

CR-2019-006671

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST
(CH.D.)**

**IN THE MATTER OF REYKER SECURITIES PLC (IN
SPECIAL ADMINISTRATION)**

and

IN THE MATTER OF THE INVESTMENT BANK SPECIAL ADMINISTRATION
REGULATIONS 2011

AND THE INVESTMENT BANK SPECIAL
ADMINISTRATION (ENGLAND AND WALES) RULES 2011

DISTRIBUTION PLAN
DATED [] 2020

Ref: TP2/64615/28

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1 Definitions

1.1 In this document

Accepted Client Assets Claim: a Client Assets Claim that has been accepted by or agreed with the Administrators following a review of the Company's books and records and any other relevant information available to the Administrators or by order of the Court.

Account: an account maintained by the Company in respect of Client Assets.

Account Holder: a holder of an Account.

Administration Claim: any claim, pursuant to the Insolvency Act, the Regulations or otherwise, against the Administrators or the Released Third Parties where such claim arises from actions taken (or failure to take action) by any such person on or after the Administration Date in connection with the return of Client Assets, other than for an act or omission in implementing this Distribution Plan.

Administration Date: 2.35pm on 8 October 2019.

Administrators: Mark Christopher Ford, Adam Henry Stephens and Henry Anthony Shinnors of Smith and Williamson LLP, in their capacities as joint administrators of the Company (acting as agents for the Company without personal liability), and any administrator appointed to the Company within the Special Administration in addition to, or to replace one or more of, the foregoing appointees or their replacements.

Advisers: Foot Anstey LLP and any other professional advisers to the Administrators.

Annex: the annex to this Distribution Plan setting out, amongst other things, the Client Assets (being only unencumbered client assets on the basis that there are no known "encumbered client assets" within the meaning of Rule 144(6)), the proposed date of return for Client Assets and the claims to or in relation to the Client Assets within the meaning of Regulation 11(1).

Asserted Client Assets: assets which a Claimant asserts are Client Assets held for that Claimant, but which have not been determined by the Administrators to be such (whether on the ground that the Company is the beneficial owner of the assets, the Company does not hold the relevant assets for the Claimant, or otherwise).

Asserted Client Assets Claim: a Client Assets Claim in respect of Asserted Client Assets.

Business Day: any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in any part of England and Wales under or by virtue of the Banking and Financial Dealings Act 1971.

Cash Option: has the meaning given to it in Clause 15.1(b).

CASS: the Client Assets Sourcebook (as amended from time to time) published by the FCA as part of the FCA Handbook.

Claim Form: the claim form made available by the Administrators to Claimants through the Portal (or, on request, by post where it was called the "client claim form") providing details of the Client Assets and/or Client Money which the Administrators, at the time of making available the Claim Form, understood to be held by the Company for that Claimant as at 8 October 2019, and which Claimants were asked to confirm and submit to the Administrators by the Soft Bar Date.

Claimant: a person who has submitted a Client Assets Claim and, where appropriate, Potential Claimants and Late Claimants (but excluding any Waiver Clients), and where:

(a) Client Assets Claims are submitted by a person who is an Account Holder in respect of more than one Account, that person shall be a single "Claimant" for its claim covering all of those Accounts; and

(b) Client Assets Claims are submitted in respect of Client Assets held in an Account with more than one Account Holder, a reference to "Claimant" (in singular form) shall mean all of the Account Holders in respect of that Account.

Claimant's Share of Costs: for each Claimant who has an Accepted Client Assets Claim, an amount equal to the lower of:

- (i) the Cost Threshold at the Effective Date, subject to any reduction at any time thereafter in accordance with Clause 13.2; and
- (ii) their Costs Allocation Value.

Client: a person for whom the Company has undertaken to receive or hold Client Assets (whether or not on trust and whether or not that undertaking has been complied with).

Client Assets: assets which the Company has undertaken to hold for a Client (whether or not on trust and whether or not the undertaking has been complied with) within the meaning of section 232(4) of the Banking Act 2009, but, for the purpose of this Distribution Plan, does not include Client Money.

Client Assets Claim: a claim to Client Assets within the meaning of Regulation 11(1) which is identified in a Claim Form or otherwise submitted to the Administrators in accordance with Rules 139 or 140 and including, subject to and in accordance with clause 7 (*Potential Claimants*), any claim to Client Assets of a Potential Claimant which exists according to the information available to the Administrators in respect of the amount of Client Assets held for the Potential Claimant by the Company (but excluding any Waiver Clients).

