shares being offered

The New NSF Shares to be issued by NSF will be ordinary shares with a nominal value of 5 pence each, with ISIN GB00BRJ6JV17, being the same ISIN as that of the existing NSF Shares. Following Admission, NSF will have one class of ordinary shares, the rights of which are set out in the Articles. The New NSF Shares will be credited as fully paid and will be free from all liens, equities, charges, encumbrances and other interests.

2. Legislation under which the New NSF Shares will be created

The New NSF Shares will be created under the Companies Act 2006.

3. Listing

The NSF Shares are listed on the Official List and are admitted to trading on the Main Market. Applications have been made to the FCA for all of the New NSF Shares to be admitted to listing on the standard listing segment of the Official List and to the London Stock Exchange for the New NSF Shares to be admitted to trading on the Main Market. Subject to certain conditions being satisfied, it is expected that Admission will become effective on the date on which Completion occurs and that dealings for normal settlement in the New NSF Shares will commence at 8.00 a.m. on the same day. It is the NSF Board's intention that following Admission the shares of NSF are transferred to a premium listing. A separate announcement will be made regarding the transfer in due course.

4. Form and currency of the New NSF Shares

The New NSF Shares will be issued in registered form and will be capable of being held in certificated and uncertificated form.

Title to the certificated New NSF Shares will be evidenced by entry in the register of members of NSF and title to uncertificated New NSF Shares will, in respect of Shareholders, be evidenced by entry in the operator register maintained by Euroclear (which forms part of the register of members of NSF). The registrar of NSF is Computershare.

If any New NSF Shares are to be held in certificated form, share certificates will be issued in respect of those shares in accordance with the Articles and applicable legislation. The New NSF Shares will be denominated in pounds sterling.

5. Rights attached to the New NSF Shares

Each New NSF Share will rank *pari passu* in all respects with each NSF Share in existence at the date of this document, and rank in full for all other dividends and other distributions declared in respect of the ordinary share capital of NSF, save for any final dividend declared by NSF in respect of the year ended 31 December 2018. Each New NSF Share will have the same voting rights, rights on a return of capital and restrictions as the NSF Shares in existence at the date of this document, as set out in the Articles. Further details of the rights attaching to the NSF Shares in existence at the date of this document and the New NSF Shares are set out in the Prospectus.

6. Dilution

Assuming the issue of 2,248,782,185 New NSF Shares pursuant to the terms of the Offer and no other issues of NSF Shares between 7 March 2019 (being the latest practicable date before publication of this document) and Admission, the NSF Shares in existence at the date of this document (excluding 5,000,000 ordinary shares held in treasury) will represent 12.2 per cent. of the share capital of the Enlarged NSF Group immediately following Admission. As a result, the voting rights of NSF Shareholders holdings of NSF Shares in existence at the date of this document would be diluted, such that they would, immediately following Admission, hold voting rights of approximately 12.2 per cent. of the total voting rights that they had held immediately prior to Admission.

7. Resolutions, authorisations and approvals relating to the New NSF Shares

The New NSF Shares will be created, allotted and issued pursuant to the authority to be granted under the resolutions proposed at the NSF General Meeting.

8. Dates of issue and settlement

The New NSF Shares are expected to be issued and allotted on the date on which Completion occurs.

9. Description of restrictions on free transferability

Subject to the terms of the Articles any NSF Shareholder may transfer all or any of his certificated NSF Shares (including the New NSF Shares) by an instrument of transfer in any usual form or in any other form which the Directors may approve.

**APPENDIX III
FINANCIAL INFORMATION ON PROVIDENT**

The following information referred to in this Appendix III has been incorporated into this document by reference in accordance with Rule 24.15 of the Code.

No.	Information	Source of information	Web Address
1.	Provident audited, consolidated accounts for the last two financial years.	Annual Report and Financial Statements 2017: Provident Group's audited consolidated accounts are set out at pages 128 to 186	https://www.providentfinancial.com/investors/annual-report-2017/#downloads Click on the link entitled " <i>Annual Report and Financial Statements 2017</i> "
		Annual Report and Financial Statements 2016: Provident Group's audited consolidated accounts are set out at pages 120 to 171	https://www.providentfinancial.com/investors/results-reports-and-presentations/results-centre/?tab=2017#tabs Click on the link entitled " <i>Annual report 2016</i> "
2.	Provident statement made since the date of last published, audited accounts	Provident's interim results announcement for the six months ended 30 June 2018: Provident Group's unaudited consolidated financial statements for the six months ended 30 June 2018 are set out at pages 21 to 39	https://www.providentfinancial.com/investors/results-reports-and-presentations/results-centre/?tab=2018#tabs Click on the link entitled " <i>2018 Interim results</i> "
3.	Provident trading update made since the date of last interim results	Provident's trading update announcement dated 15 January 2019	https://www.providentfinancial.com/investors/results-reports-and-presentations/results-centre/ Click on the link entitled " <i>2018 Trading update</i> "

Prior to the commencement of the Offer Period, Provident was publicly accorded a current credit rating of BBB– by Fitch Ratings on 24 August 2017 (which was affirmed by Fitch Ratings on 18 April 2018).

The above documents are available, free of charge, in "read-only" format and can be printed from the web addresses detailed above.

At the date of this document, the 2018 Provident Annual Report and Accounts including the Provident Group's audited consolidated accounts for the year ended 31 December 2018 are not published. In accordance with the announcement by Provident on 25 February 2019, the 2018 Provident Annual Report and Accounts are expected to be published on 13 March 2019 and from that date will be available on the Provident website (www.providentfinancial.com).

Please see paragraph 13 of Appendix V for details of obtaining copies of documents incorporated by reference in this document.

**APPENDIX IV
FINANCIAL INFORMATION ON NSF**

The following information referred to in this Appendix IV has been incorporated into this document by reference in accordance with Rule 24.15 of the Code.

No.	Information	Source of information	Web Address
1.	NSF audited, consolidated accounts for the last two financial years.	2017 Annual Report & Accounts: NSF Group's audited consolidated accounts are set out at pages 93 to 123	https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2018 Click on the link entitled "2017 Annual report & accounts"
		2016 Annual Report & Accounts: NSF Group's audited consolidated accounts are set out at pages 77 to 102	https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2017 Click on the link entitled "2017 Annual Report"
2.	NSF preliminary statement of annual results for the year ended 31 December 2018, dated 8 March 2019	Full Year Results to 31 December 2018: Unaudited consolidated financial statements are set out at pages 21 to 36	https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2019 Click on the link entitled "2018 Full Year Results"
3.	NSF interim statement made since the date of last published, audited accounts	NSF's interim results announcement for the six months ended 30 June 2018: NSF Group's unaudited consolidated financial statements for the six months ended 30 June 2018 are set out at pages 18 to 31	https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2018 Click on the link entitled "2018 Half Year Results"

Prior to the commencement of the Offer Period, and at the date of this document, no rating agency has publicly recorded any current credit rating or outlook for NSF.