Client Assets Return Statement: a statement prepared by the Administrators for each Claimant and each Potential Claimant in the form set out at Schedule 1:

- (a) made available on the Portal or, to the extent requested by any Claimant, sent by the Administrators to that person by post;
- (b) setting out relevant information relating to Client Assets held for each Claimant as described in this Distribution Plan, including to which Nominated Broker their Client Assets are proposed to be transferred;
- (c) which enables a Claimant to opt-out of a proposed Transfer by the Transfer Cut-Off Date (within the meaning of Clause 5.4), by indicating that it does not want some or all of its Client Assets to be the subject of the proposed Transfer and such notification is received by the Administrators before the Transfer Cut-Off Date;
- (d) which enables a Claimant to provide the instructions required in respect of any Distribution of their Client Assets; and
- (e) which is updated in accordance with the processes and provisions of this Distribution Plan.

Client Identification Code: the individual client identifier which has been provided to each Client by the Company.

Client Money: money of any currency that the Company has received or holds for, or on behalf of, a client in the course of, or in connection with any of its business as set out in CASS 7.10.1R(1)-(4) and any money that the Company treats as client money in accordance with the rules contained in CASS 7.10. to 7.19.

Client Money Distribution Entitlement: a Claimant's entitlement to receive a distribution of Client Money held by the Company calculated in accordance with CASS 7A.2.5R, after deducting such Claimant's pro rata proportion of the costs properly attributable to the distribution of the same in accordance with CASS 7.17.2R(4).

Client Money Option: has the meaning given to it in Clause 15.1(c).

Client Omnibus Account: an account held by the Company, or another institution in the name of the Company, made up of multiple Accounts of Clients of the Company.

COMP: the Compensation Sourcebook of the FCA Handbook.

Company: Reyker Securities Plc (in special administration), a company incorporated in England and Wales (registered number 01747595 with its registered office at 25 Moorgate, London, EC2R 6AY, acting by the Administrators (acting as agents for the Company without personal liability).

Compensation Process: has the meaning given to it in Clause 15.1(a).

Corporate Action: any corporate action in relation to or which affects Client Assets, including (without limitation) the declaration of dividends, share conversions, schemes of arrangement and exercised rights in respect of warrants, rights issues or open offers.

Corporate Actions Assets: has the meaning given to it in Clause 12.1.

Cost Threshold: £2,500.

Costs: the costs and expenses of the Special Administration to be paid out of Client Assets and falling within Rule 135, but excluding the costs and expenses associated with the return of Client Money held by the Company as at the Administrators' appointment.

Costs Allocation Value:

- (a) the value of the Securities making up a Claimant's Client Assets Claim as determined by reference to their closing value on 7 October 2019 on a recognised stock exchange; or
- (b) where any Securities are not traded on a recognised stock exchange, the nominal value of those Securities at the end of 7 October 2019, as determined by the Administrators,

which in each case reflects, in the opinion of the Administrators, a fair and reasonable price for those Securities.

Costs Options: any of the Compensation Process, the Cash Option and the Liquidation Option and where applicable, the Client Money Option.

Costs Reserve Rebate: any rebate calculated in accordance with Clause 14.1.

Costs Shortfall: has the meaning given to it in Clause 16.1(a).

Court: the High Court of Justice in England and Wales or, in respect of any appeal therefrom, the relevant appellate court.

Creditors' Committee: the creditors' committee established pursuant to the Rules, the members of which at the date of this document are: Compass Bank & Trust Corporation, Custodian Life, the FSCS, Puma Investment Management Limited and Anthony Yadgaroff, each of whom was elected at the initial meeting of creditors and Clients held on 16 December 2019.

Distribution: a return of Client Assets pursuant to Clause 6, and excluding a Transfer.

Distribution Plan: this distribution plan pursuant to Part 5 of the Rules in its present form or subject to any modifications, additions or conditions made or imposed by the Court under Rule 146(5) or by the Administrators under Rule 147(5) or Clause 23 (*Modification*).

Distribution Selection Date: a Business Day specified by the Administrators which is not less than five Business Days prior to any Distribution.

Effective Date: the date and time at which the sealed order of the Court approving this Distribution Plan with or without modification has been received by the Administrators.