The above documents are available, free of charge, in "read-only" format and can be printed from the web addresses detailed above.

At the date of this document, the 2018 NSF Annual Report and Accounts including the NSF Group's audited consolidated accounts for the year ended 31 December 2018 are not published. It is expected that the 2018 NSF Annual Report and Accounts will be published on 12 March 2019 and from that date will be available on the NSF website (www.nsfgroupplc.com).

Please see paragraph 13 of Appendix V for details of obtaining copies of documents incorporated by reference in this document.

**APPENDIX V
ADDITIONAL INFORMATION**

1. Responsibility Statement

The Directors of NSF, whose names are set out in paragraph 2 below, accept responsibility for the information contained in this document (including any expressions of opinions). To the best of the knowledge and belief of the Directors of NSF (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

(A) The names of the Directors of NSF and their respective functions are as follows:

<u>Name</u>	<u>Position</u>	<u>Date appointed to the Board</u>
John de Blocq van Kuffeler	Group Chief Executive	8 July 2014
Nick Teunon	Chief Finance Officer	8 August 2014
Miles Cresswell-Turner	Executive Director	10 December 2014
Niall Booker	Independent Non-Executive Director	9 May 2017
Charles Gregson	Non-Executive Chairman	10 December 2014
Heather McGregor	Independent Non-Executive Director	10 December 2014

The business address of each of the Directors of NSF is 7 Turnberry Park Road, Gildersome, Morley, Leeds, England LS27 7LE, which is also the registered office and principal place of business of NSF.

The emoluments of the Directors of NSF will not be affected by the Offer.

(B) The names of the Directors of Provident and their respective functions are as follows:

<u>Name</u>	<u>Position</u>	<u>Date appointed to the Board</u>
Malcolm Le May	Group Chief Executive	1 January 2014
Simon George Thomas	Chief Finance Officer	3 December 2018
Andrea Margaret Blance	Senior Independent Director	1 March 2017
Elizabeth Grace Chambers	Independent Non-Executive Director	31 July 2018
Paul William Hewitt	Independent Non-Executive Director	31 July 2018
Angela Ann Knight	Independent Non-Executive Director	31 July 2018
Patrick Joseph Robert Snowball . . .	Chairman and Non-Executive Director	21 September 2018
John Coleman Straw	Independent Non-Executive Director	1 January 2017

The business address of each of the Directors of Provident is No. 1, Godwin Street, Bradford, West Yorkshire, BD1 2SU, which is also the registered office and principal place of business of Provident.

3. Disclosure of interests and dealings in relevant securities

(A) Definitions

For the purposes of this paragraph 3:

- (i) “*acting in concert*” with a person means (i) any other person acting or deemed to be acting in concert with that first person for the purposes of the Code and the Offer;

- (ii) “*dealing*” or “*dealt*” means:
 - (a) acquiring or disposing of securities, or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
 - (b) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option (including a traded option contract) in respect of any securities;
 - (c) subscribing or agreeing to subscribe for securities;
 - (d) exercising or converting, whether in respect of new or existing securities, any securities carrying conversion or subscription rights;
 - (e) acquiring or disposing of, entering into, closing out, exercise (by either party) of any rights under, or varying, a derivative referenced, directly or indirectly, to securities;
 - (f) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and
 - (g) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- (iii) “*derivative*” means any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- (iv) “*disclosure period*” means the period commencing on 22 February 2018 (being the date 12 months prior to the commencement of the Offer Period on 22 February 2019) and ending on 7 March 2019 (being the latest practicable date prior to the publication of this document);
- (v) a person having an “*interest*”, or being “*interested*”, in any securities includes where a person:
 - (a) owns securities;
 - (b) has the right, whether conditional or absolute, to exercise or direct the exercise of the voting rights attaching to securities or has general control of them;
 - (c) by virtue of any agreement to purchase, option or derivative, has the right or option to acquire securities or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
 - (d) is party to any derivative whose value is determined by reference to the price of securities and which results, or may result, in his having a long position in them; or
 - (e) has long economic exposure, whether absolute or conditional, to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);
- (vi) “*Note 11 arrangement*” means any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to Provident relevant securities which may be an inducement to deal or refrain from dealing therein;
- (vii) “*Provident relevant securities*” means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Provident including Provident Shares and any securities convertible into or carrying rights to subscribe for Provident Shares;
- (viii) “*NSF relevant securities*” means relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of NSF including any shares in the equity share capital of, or carrying voting rights in, NSF and any securities convertible into or carrying rights to subscribe for any such shares;

- (ix) “*relevant securities*” means Provident relevant securities and NSF relevant securities;
- (x) “*related parties*”, in relation to a director, means those persons whose interests in shares the director would be required to disclose pursuant to Part 22 of the Companies Act 2006 and related regulations;
- (xi) “*short position*” means any short position (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 obligation or right to require another person to purchase or take delivery.

(B) Interests in relevant securities

As at the close of business on 7 March 2019 (being the last practicable date prior to the publication of this document):

Interests in Provident relevant securities

- (i) NSF was not, directly or indirectly, interested in Provident relevant securities;
- (ii) the Directors of NSF and their respective related parties were not interested, directly or indirectly, in any Provident relevant securities;
- (iii) save as disclosed below in this paragraph 3(B)(iii), no person acting in concert with NSF was interested, directly or indirectly, in any Provident relevant securities; and

<u>Name</u>	<u>Number of Provident Shares</u>
Funds managed by Puma Investment Management Limited (a subsidiary of Shore Capital Group Limited)	38,000

- (iv) none of NSF (directly or indirectly), any Directors of NSF and their respective related parties nor any other person acting in concert with NSF were party to a Note 11 arrangement with Provident.

Interests in NSF relevant securities

- (v) the Directors of NSF and their respective related parties were interested, directly or indirectly, in the following NSF relevant securities:

<u>Name</u>	<u>Number of NSF Shares</u>	<u>Number of NSF Shares on conversion of Founder Shares²</u>
Charles Gregson	310,984	553,914
John van Kuffeler	2,114,474	1,661,743
Nick Teunon	87,980	1,384,785
Miles Cresswell-Turner	833,780	1,384,785
Niall Booker	426,700	n/a
Heather McGregor	78,700	n/a

² The Founder Shares are convertible into NSF Shares upon the satisfaction of certain performance conditions which, for the avoidance of doubt, have not been satisfied at the date of this document.

(vi) the Directors of NSF held the following options in respect of NSF Shares under the NSF Share Schemes:

<u>Name</u>	<u>Scheme</u>	<u>Number of NSF Shares under option</u>	<u>Vesting Date</u>	<u>Exercise Price (pence)</u>	<u>Date of Grant</u>
John van Kuffeler	NSF LTI	37.5% share in pool of 15% of growth in value above share price of £1.10 per share on vesting on 31 December 2020	31 December 2020	nil	19 September 2017
Nick Teunon	NSF SAYE	36,348	1 July 2021	0.4952	14 May 2018
	NSF LTI	25% share in pool of 15% of growth in value above share price of £1.10 per share on vesting on 31 December 2020	31 December 2020	nil	19 September 2017
Miles Cresswell-Turner	NSF SAYE	36,348	1 July 2021	0.4952	14 May 2018
	NSF LTI	250 C-shares in an intermediate holding company to be exchanged for NSF shares on vesting	31 December 2020	nil	15 September 2017
	ELG LTI	Share in pool of 5% of growth in value of Everyday Loans Group above £267 million on vesting on 31 December 2019 (maximum value of £894,000)	31 December 2019	nil	14 May 2018

(vii) no person acting in concert with NSF was interested, directly or indirectly, in any NSF relevant securities.

(viii) none of NSF (directly or indirectly), any Directors of NSF and their respective related parties nor any other person acting in concert with NSF were party to a Note 11 arrangement with NSF.

(C) Dealings in relevant securities

Dealings in Provident relevant securities

During the disclosure period, save as disclosed below in paragraph 3(D)(iii):

- (i) none of NSF, any member of the NSF Group, any of the NSF Directors and their respective related parties, nor any other person acting in concert with NSF, nor any person with whom NSF or any person acting in concert with NSF had a Note 11 arrangement, had dealings in any relevant securities in Provident; and
- (ii) none of NSF or any person acting in concert with NSF has borrowed or lent any relevant securities in Provident (including for these purposes any financial collateral arrangements).
- (iii) During the disclosure period the following dealings in NSF relevant securities by persons acting in concert with NSF have taken place:

<u>Registered holder</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Provident Shares</u>	<u>Price per share (pence)</u>
Deutsche Bank Securities Inc	28 February 2018	Buy	7	950
Deutsche Bank Securities Inc	28 February 2018	Sell	7	950

Dealings in NSF relevant securities

During the disclosure period, save as disclosed below in paragraph 3(C)(vi):

- (iv) none of NSF, any member of the NSF Group, any of the NSF Directors and their respective related parties, nor any other person acting in concert with NSF, nor any person with whom NSF or any person acting in concert with NSF had a Note 11 arrangement, had dealings in any relevant securities in NSF; and
- (v) none of NSF or any person acting in concert with NSF has borrowed or lent any relevant securities in Provident (including for these purposes any financial collateral arrangements).
- (vi) During the disclosure period the following dealings in NSF relevant securities by the Directors of NSF and their respective related parties have taken place:

<u>Registered holder</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of NSF Shares</u>	<u>Price per share (pence)</u>	
Charles Gregson	28 June 2018	Buy	27,445	62.0	
	28 September 2018	Buy	14,467	58.8	
	21 December 2018	Buy	12,989	65.5	
Nick Teunon	29 March 2018	Buy	31,770	62.6	
Miles Cresswell-Turner	28 June 2018	Buy	8,021	62.336	
			8,030	62.266	
	2 August 2018	Buy	25,342	59.188	
		Buy	25,083	59.8	
		Buy	24,433	61.39	
		Buy	24,390	61.5	
		Buy	16,204	61.712	
		Buy	17,000	58.18	
		Buy	16,554	60.4	
		Buy	8,450	58.07	
		Buy	8,420	59.38	
		6 August 2018	Buy	31,261	63.97
			Buy	31,591	63.308
			Buy	15,869	63.012
19 September 2018	Buy	83,000	60.0		
Niall Booker	3 August 2018	Buy	156,700	64.0	
Heather McGregor	10 September 2018	Buy	17,235	60.8	

(D) General

Save as disclosed in this paragraph 3(D), as at the close of business on 7 March 2019 (being the latest practicable date prior to the publication of this document):

- (i) none of:
 - (a) NSF,
 - (b) the Directors of NSF or their respective related parties;
 - (c) any person acting in concert with NSF; or
 - (d) any person who is party to a Note 11 arrangement with NSF or any person acting in concert with NSF,

had any interest in or right to subscribe for any Provident relevant securities or NSF relevant securities, or any short position in respect of any such relevant securities or (save for any borrowed shares which have been on-lent or sold) had borrowed or lent any such relevant securities (including for these purposes any financial collateral arrangements of the kind referred

to in Note 4 on Rule 4.6 of the Code), nor has any such person dealt in any such relevant securities during the disclosure period;

- (ii) neither NSF nor any person acting in concert with NSF had borrowed or lent any Provident relevant securities or NSF relevant securities (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code), save for any borrowed shares which have been either on-lent or sold; and
- (iii) save as set out below, NSF has not redeemed or purchased any NSF Shares or any securities convertible into, rights to subscribe for or options in respect of, or derivatives referenced to NSF Shares during the disclosure period:

Date	Transaction	Number of NSF Shares	Price per share (pence)
21 December 2018	Purchase of own shares to satisfy NED fees	12,989	65.5
28 June 2018	Purchase of own shares to satisfy NED fees	27,445	62.0
01 May 2018	Share buy-back programme	41,281	64.2
30 April 2018	Share buy-back programme	115,628	64.8
27 April 2018	Share buy-back programme	116,166	65.2
26 April 2018	Share buy-back programme	118,213	65.0
25 April 2018	Share buy-back programme	117,145	65.0
24 April 2018	Share buy-back programme	116,124	66.0
23 April 2018	Share buy-back programme	117,711	66.4
20 April 2018	Share buy-back programme	124,191	66.6
18 April 2018	Share buy-back programme	124,834	65.0
17 April 2018	Share buy-back programme	76,450	62.0
16 April 2018	Share buy-back programme	69,292	61.0
12 April 2018	Share buy-back programme	56,359	60.0
11 April 2018	Share buy-back programme	56,194	60.4
10 April 2018	Share buy-back programme	46,266	61.8
09 April 2018	Share buy-back programme	45,736	60.0
06 April 2018	Share buy-back programme	44,847	60.4
05 April 2018	Share buy-back programme	45,649	60.4
04 April 2018	Share buy-back programme	42,942	60.4
29 March 2018	Share buy-back programme	41,489	61.2
28 March 2018	Share buy-back programme	41,521	61.5
27 March 2018	Share buy-back programme	40,873	62.6
22 March 2018	Share buy-back programme	37,453	64.0
21 March 2018	Share buy-back programme	30,787	63.0
20 March 2018	Share buy-back programme	31,213	66.0
19 March 2018	Share buy-back programme	32,057	66.2
16 March 2018	Share buy-back programme	31,919	69.0
15 March 2018	Share buy-back programme	45,400	67.0
14 March 2018	Share buy-back programme	47,656	68.5
13 March 2018	Share buy-back programme	46,564	68.5
09 March 2018	Share buy-back programme	43,535	66.0
07 March 2018	Share buy-back programme	43,258	68.2
02 March 2018	Share buy-back programme	43,780	68.6
28 February 2018	Share buy-back programme	42,659	69.0
27 February 2018	Share buy-back programme	42,664	69.4
26 February 2018	Share buy-back programme	43,483	68.2

(E) No arrangements

Save as disclosed in this document, neither NSF nor any person acting in concert with NSF has any Note 11 arrangement with any person.