Electronically Held Securities: Securities held electronically in a dematerialised format (whether or not held through a depository or custodian), including Securities that have been converted in accordance with Clause 22.

FCA: the Financial Conduct Authority.

FCA Handbook: the FCA's handbook of rules and guidance.

Financial Contract: a bilateral or multilateral contract entered into with the Company prior to the Administration Date, relating to transactions or positions of a financial nature, including contracts for the delivery or custody of Client Assets, within the meaning of Rule 4 (for the avoidance of doubt, which shall include Financial Contracts that are entered into subject to the Company's standard terms and conditions).

FSCS: the Financial Services Compensation Scheme.

FSCS Protected Claimant: a Claimant who the FSCS has confirmed to the Administrators:

- (a) has a valid claim for compensation from the FSCS; and
- (b) the FSCS will pay such compensation to the Administrators for the benefit of that Claimant,

in each case pursuant to the terms of COMP.

FSCS Protected Transfer Claimant: an FSCS Protected Claimant with an Accepted Client Assets Claim to Transfer Client Assets which are the subject of a Transfer in accordance with Clause 5.

Hard Bar Date: the date set out in a Hard Bar Date Notice which shall be no earlier than 4 May 2021.

Hard Bar Date Notice: a notice in a form compliant with Regulation 12B(13) which specifies the Hard Bar Date and includes a statement that, after the end of the Hard Bar Date, the Administrators:

- (a) may dispose of Client Assets still held by the Company after the Administrators have returned Client Assets to Claimants having Accepted Client Assets Claims; and
- (b) may, consequently, be unable to meet any further Client Assets Claims.

Insolvency Act: the Insolvency Act 1986.

Late Claim: has the meaning given to it in Clause 10.1.

Late Claimant: has the meaning given to it in Clause 10.1.

Liability: has the meaning attributed to it by Rule 333, which, in summary, includes a liability to pay money or money's worth, including any liability under an enactment, any liability for breach of trust, any liability in contract, tort or bailment, and any liability arising out of an obligation to make restitution; it being immaterial for these purposes whether the liability is present or future, whether it is certain or contingent, or whether its amount is fixed or liquidated, or is capable of being ascertained by fixed rules or as a matter of opinion.

Liquidation Option: has the meaning given to it in Clause 15.1(d).

Long Stop Date: the date two months after the date on which the Administrators send a Long Stop Date Notice.

Long Stop Date Notice: a notice stating that the Administrators have determined, acting reasonably, that they have achieved Objective 1 to the extent reasonably practicable.

Nominated Broker: any person that the Administrators notify as being a Nominated Broker pursuant to Clause 5.3(a)(ii).

Nominee: each of Reyker Nominees Ltd, a company incorporated in England and Wales (registered number 02056221) with its registered office at 17 Moorgate, London, EC2R 6AR and Reyker Online Nominees Limited, a company incorporated in England and Wales (registered number 07866453) with its registered office at 130 Shaftesbury Avenue, 2nd Floor, London, W1D 5EU.

Non-Returnable Client Assets: Client Assets which:

- (a) are Not-Held Client Assets; and/or
- (b) the Administrators determine in their absolute discretion (acting reasonably) cannot be the subject of a Transfer or Distribution for any legal or practical reason.

Non-Transferred Claimant: any Claimant (including any Potential Claimant) that is not a Transferred Claimant, including a Claimant who has served notice pursuant to Clause 5.7(b).

Not-Held Client Asset: Client Assets which are not under the Administrators' control.

Objectives: pursuant to Regulation 10, the following objectives:

- (a) "**Objective 1**" is for the Administrators to ensure the return of Client Assets as soon as is reasonably practicable;
- (b) "**Objective 2**" is for the Administrators to ensure timely engagement with market infrastructure bodies and the Bank of England, the Treasury, the FCA and the Prudential Regulation Authority pursuant to Regulation 13; and
- (c) "**Objective 3**" is for the Administrators to either rescue the Company as a going concern or wind it up in the best interests of the creditors.

Payment Options Form: the form that will be made available to Claimants on the Portal (or, to the extent requested by any Claimant, sent by the Administrators to that person by post) in accordance with the terms of this Distribution Plan and in the form set out at Schedule 2.

Physically Held Client Assets: Client Assets which are not Electronically Held Securities and are held in physical form, including Securities that have been converted and materialised in accordance with Clause 22.