4. Irrevocable undertakings and Letters of Intent

4.1 Irrevocable undertakings

Irrevocable undertakings to accept the Offer have been given to NSF in respect of the following Provident Shares.

<u>Provider of irrevocable undertaking</u>	<u>Number of Provident Shares over which undertaking is given</u>	<u>Percentage of Provident issued share capital subject to the undertaking</u>
Woodford Investment Management Limited	37,368,184	14.7534
Invesco Asset Management Limited	30,570,924	12.0698
Marathon Asset Management LLP	8,046,083	3.1767
Total	75,985,191	29.9999

The obligations of the Provident Shareholders listed in the table above under their respective irrevocable undertakings cease to be binding only on and from the earlier of the following occurrences:

- (A) if the Offer Document or Scheme Document (as the case may be) has not been posted within 28 days of the issue of the Rule 2.7 Announcement (or: (a) within such longer period as NSF, with the consent of the Panel, determines; or (b) if NSF elects to exercise its right to switch to implement the Transaction by way of a Scheme rather than an Offer (or vice versa), within 28 days of the issue of the press announcement announcing any such switch);
- (B) the date on which the Scheme or Offer lapses or is withdrawn;
- (C) by 31 July 2019, or such date as is agreed in writing between NSF and Provident, the Transaction has not been completed (whether implemented by the Offer or by the Scheme);
- (D) NSF announces before the Offer Document or Scheme Document (as applicable) is published that it does not intend to proceed with the Transaction and no new, revised or replacement Offer or Scheme (as applicable) is announced by NSF; or
- (E) an announcement is made of a competing offer for Provident and the consideration payable to Provident Shareholders per Provident Share under such competing offer is at least ten per cent. higher (in the reasonable opinion of the provider of the irrevocable undertaking) than that payable pursuant to the Transaction.

4.2 Letters of intent

On 22 February 2019, certain Provident Shareholders provided to NSF non-binding letters of intent. On 27 February, the letters of intent were revised to clarify that, under the terms of those letters, each

of the relevant Provident Shareholders intends to promptly accept (or procure acceptance of), the Offer (the “**Letters of Intent**”). Details of the Letters of Intent are set out in the below table:

<u>Provident Shareholder</u>	<u>Number of Provident Shares subject to the Letter of Intent</u>	<u>Percentage of Provident Shares subject to the Letter of Intent⁽¹⁾</u>
Woodford Investment Management Limited	26,698,692	10.5410
Invesco Asset Management Limited	22,066,763	8.7122
Marathon Asset Management LLP	<u>1,907,207</u>	<u>0.7530</u>
Total	<u>50,672,662</u>	<u>20.0062</u>

Notes

(1) On the basis of the Provident Shares in issue as at 7 March 2019.

On 28 February 2019, Woodford Investment Management Limited informed NSF that it had sold 1,500,000 Provident Shares that were subject to its Letter of Intent, and confirmed that its intention to accept (or procure the acceptance of) the Offer remained unchanged with respect to all other Provident Shares that were subject to the Letter of Intent.

On 6 March 2019, Invesco Asset Management Limited informed NSF that it had sold 6,994 Provident Shares that were subject to its Letter of Intent, and confirmed that its intention to accept (or procure the acceptance of) the Offer remained unchanged with respect to all other Provident Shares that were subject to the Letter of Intent.

On 8 March 2019, Invesco Asset Management Limited informed NSF that it had sold 53,018 Provident Shares that were subject to its Letter of Intent, and confirmed that its intention to accept (or procure the acceptance of) the Offer remained unchanged with respect to all other Provident Shares that were subject to the Letter of Intent.

5. Market quotations

The following table shows the closing middle market quotations for Provident Shares and NSF Shares, as derived from the London Stock Exchange Daily Official List, on (i) the first Business Day in each of the six months immediately before the date of this document, (ii) 21 February 2019 (being the last dealing day prior to the commencement of the Offer Period) and (iii) 7 March 2019 (being the latest practicable date prior to the publication of this document):

<u>Date</u>	<u>Provident Share Price (pence)</u>	<u>NSF Share Price (pence)</u>
3 September 2018	677.8	64.5
1 October 2018	587.2	58.1
1 November 2018	534.4	64.8
3 December 2018	606.8	67.4
2 January 2019	583.4	66.1
1 February 2019	522.6	55.6
21 February 2019	511.4	57.6
7 March 2019	575.2	59.4

6. Share Schemes

The Offer also extends to any Provident Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) on or before the date on which the Offer closes (or such earlier date as NSF may, subject to the Code, decide) as a result of the exercise or release of existing options and awards granted under any of the Provident Share Schemes following the Offer becoming or being declared unconditional in all respects.

Appropriate proposals will be made in due course to holders of options and awards under Provident Share Schemes.

7. NSF Material contracts

The following contract (not being a contract entered into in the ordinary course of business) is the only contract to have been entered into by NSF or any other member of the NSF Group during the two years prior to the date of this Document which: (i) is, or may be, material to NSF; or (ii) contains obligations or entitlements which are, or may be, material to NSF or any member of the NSF Group as at the date of this document.

NSF Facilities Agreement

NSF Finco Limited (“**Finco**”) is party to a facilities agreement dated 3 August 2017 (as amended on 6 October 2017 and as amended and restated on 31 August 2018) between, among others, Finco as original borrower, the subsidiaries of Finco named therein as guarantors, the financial institutions named therein as lenders, Global Loan Agency Services Limited as agent and Glas Trust Corporation Limited as security agent (the “**Facilities Agreement**”). The Facilities Agreement consists of a £175 million term loan facility (“**Facility A**”), a £50 million term loan facility (“**Facility B**”), a £60 million term loan facility (“**Facility C**” and, together with Facility A and Facility B, the “**Term Facilities**”) and a £45 million revolving credit facility (the “**RCF**”).

As at 7 March 2019, both Facility A and Facility B were fully utilised, £20 million had been drawn under and £40 million of Facility C remained undrawn. The undrawn portion of Facility C remains available to be drawn for a period of three years from 31 August 2018. The undrawn £40 million of committed funding available under Facility C may be utilised by Finco to fund the consideration for an acquisition permitted by the Facilities Agreement, to refinance any indebtedness of Finco and its subsidiaries (the “**Banking Group**”), to pay fees, costs and expenses in connection with any such acquisition or refinancing and/or to meet the funding needs of the Banking Group’s consumer finance business and any capital expenditure by the Banking Group. The final maturity date of the Term Facilities falls on the sixth anniversary of the Facilities Agreement, 3 August 2023.

The RCF is a committed facility and may be used for the general corporate and working capital purposes of the Banking Group. The final maturity date of the RCF is the fifth anniversary of the Facilities Agreement, 3 August 2022, and the RCF remains available to be drawn until the date falling one month prior to its scheduled final maturity date. As at 7 March 2019, £35.8 million was drawn under the RCF.

Each of the Term Facilities bears interest at a rate of LIBOR plus 7.25 per cent. per annum and the RCF bears interest at a rate of LIBOR plus 3.5 per cent. per annum. Each loan under the RCF, and accrued interest on each loan under the Term Facilities and the RCF, is required to be repaid or paid, as applicable, on the last day of the relevant interest period. Finco has entered into an interest rate cap with NatWest Markets Plc, in respect of amounts drawn under Facility A and Facility B, to provide hedging in circumstances where LIBOR exceeds 4.0 per cent. per annum.

The Facilities Agreement includes certain customary mandatory prepayment and cancellation events, including mandatory prepayments:

- (A) on a change of control of Finco (if a lender so requests after a certain period of negotiations);
- (B) following the sale of all or substantially all of the assets of the Banking Group (if a lender so requests); and
- (C) using proceeds received in connection with certain (i) claims brought by members of the Banking Group in respect of specified acquisitions, (ii) disposals made by members of the Banking Group and (iii) insurance proceeds received by members of the Banking Group, in each case subject to an aggregate de minimus threshold of £5 million and customary exceptions.

Finco may also voluntarily prepay any of the loans made under the Term Facilities or the RCF in whole or in part provided that it gives five business days’ (or such shorter period as may be agreed by the majority lenders) prior notice and the prepayment is of a minimum amount of £100,000 for each loan. Amounts that are prepaid under any of the Term Facilities may not be reborrowed. Amounts repaid or prepaid under the RCF may generally be reborrowed until the date falling one month prior to the final maturity date of the RCF.

The Facilities Agreement also includes customary representations, covenants (including financial covenants) and events of default, including:

- (A) financial covenants which require that on each quarter-end date (i) the amount (stated as a percentage) of the consolidated secured net leverage of the Banking Group when divided by the aggregate value of the eligible loan assets of the Banking Group does not exceed 90 per cent. (the “**Consolidated Gearing Ratio Covenant**”) and (ii) the amount (stated as a percentage) of the super senior consolidated net leverage of the Banking Group when divided by the aggregate value of the eligible loan assets of the Banking Group does not exceed 22.5 per cent.;
- (B) restrictions on the ability of members of the Banking Group to enter into mergers, acquisitions or disposals, to grant guarantees, indemnities or security, to incur financial indebtedness, to make loans or to make a substantial change to the nature of the business of the Banking Group as a whole (in each case subject to exceptions);
- (C) restrictions on the ability of members of the Banking Group to make distributions, including distributions to companies outside the Banking Group, unless such distribution falls within certain exceptions or baskets, including (i) a £10 million aggregate basket and (ii) a builder basket based on 50 per cent. of consolidated net income plus 100 per cent. of specified equity contributions and subordinated shareholder funding, which can only be used if (x) no default has occurred and is continuing or would occur as a consequence of the distribution, (y) after giving pro forma effect to the distribution, the fixed charge coverage ratio is either at least 2.00 to 1.00 or is no lower than it was immediately prior to such distribution and (z) Finco confirms that, for the six-month period following the distribution, and after giving pro forma effect thereto, the Consolidated Gearing Ratio Covenant will not be breached; and
- (D) events of default, including non-payment, non-compliance with financial covenants and information covenants, breach of other obligations, cross default (in relation to certain other financial indebtedness of members of the Banking Group and subject to a £5 million *de minimis* threshold), insolvency and related events, unlawfulness and invalidity, audit qualification and material adverse change.

The Term Facilities and the RCF have the benefit of: (i) guarantees from, and fixed and floating security granted by, the following entities: Finco, Non-Standard Finance Subsidiary II Limited, Non-Standard Finance Subsidiary III Limited, S.D. Taylor Limited, Everyday Loans Holdings Limited, Everyday Loans Limited, Everyday Lending Limited, George Banco Limited, George Banco.com Limited; and (ii) a charge over the shares in, and intercompany loans made to, Finco granted by Non-Standard Finance Subsidiary Limited. The Facilities Agreement contains a mechanism for other members of the Banking Group (present and future) to accede as guarantors, and to grant security, in order to satisfy customary guarantor coverage covenants contained in the Facilities Agreement.

Amounts owed by members of the Banking Group to each other, and to other members of the NSF Group, are subordinated to amounts owed in respect of the Term Facilities and the RCF pursuant to an intercreditor agreement between, among others, the members of the Banking Group and the lenders under the Facilities Agreement (the “**Intercreditor Agreement**”).

The Facilities Agreement and the Intercreditor Agreement and any non-contractual obligations arising out of or in connection with them are governed by English law. Security granted in connection with the Facilities Agreement is governed by English law, Scots law and Northern Irish law, as applicable, based on the location or governing law of the underlying assets being secured.

8. Basis of calculations and sources of information

8.1 In this document, unless otherwise stated or the context otherwise requires, the bases and sources used are as described in this paragraph 8.

8.2 Financial information relating to:

- (A) the NSF Group has been extracted or derived (without any adjustment) from the audited Annual Report and Accounts for NSF for the year ended 31 December 2017, NSF’s interim results announcement for the six months ended 30 June 2018, and NSF’s preliminary statement of annual results for the year ended 31 December 2018 (which are unaudited); and

(B) the Provident Group has been extracted or derived (without any adjustment) from the audited Annual Report and Accounts for Provident for the year ended 31 December 2017, Provident's interim results announcement for the six months ended 30 June 2018 and Provident's announcement dated 15 January 2019 of its trading update (which are unaudited).

8.3 The value of the Offer is calculated:

(A) by reference of the price of 511 pence per Provident Share, being the Closing Price on 21 February 2019, the last Business Day prior to the Rule 2.7 Announcement; and

(B) on the basis of the number of Provident Shares in issue referred to in paragraph 8.5 below.

8.4 As at the close of business on 7 March 2019, being the last Business Day prior to the publication of this document, Provident had in issue 253,284,814 Provident Shares (source: Provident Total Voting Rights announcement dated 28 February 2019) and NSF had in issue 312,049,682 NSF Shares (excluding 5,000,000 NSF Shares held in treasury). The International Securities Identification Number for Provident Shares is GB00B1Z4ST84 and the International Securities Identification Number for NSF Shares is GB00BRJ6JV17.

8.5 The share capital of Provident (being 253,284,814 Provident Shares) is calculated based on:

(A) the number of issued Provident Shares referred to in paragraph 8.4 above;

(B) the exclusion of upto 2,495,158 Provident Shares which could be issued under the Provident Savings related Share Option Schemes; and

(C) an assumption that the remaining outstanding options granted under the Provident Savings-related Share Options Schemes will not be exercised due to the amount of their exercise prices relative to the current Provident share price.