Portal: the secure online facility made available to Claimants and Potential Claimants, which can be accessed by using a password (which the Administrators sent to Claimants by letter on 6 March 2020), at the following address: <https://www.reykerportal.com/login>.

Potential Claimants: those claimants identified by the Administrators after the Soft Bar Date in accordance with Rule 143 as, in summary, being eligible to make a claim under Regulation 11(1) in respect of certain Client Assets but who (i) did not make any such claim before the expiry of the Soft Bar Date and (ii) do not make any such claim prior to the Effective Date.

Pre-Administration Outstanding Amount: the amount calculated in accordance with Clause 17.2 in relation to any Claimant.

Proceedings: has the meaning given to it in Clause 25.1(b) (*Governing Law and Jurisdiction*).

Proposed Transfer Date: has the meaning given to it in Clause 5.3(a)(iv).

Regulations: the Investment Bank Special Administration Regulations 2011, as amended and supplemented by the Investment Bank (Amendment of Definition) and Special Administration (Amendment) Regulations 2017 (SI 2017/443).

Released Third Parties: the Administrators' firm, the Advisers and each of their respective members, partners, directors, officers, employees and any of their respective agents, professional advisers or their employees.

Rules: the Investment Bank Special Administration (England and Wales) Rules 2011.

Securities: financial instruments as defined in regulation 3 of the Financial Collateral Arrangements (No. 2) Regulations 2003.

Securities of a Particular Description: Securities issued by the same issuer which are of the same class of shares or stock; or in the case of Securities other than shares or stock, which are of the same currency and denomination and treated as forming part of the same issue, within the meaning of Regulation 12(9).

Security Interest: any legal or equitable interest or any other right in security (other than a Title Transfer Financial Collateral Arrangement) created or otherwise arising by way of security, including:

- (a) a pledge;
- (b) a mortgage;
- (c) a power of sale;
- (d) a fixed charge;
- (e) a charge created as a floating charge; or
- (f) a lien,

in respect of a liability owed by a Claimant to a third party (which includes the Company or a Nominee).

Share of Costs Recalculation Date: 8 April and 8 October in each calendar year during the period of the Distribution Plan, with the first recalculation date being 8 April 2021.

Shortfall: a shortfall in the amount available for distribution of Securities of a Particular Description held by the Company as Client Assets in a Client Omnibus Account within the meaning of Regulation 12(1), excluding (for the avoidance of doubt) any Costs Shortfall.

Shortfall Claim: a Claimant's claim against the unsecured estate of the Company in respect of a Shortfall (as borne *pro rata* by each Claimant under Regulation 12(2)), a Costs Shortfall or otherwise.

Soft Bar Date: 7 April 2020.

Special Administration: the special administration of the Company within the meaning of Regulation 3, commenced on 8 October 2019.

Sterling, pound, GBP or £: pounds sterling, being the lawful currency of the United Kingdom for the time being.

Tainted Client Assets: Client Assets which are the subject of a restraint order or which the Administrators (acting reasonably) conclude may be tainted due to association with any actual or alleged criminal conduct.

Title Transfer Collateral Arrangement: has the meaning set out in regulation 3 of the Financial Collateral (No 2) Regulations 2003.

Transfer: a transfer of Client Assets in accordance with Regulation 10B and Clause 5.

Transfer Client Assets: Client Assets which the Administrators determine are, at any given time, potentially subject to a Transfer and which are not, at the relevant Transfer Selection Date:

- (a) the subject of a notice pursuant to Clause 5.7(b);
- (b) Non-Returnable Client Assets; or
- (c) Tainted Assets.

Transfer Conditions: has the meaning given to it in Clause 5.4.

Transfer Cut-off Date: has the meaning given to it in Clause 5.4.

Transfer Selection Date: has the meaning given to it in Clause 5.3.

Transferred Claimant: a Claimant (including Potential Claimants) with an Accepted Client Assets Claim whose Client Assets have been subject to a Transfer pursuant to this Distribution Plan.

Waiver Clients: any Clients who submit or have submitted to the Administrators an express waiver of any Client Assets Claims which they may otherwise have held.

Website: <https://smithandwilliamson.com/en/services/restructuring-and-recovery-services/reyker-securities-plc/>.

2 Interpretation

In this document:

- 2.1 terms defined in the Regulations and Rules have the same meaning, unless given a different meaning in this document. References to a particular "Regulation" are to the Regulations, and references to a particular "Rule" are to the Rules;
- 2.2 references to a "person" include an individual, body corporate (wherever incorporated), unincorporated association, trust or partnership (whether or not having separate legal personality), government, state or agency of a state, or two or more of the foregoing;
- 2.3 references to a clause or schedule are to a clause or schedule of this document, and references to this document include Schedule 1, Schedule 2 and the Annex;

- 2.4 the headings in this document, together with any italicised words below the headings, do not affect its construction or interpretation;
- 2.5 references to a statute or a statutory provision include references to such statute or statutory provision as amended or re-enacted whether before or after the date of this document and include all subordinate legislation made under the relevant statute whether before or after the date of this document save where that amendment, re-enactment or subordinate legislation is made after the date of this document and would extend or increase the liability of any party under this document;
- 2.6 references to writing will be deemed to include any modes of reproducing words in a legible or non-transitory form;
- 2.7 the singular includes the plural and vice versa and any gender includes any other gender; and
- 2.8 if any obligation is due to be performed under the terms of this document on a date other than a Business Day, the relevant obligation shall be due to be performed on the next following Business Day.

3 Application, Effectiveness and Hard Bar Date

Application

- 3.1 This Distribution Plan applies to all Client Assets as at the commencement of the Special Administration and to any Corporate Actions Assets, save where any Client Money forming part of the Corporate Actions Assets has been distributed to a Claimant by the Company in accordance with the Company's obligation under CASS.7A.2.7-AR(4) prior to the Effective Date.
- 3.2 This Distribution Plan shall become effective on, and have effect from, the Effective Date.

Client Assets Claims

- 3.3 The Client Assets, and claims to or in respect of Client Assets, are set out in table form in the Annex. A Claimant will be able to identify which Client Assets it has a claim to or in respect of (or for Potential Claimants, which Client Assets are considered by the Administrators as held for them) by locating its Client Identification Code which is available to them through the Portal.
- 3.4 The Administrators shall provide each Claimant with a Client Assets Return Statement as soon as reasonably practicable following the Effective Date.

Long Stop Date and Hard Bar Date

- 3.5 On any date following the Effective Date (which may be before or after the time when an application, if any, is made to the Court under Regulation 12B(3)), the Administrators shall be entitled and have the option to send a Long Stop Date Notice. For the avoidance of doubt, the sending of a Long Stop Date Notice does not require the Administrators to make an application under Regulation 12B(3).
- 3.6 On any date following the Effective Date, the Administrators shall be entitled and have the option to:
- (a) make an application to the Court under Regulation 12B(3) to approve the setting of a final date for the submission of claims to the beneficial ownership or other form of ownership of Client Assets or claims of persons in relation to a Security Interest asserted over, or other entitlement to, Client Assets; and
 - (b) send a Hard Bar Date Notice, following the Court granting the Administrators permission to set a Hard Bar Date.

4 Shortfall

- 4.1 To the extent that the Administrators become aware that there is a Shortfall within the meaning of Regulation 12(1) and the Shortfall remains unremedied, the Shortfall shall, pursuant to Regulation 12(2), be borne *pro rata* by all Clients for whom the Company holds Securities of that Particular Description in proportion to their Accepted Client Assets Claims against those Securities.
- 4.2 A Claimant's Shortfall Claim, insofar as it results from a Shortfall, shall:
- (a) rank as an unsecured claim against the estate of the Company pursuant to Regulation 12(7);
 - (b) be based on the value of those Securities to which the Shortfall relates as at the Administration Date (using the same basis for valuing Securities as is used by the Administrators for calculating the Costs Allocation Value); and
 - (c) automatically be deemed to have been submitted as a proof of debt to an unsecured claim under Rule 152, without the need for the Claimant to take any further action.

5 Transfer

Please refer to your Client Assets Return Statement, once available, when reading this Clause 5.