8.6 The total shareholder return of Provident under the leadership of John van Kuffeler is calculated for the period from 25 October 1991 to 1 January 2014 and comprises the increase in share price over the period plus the reinvestment of dividends (assuming reinvestment on pay date). The total shareholder return is inclusive of International Personal Finance plc, which was demerged from Provident on 16 July 2007. All data is sourced from FactSet.

8.7 Each cost to income ratio is calculated as reported costs divided by reported revenues (such figures are based on disclosed adjusted financials for Provident and disclosed normalised financials for NSF).

9. NSF Fees and Expenses

NSF estimates that it will incur total aggregate fees and expenses in connection with the Offer of between £8.46 million and £22.30 million (excluding applicable VAT). NSF estimates that this total sum will include the following aggregate fees and expenses:

<u>Item</u>	<u>Fees and expenses (excluding applicable VAT)⁴</u>
Financial and corporate Broking advice	Between £0.55 million and £10.90 million
Legal advice	Between £6.31 million and £9.31 million
Accounting advice	£1.25 million
Public relations advice	Between £0.05 million and £0.50 million
Other professional services	Between £0.20 million and £0.24 million
Other costs and expenses	£0.10 million
Total	Between £8.46 million and £22.30 million

⁴ Where fees and expenses are stated as a range, the maximum amount incurred depends on the successful completion of the Transaction.

10. Persons acting in concert

10.1 Persons acting in concert with NSF

In addition to NSF, and the Directors of NSF, the persons who are acting in concert, within the meaning given in the Code, with NSF are:

<u>Name</u>	<u>Type</u>	<u>Registered office</u>	<u>Relationship with NSF</u>
Ondra LLP	Limited liability partnership	Level 23, 125 Old Broad Street, London EC2N 1AR	Financial adviser
Deutsche Bank	London branch of Deutsche Bank AG	1 Great Winchester Street, London EC2N 2DB	Financial adviser
Shore Capital	Private limited Company	Bond Street House, 14 Clifford Street, London W1S 4JU	Broker
Liberum Capital Limited	Private limited Company	25 Ropemaker St, London EC2Y 9LY	Capital markets adviser

10.2 Persons acting in concert with Provident

In addition to Provident, and the Directors of Provident, the persons who are acting in concert, within the meaning given in the Code, with Provident (based on the announcement made by Provident on 25 February 2019) are:

<u>Name</u>	<u>Type</u>	<u>Registered office</u>	<u>Relationship with NSF</u>
Barclays Bank PLC	Public limited company	1 Churchill Place, London E14 5HP	Financial adviser and corporate broker
J.P. Morgan Securities plc	Public limited company	25 Bank Street, Canary Wharf, London E14 5JP	Financial adviser and corporate broker
Jeffries International Limited	Private limited company	68 Upper Thames Street, London EC4V 3BJ	Financial adviser

11. General

- (A) Save as disclosed in this document, NSF is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.
- (B) Save as disclosed in this document and as set out in Provident's trading update announcement dated 15 January 2019, the Directors of NSF are not aware of any significant change in the financial or trading position of the Provident Group since 30 June 2018, being the date to which the last interim financial information published by Provident was prepared.
- (C) Save as disclosed in this document, the Directors of NSF are not aware of any significant change in the financial or trading position of the NSF Group since 31 December 2018, being the date to which the last unaudited preliminary financials, published on 8 March 2019, of the NSF Group were prepared.
- (D) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between NSF or any person acting in concert with NSF for the purposes of the Offer and any of the Directors or recent Directors, shareholders or recent shareholders of Provident or any person interested or recently interested in the Provident Shares having any connection with or dependence upon the Offer.

- (E) Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Provident Shares to be acquired by NSF pursuant to the Offer will be transferred to any person, save that NSF reserves the right to transfer any such Provident Shares to any member of the NSF Group or to a nominee.
- (F) Ondra LLP 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.
- (G) Deutsche 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.
- (H) Shore Capital has given and not withdrawn its written consent to the issue of this document with the inclusion of its report and the references to its name in the form and context in which they appear.

12. Documents published on a website

Copies of the following documents have been published on NSF's website (www.nsfgroupplc.com) and are available, subject to certain restrictions relating to persons resident in the United States or any other Restricted Jurisdiction for inspection whilst the Offer remains open for acceptance:

- (A) the irrevocable undertakings and letters of intent referred to in paragraph 4 of this Appendix V procured by NSF;
- (B) the memorandum and articles of association of NSF;
- (C) the written consents referred to in paragraphs 11(F) to 11(H) of this Appendix V; and
- (D) this document and the Form of Acceptance.

13. Documents incorporated by reference

Appendix III incorporates financial information on the Provident Group by reference to Provident's audited annual report and accounts for the financial periods ended 31 December 2017 and 31 December 2016 and Provident's interim results announcement for the six months ended 30 June 2018 and Provident's trading update announcement dated 15 January 2019. These documents are available for inspection on the following websites:

<https://www.providentfinancial.com/investors/annual-report-2017/#downloads>

<https://www.providentfinancial.com/investors/results-reports-and-presentations/resultscentre/?tab=2017#tabs>

<https://www.providentfinancial.com/investors/results-reports-and-presentations/results-centre/?tab=2018#tabs>

<https://www.providentfinancial.com/investors/results-reports-and-presentations/results-centre/>

Appendix IV incorporates financial information on NSF by reference to NSF's audited annual report and accounts for the financial periods ended 31 December 2017 and 31 December 2016, NSF's interim results announcement for the six months ended 30 June 2018 and NSF's preliminary statement of annual results for the year ended 31 December 2018, dated 8 March 2019. These documents are available for inspection on the following websites:

<https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2018>

<https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2017>

<https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2019>

<https://www.nsfgroupplc.com/investors/reports-presentations-and-publications/2018>

Please refer to Appendices III and IV for the relevant page numbers of the documents referred to above.

Any Provident Shareholder, person with information rights or holder of options or awards under the Provident Share Schemes, provided they are not located in the United States or any other Restricted Jurisdiction, may request a copy of such documents in hard copy form. A hard copy of such documents will not be sent to such persons unless requested from the Company Secretary of NSF by way of either written request to "The Company Secretary, 7 Turnberry Park Road, Gildersome, Morley, Leeds LS27 7LE" or request by telephone on +44 20 3869 9020. If requested, copies will be provided within two Business Days of such request.

14. No incorporation of website information

Save as expressly referred to herein, neither the content of NSFs or Provident's website nor the content of any website accessible from hyperlinks on NSFs or Provident's website, is incorporated by reference into, or forms part of, this document.

15. Date of despatch and publication

This document was despatched and published on 9 March 2019.

APPENDIX VI Definitions

The following definitions apply throughout this document unless otherwise stated or the context requires otherwise.