- 5.1 Transfer Client Assets may, subject to and in accordance with the provisions of this Clause 5, be the subject of a Transfer under this Distribution Plan.
- 5.2 The Administrators shall be entitled to execute one or more Transfers of Transfer Client Assets to one or more Nominated Brokers, by taking the steps identified in Clauses 5.3 to 5.5. As at the Effective Date, it is the intention of the Administrators to make Transfers to 5 Nominated Brokers, but the Administrators shall be entitled to increase or decrease the number of Transfers during the implementation of this Distribution Plan.
- 5.3 On a Business Day (the "**Transfer Selection Date**") at least 15 Business Days prior to a proposed Transfer (subject to any subsequent update by the Administrators to reflect any Corporate Actions Assets received after such date), the Administrators shall:
- (a) update, to the extent required, the Client Assets Return Statement of each Claimant for whom Transfer Client Assets are held (which have not been returned pursuant to a previous Transfer (if any)) to identify and confirm:
 - (i) which Client Assets and in what quantity have been determined by the Administrators, in their absolute discretion, to be Transfer Client Assets for the proposed Transfer, taking into account any Shortfall;
 - (ii) the identity of the relevant Nominated Broker;
 - (iii) that subject to satisfaction of the Transfer Conditions, such Transfer Client Assets will form part of the proposed Transfer; and
 - (iv) the date the proposed Transfer is intended to take effect (the "**Proposed Transfer Date**"); and
 - (b) make available on the Portal (or by post where requested) a Payment Options Form to any Claimant who is to be included within a Transfer and who is:
 - (i) not an FSCS Protected Claimant and therefore its Claimant's Share of Costs will not be settled by the FSCS; or

- (ii) is an FSCS Protected Transfer Claimant but who:
 - (A) owes a Pre-Administration Outstanding Amount; and/or
 - (B) has Client Assets and Client Money which as at the Administration Date have an aggregate value of more than £85,000 and has not expressly confirmed, through their Claim Form, Client Assets Return Statement or otherwise, that it wants to receive compensation from the FSCS in respect of its Claimant's Share of Costs.

5.4 Each Transfer will be effected by the Administrators subject to the following conditions (the “**Transfer Conditions**”) being satisfied:

- (a) the Payment Options Form having been returned by the Claimant (if relevant);
- (b) all steps under the Payment Options Form having been complied with (if relevant);
- (c) the Claimant's Share of Costs having been paid;
- (d) the Claimant's Pre-Administration Outstanding Amount (if any) having been paid by the Claimant, save that the Administrators may waive this Transfer Condition (d) in their absolute discretion; and
- (e) where the terms of any contract between Reyker and the Claimant require notice to be given to the Claimant, or the consent of the Claimant to be obtained, in respect of any Transfer of their Client Assets, such notice or consent having been given or obtained by the Administrators,

in each case no later than 5 Business Days prior to the Proposed Transfer Date (the “**Transfer Cut-off Date**”), provided that (insofar as the Claimant's Share of Costs is to be paid in full by the FSCS and any confirmations required by the FSCS have been given by the Claimant) any FSCS Protected Transfer Claimant shall not be required to satisfy Transfer Condition (c) and will only have to satisfy Transfer Conditions (a) and (b) where clause 5.3(b)(ii) applies to them.

5.5 Each Transfer to a Nominated Broker will be completed on terms and conditions and will be subject to transfer documentation acceptable to the Administrators, in their absolute discretion, provided that such transfer documentation shall in all cases:

- (a) include such contractual provision as the Administrators think necessary to ensure that Clients whose Client Assets are to be returned by a Transfer will be able to exercise their rights in relation to those Client Assets as soon as reasonably practicable after the Transfer; and
- (b) comply with the restrictions on partial property transfers prescribed by Regulations 10C to 10G. In particular, in the case of a Transfer which is a partial property transfer, the relevant transfer documentation shall include provision to ensure that any Claimant will be entitled to demand a transfer back to the Company of their Client Assets, being a “reverse transfer” within the meaning of Regulation 10C(3)(a) and Regulation 10C(5), and that the relevant Nominated Broker is obliged to give effect to the reverse transfer as soon as reasonably practicable after any such demand is made by the Claimant.

5.6 Where the relevant Claimant has not satisfied all of the Transfer Conditions by the Transfer Cut-off Date, the relevant Transfer Client Assets will be excluded from the relevant Transfer, but may be considered (at the discretion of the Administrators) for inclusion in any subsequent Transfer at the next Transfer Selection Date.

5.7 In the event that:

- (a) any Transfer Client Assets have not been the subject of a Transfer in accordance with this Clause 5 and the Administrators, at their discretion, consider they will not form part of any future Transfer; or
- (b) prior to the relevant Transfer Cut-off Date, a Claimant notifies the Administrators through its completed Client Assets Return Statement (or by email to reyker.securities@smithandwilliamson.com) that it does not want some or all of its Client Assets to be the subject of a proposed Transfer and such notification is received by the Administrators before the Transfer Cut-Off Date,

such Client Assets will cease to be Transfer Client Assets and will be dealt with in accordance with the provisions in Clause 6 below that then become applicable.

- 5.8 The Claimant's right pursuant to Clause 5.7(b) to opt-out of any Transfer (in whole or in part) will be indicated in their Client Assets Return Statement. Where a Claimant exercises this right, the Claimant shall as soon as reasonably practicable complete the Distribution section in their Client Assets Return Statement to provide the Administrators with the instructions required in relation to a Distribution of their Client Assets, as set out in clause 6.2.

6 DISTRIBUTION OF NON-TRANSFER ASSETS

- 6.1 On or before any Distribution Selection Date, the Administrators shall send the following to a Non-Transferred Claimant:

- (a) their Client Assets Return Statement, save where the Claimant has already provided the required instructions in relation to the Distribution of all of its Client Assets; and
- (b) a Payment Options Form, where the Non-Transferred Claimant:
 - (i) is not an FSCS Protected Claimant and therefore its Claimant's Share of Costs will not be settled by the FSCS; or
 - (ii) is an FSCS Protected Claimant but:
 - (A) owes a Pre-Administration Outstanding Amount; and/or
 - (B) has Client Assets and Client Money which as at the Administration Date have an aggregate value of more than £85,000 and has not expressly confirmed, through their Claim Form, Client Assets Return Statement or otherwise, that it wants to receive compensation from the FSCS in respect of its Claimant's Share of Costs.

- 6.2 By completing the Distribution section of the Client Assets Return Statement (and providing any additional instructions that the Administrators may require from Claimants in writing), a Non-Transferred Claimant shall instruct the Administrators, in relation to those of its Client Assets which are available for Distribution following the discharge of the Claimant's Share of Costs, taking into account its *pro rata* allocation of any Shortfall, to:

- (a) move some, or all, of the Claimant's Electronically Held Securities to another custodian in an account in the name of that Claimant; and/or
- (b) return Physically Held Client Assets directly to the Claimant or any person nominated by the Claimant in writing,

but may, as an alternative, waive any rights it has to any and all Client Assets Claims and Client Assets which they may otherwise have had (in which case the Claimant shall be known as a Waiver Client in respect of those Client Assets Claims and Client Assets which the Claimant has elected to waive).

6.3 Subject to Clause 6.4, the Administrators shall, after they set a Distribution Selection Date, use all reasonable endeavours to comply with any instruction pursuant to Clauses 6.2(a) to 6.2(b) in any Client Assets Return Statement within 28 days of the Distribution Selection Date, provided that the Administrators:

- (a) are in receipt of the completed Client Assets Return Statement from the relevant Non-Transferred Claimant;
- (b) are in receipt of the completed Payment Options Form where this has been sent to the Non-Transferred Claimant in accordance with clause 6.1(b) and
- (c) are satisfied, in their sole discretion, that the relevant Non-Transferred Claimant's Share of Costs and any Pre-Administration Outstanding Amount has been settled in accordance with this Distribution Plan.

6.4 If any of the following applies in relation to any Non-Transferred Claimant:

- (a) the Non-Transferred Claimant fails to give the instructions required under this Clause 6 in relation to its Client Assets using the Distribution section of the Client Assets Return Statement to enable the Administrators to make a Distribution to that Claimant (including where a Non-Transferred Claimant nominates a recipient of the Client Assets which does not accept, for any reason, the relevant Client's instructions or its Client Assets);
- (b) the Non-Transferred Claimant has not settled any Pre-Administration Outstanding Amounts to the satisfaction of the Administrators prior to any proposed Distribution (and this obligation has not been waived by the Administrators, in their absolute discretion);
- (c) the Non-Transferred Claimant has not completed a Payment Options Form sent to them by the Administrators or has not complied with any of the steps set out therein; or
- (d) the Non-Transferred Claimant has not settled its Claimants' Share of Costs to the satisfaction of the Administrators in accordance with Clause 15 (*Payment of Costs*),

then the Client Assets of such Non-Transferred Claimant will not be the subject of a Distribution and, if such circumstances have not been remedied by the Non-Transferred Claimant by the Long Stop Date (if a Long Stop Date Notice is sent in accordance with Clause 3.5) the provisions of Clause 6.5 shall apply to such Non-Transferred Claimant; except in respect of any Non-Returnable Client Assets or Tainted Client Assets to which the Non-Transferred Claimant has a claim, which shall be subject to Clauses 8 and 9 (*Tainted Client Assets and Non-Returnable Client Assets*)).