“Admission”	the admission of the New NSF Shares by the Financial Conduct Authority (in its capacity as the UK Listing Authority) to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange’s Main Market for listed securities in accordance with the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	the rules issued by the London Stock Exchange in relation to the admission requirements and continuing obligations for companies seeking admission to trading on the London Stock Exchange’s market for listed securities;
“AIM”	the Alternative Investment Market of the London Stock Exchange;
“Antitrust Approval”	the approval of the Condition of the Transaction set out at Condition (G) of Part A of Appendix I;
“Articles”	the articles of association of NSF in force from time to time;
“ASA”	Advertising Standards Authority;
“associate”	has the meaning given in section 988 of the Companies Act 2006;
“Banking Group”	has the meaning given in paragraph 7 of Appendix V;
“Board”	as the context requires, the board of Directors of Provident or the board of Directors of NSF and the terms “Provident Board” and “NSF Board” shall be construed accordingly;
“Business Day”	any day, other than a public holiday, Saturday or a Sunday, when banks generally are open in London for general banking business;
“Canada”	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof;
“CBI”	the Central Bank of Ireland;
“certificated” or “in certificated form”	a share or other security which is not held in uncertificated form (that is not in CREST);
“CGT”	has the meaning given to it in paragraph 11.1(A);
“closing price”	the closing middle market quotation of a Provident Share or a NSF Share, as the case may be, as derived from the Daily Official List or the London Stock Exchange’s website;
“Code”	the City Code on Takeovers and Mergers;
“Companies Act 2006”	Companies Act 2006 (as amended);
“Consolidated Gearing Ratio Covenant”	has the meaning given in paragraph 7 of Appendix V;
“CMA”	the Competition and Markets Authority;
“Completion”	the completion of the Transaction;
“Computershare”	Computershare Investor Services PLC;

“Conditions”	the conditions to the Offer as set out in Appendix I;
“Court”	the High Court of Justice in England and Wales;
“CREST”	the system for the paperless settlement of trades in securities operated by Euroclear in accordance with the CREST Regulations;
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
CREST payment”	shall have the meaning given in the CREST manual issued by Euroclear as amended from time to time;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001 No. 3755);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Daily Official List”	the Daily Official List of the London Stock Exchange;
“Demerger”	the intended demerger of Loans at Home from NSF;
“Deutsche Bank”	Deutsche Bank AG, acting through its London branch;
“Directors of NSF” or “NSF Directors”	the Directors of NSF at the date of this document named in paragraph 2(A) of Appendix V to this document;
“Directors of Provident” or “Provident Directors”	the Directors of Provident at the date of this document named in paragraph 2(B) of Appendix V to this document;
“Effective Date”	the date on which: (i) the Offer becomes or is declared wholly unconditional; or (ii) if NSF elects to implement the Transaction by way of a Scheme, the date on which the Scheme becomes effective in accordance with its terms;
“Electronic Acceptance”	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
“ELG LTI”	Everyday Loans Group Long-Term Incentive Plan;
“Eligible US Holder” and “Eligible US Holders”	has the meaning given in the Important Notices contained in this document at Notice to US Shareholders of Provident;
“Enlarged NSF Group”	the enlarged group following Completion, comprising the NSF Group and Provident Group but excluding Loans at Home, if the Demerger completes;
“ESA instruction”	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear as amended from time to time);
“Escrow Agent”	Computershare in its capacity as an escrow agent, as described in the CREST manual issued by Euroclear as amended from time to time;
“Euroclear	Euroclear UK & Ireland Limited, the operator of CREST;
“Facilities Agreement”	has the meaning given in paragraph 7 of Appendix V;
“Facility A”	has the meaning given in paragraph 7 of Appendix V;

“Facility B”	has the meaning given in paragraph 7 of Appendix V;
“Facility C”	has the meaning given in paragraph 7 of Appendix V;
“Financial Advisers”	Ondra LLP and Deutsche Bank;
“Financial Conduct Authority” or “FCA”	the UK Financial Conduct Authority;
“Finco”	has the meaning given in paragraph 7 of Appendix V;
“First Closing Date”	8 May 2019, being the first closing date of the Offer;
“Form or Form of Acceptance”	the form of acceptance and authority relating to the Offer accompanying this document, which may only be completed by holders of Provident Shares in certificated form;
“Founder Shares”	the shares in Non-Standard Finance Subsidiary Limited held by John van Kuffeler, Nick Teunon, Miles Cresswell-Turner, Charles Gregson, Peter Reynolds and Robin Ashton which are convertible, upon the satisfaction of certain performance conditions (which, for the avoidance of doubt, have not been satisfied at the date of this document), into NSF Shares;
“FSMA”	the Financial Services and Markets Act 2000 (as it may have been, or may from time to time be, amended, modified, re-enacted or replaced);
“HMRC	Her Majesty’s Revenue and Customs;
“Home Credit Team”	has the meaning given in (i) Strengthening of management teams of section 4;
“IAI”	has the meaning given in the Important Notices contained in this document at Notice to US Shareholders of Provident;
“ICO”	the Information Commissioner’s Office;
“Intercreditor Agreement”	has the meaning given in paragraph 7 of Appendix V;
“Invesco”	Invesco Asset Management Limited;
“Japan”	Japan, its cities, prefectures, territories and possessions;
“LAH LTI”	Loans at Home Long-Term Incentive Plan;
“Listing Rules”	means the rules and regulations made by the UK Listing Authority under the Financial Services and Markets Act 2000 (as amended) 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;
“Main Market”	the main market of the London Stock Exchange;
“Marathon”	Marathon Asset Management LLP;
“member account ID”	the identification code or number attached to any member account in CREST;
“Moneybarn”	Moneybarn, a division of the Provident Group, which provides vehicle finance;
“New NSF Shares”	the NSF Shares to be issued to Provident Shareholders pursuant to the terms of the Offer;
“NSF”	Non-Standard Finance plc, incorporated in England and Wales with registered number 09122252;
“NSF Board”	the board of directors of NSF;

“NSF General Meeting”	the general meeting of NSF Shareholders to be convened to consider and if thought fit pass resolutions necessary to approve, implement and effect the Transaction;
“NSF Group”	NSF and its subsidiary and associated undertakings on the date of this document;
“NSF Guarantor Loans Division”	the guarantor loans division of NSF, consisting of George Banco and TrustTwo;
“NSF LTI”	Non-Standard Finance plc Long-Term Incentive Plan;
“NSF SAYE”	NSF Sharesave Plan (‘Save As You Earn scheme’);
“NSF Share Schemes”	any or all of the NSF SAYE, the Founder Shares scheme, the NSF LTI, the LAH LTI, the ELG LTI and the Guarantor Loans Division Long Term Incentive Plan;
“NSF Shareholders”	the holders of NSF Shares;
“NSF Shares”	the ordinary shares of 5 pence each in the capital of NSF;
“Offer”	the firm offer being made by NSF to acquire all the Provident Shares, in accordance with Chapter 3 of Part 28 of the Companies Act 2006, on the terms and subject to the Conditions set out in this document including, where the context so requires, any subsequent revision, variation, extension, or renewal of such offer;
“Offer Period”	the period referred to in paragraph 1 of Part C of Appendix I to this document;
“Official List”	the Official List of the UK Listing Authority;
“Overseas Shareholders”	Provident Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
“QIB”	has the meaning given in the Important Notices contained in this document at Notice to US Shareholders of Provident;
“Panel”	the Panel on Takeovers and Mergers;
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“Phase 2 CMA reference”	has the meaning given in the Definitions section of the Introduction to the Code;
“Post-Completion Review”	has the meaning given in section 4;
“pounds” or “£” or “pence”	the lawful currency of the United Kingdom;
“Prospectus”	the prospectus published on the date of release of this document by NSF in connection with the issuance of the New NSF Shares and the admission of the share capital of the Enlarged NSF Group to the Official List and to trading on the London Stock Exchange’s Main Market for listed securities in due course;
“Prospectus Rules”	means the rules and regulations made by the UK Listing Authority under the Financial Services and Markets Act 2000 (as amended) and contained in the UK Listing Authority’s publication of the same name, as amended from time to time;
“Prudential Regulation Authority” or “PRA”	the UK Prudential Regulation Authority;
“Provident”	Provident Financial plc, incorporated in England and Wales with registered number 00668987;

“Provident Board”	the board of directors of Provident;
“Provident Group”	Provident and its subsidiary and associated undertakings;
“Provident Savings-related Share Option Schemes”	the Provident plc Employee Savings-related Share Options Scheme (2003), the Provident Employee Savings-related Share Options Scheme (2013) and the Provident Irish Employee Savings-related Share Options Scheme 2014;
“Provident Share Schemes”	the employee share schemes of Provident as described and defined in Provident’s latest annual report and accounts including but not limited to the Provident Financial plc Employee Savings-Related Share Option Scheme (2003), the Provident Financial Savings-Related Share Option Scheme 2013, the Provident Financial Share Incentive Plan (SIP), the Provident Financial Irish Savings-Related Share Option Scheme 2014, the Provident Financial Performance Share Plan, the Provident Financial Long Term Incentive Scheme 2015 and the Provident Financial Equity Plan;
“Provident Shareholders”	the holders of Provident Shares;
“Provident Shares”	includes: <ul style="list-style-type: none"> (i) the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 20 ⁸/₁₁ pence each in the capital of Provident; and (ii) any further ordinary shares of 20 ⁸/₁₁ pence each in the capital of Provident which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Offer closes or before such earlier date as NSF (subject to the Code) may determine not being earlier than the date on which the Offer becomes or is declared unconditional as to acceptances, but excludes any shares held as Treasury Shares on such date as NSF may determine before the date on which the Offer closes (which may be a different date to the date referred to in (ii));
“RCF”	has the meaning given in paragraph 7 of Appendix V;
“Receiving Agent”	Computershare;
“Registrar”	Computershare;
“Regulation S”	has the meaning given in the Important Notices contained in this document at Notice to US Shareholders of Provident;
“Regulatory Approvals”	the approval of the Conditions of the Transaction set out at Conditions (D), (E) and (F) of Part A of Appendix I;
“Regulatory Information Service”	any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;
“Restricted ESA Instruction”	has the meaning given to that term in paragraph 7(J)(i) of Part C of Appendix I;
“Restricted Escrow Transfer”	has the meaning given to that term in paragraph 7(J)(ii) of Part C of Appendix I;
“relevant securities of Provident”	Provident Shares and options granted under the Provident Share Schemes;

“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in risk of civil, regulatory or criminal exposure if information concerning the Transaction is sent or made available to Provident Shareholders in that jurisdiction including, without limitation, the United States of America, Canada, New Zealand and Japan;
“Restricted Overseas Person”	a Provident Shareholder (including an individual, partnership, unincorporated syndicate, unincorporated organisation, trust, trustee, custodian, executor, administrator or other legal representative) that is located in, or resident in, a Restricted Jurisdiction or that is a US Person, except for Eligible US Holders or such other Provident Shareholders that NSF, in its sole judgment, shall have determined to be eligible to participate in the Offer;
“ROP”	Vanquis’ Repayment Option Plan product which, inter alia, allows the consumer to freeze their account for up to two years in certain defined circumstances, gives a payment holiday once every 12 months, provides a ‘lifeline’ feature and sends notification messages relating to payment reminders and credit limits;
“Rule 2.7 Announcement”	the press announcement made by the NSF Board on 22 February 2019 stating, inter alia, NSF Board’s firm intention to make the Offer;
“Scheme”	a court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 between Provident and Provident Shareholders to implement the Transaction, should the Transaction be implemented by means of a scheme of arrangement;
“Scheme Document”	should the Transaction be implemented by means of the Scheme, the document to be dispatched to Provident Shareholders including the particulars required by section 897 of the Companies Act 2006;
“SEC”	has the meaning given in the Important Notices contained in this document at Notice to US Shareholders of Provident;
“Shareholders”	Provident Shareholders and/or NSF Shareholders, as the context requires;
“Term Facilities”	has the meaning given in paragraph 7 of Appendix V;
“TFE instruction”	a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear as amended from time to time);
“Transaction”	the proposed acquisition of the entire issued capital of Provident by NSF, to be effected by the Offer as described in this document (or by the Scheme under certain circumstances described in this document);
“Treasury Shares”	any shares held by Provident as treasury shares as defined in section 724(5) of the Companies Act 2006;
“TTE instruction”	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear as amended from time to time) in relation to Provident Shares held in uncertificated form meeting the requirements set out in paragraph 13.2(B) of this document;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Listing Authority” or “UKLA”	the Financial Conduct Authority acting in its capacity as the authority for listing in the United Kingdom;

“uncertificated or in uncertificated form”	a Provident Share or other security which is for the time being recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“United States of America or “United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction;
“US Exchange Act”	the United States Securities and Exchange Act of 1934 (as amended) and the rules and regulations promulgated thereunder;
“US Person”	a US person as defined in Regulation S of the US Securities Act;
“US Securities Act”	has the meaning given in the Important Notices contained in this document at Notice to Overseas Shareholders;
“Vanquis”	Vanquis Bank Limited; and
“Woodford”	Woodford Investment Management Limited.

In this document:

- (A) certain other capitalised terms not otherwise defined above are defined and used elsewhere in this document;
- (B) in this document, “this document” means and includes the letter from NSF, the Appendices hereto, and the accompanying Form of Acceptance;
- (C) all references to legislation in this document are to English legislation unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof;
- (D) all references to time in this document are to London time;
- (E) words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender;
- (F) for the purposes of this document, subsidiary, subsidiary undertaking, undertaking and associated undertaking have the meanings given by section 1162 and Schedule 7 of the Companies Act 2006; and
- (G) terms defined in the CREST manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