6.5 In respect of any Non-Transferred Claimant who is subject to this Clause (as a result of the application of Clause 6.4):

- (a) the Client Assets of such Non-Transferred Claimant will not be the subject of a Distribution; and
- (b) the Administrators will be entitled to liquidate such Non-Transferred Claimant's Client Assets and return the proceeds (if any) to the Claimant, after deducting (i) the relevant Claimant's Share of Costs from the proceeds of such liquidation, (ii) any outstanding unpaid balance owing to the Company which would have been deductible from that Claimant's Client Money Distribution Entitlement and (iii) the *pro rata* allocation of any Shortfall, within the meaning of Clause 4.1.

6.6 In circumstances where:

- (a) the Administrators determine that, having taken all reasonable measures to identify and contact the Claimant, they are not able to return the liquidation proceeds referenced in Clause 6.5(b) to the Non-Transferred Claimant; and
- (b) a Hard Bar Date has occurred (which, for the avoidance of doubt, cannot occur unless and until the Court grants the Administrators permission to set a Hard Bar Date),

the Administrators will be entitled (pursuant to Regulation 12B) to transfer the liquidation proceeds to the Company's own bank accounts for the benefit of the general estate of the Company, and once that transfer has been completed the Administrators will not be obliged to return such Non-Transferred Claimant's Client Assets pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan in respect of such Client Assets.

7 Potential Claimants

7.1 Where a Potential Claimant, who has been notified in writing under Rule 143(2) that the Administrators believe they would have been eligible to submit a claim under Regulation 11(1)(a) or Regulation 11(1)(b) and invited in such notice to submit a claim within a prescribed period (which shall not be less than 14 business days of receipt of the notice), has failed to respond to that notice within the prescribed time:

- (a) the Administrators shall return (by Transfer or Distribution) Client Assets to any Potential Claimant who is eligible to submit a claim under Regulation 11(1)(a) according to the information available to them in respect of the amount and type of Client Assets held for the Potential Claimant by the Company; and
- (b) the Administrators shall return Client Assets taking into account any Security Interest that, according to the information available to them, the Potential Claimant who is eligible to submit a claim under Regulation 11(1)(b) is entitled to assert over any Client Assets held by the Company.

7.2 The Administrators have prepared or will prepare Client Assets Return Statements for all Potential Claimants who have failed to respond to a notice under Rule 143(2), on the basis that such Client Assets will be the subject of a Transfer or Distribution pursuant to the terms of this Distribution Plan according to the information available to the Administrators in respect of the amount of Client Assets held for such Potential Claimants by the Company.

7.3 If, by the Long Stop Date (if any), the Administrators still hold Client Assets for Potential Claimants and are not able to return such Client Assets to them, the Administrators (subject to the terms of this Distribution Plan) will not be obliged to return such Client Assets pursuant to this Distribution Plan and:

- (a) where, in the reasonable opinion of the Administrators, those Client Assets have no material value and/or they cannot be liquidated (whether or not they are of material value), and the Administrators have taken all reasonable measures to contact the Potential Claimant, the Administrators will be released from any obligations to return those Client Assets whether under this Distribution Plan or otherwise; or
- (b) where, in the reasonable opinion of the Administrators, those Client Assets have a material value and/or can be liquidated, the Administrators will be released from any obligations pursuant to this Distribution Plan in respect of such Client Assets and will be entitled to liquidate such Client Assets and either:
 - (i) return the proceeds (if any) to the Potential Claimant, after deducting:
 - (A) the Claimant's Share of Costs;
 - (B) the *pro rata* allocation of any Shortfall (if any); and/or

(C) any Pre-Administration Outstanding Amounts; or

- (ii) where the Administrators determine that, having taken all reasonable measures to identify and contact the Potential Claimant, they are not able to return such proceeds to the Potential Claimant and a Hard Bar Date has occurred, transfer the proceeds to the Company's own bank accounts for the benefit of the general estate of the Company (pursuant to Regulation 12B).

8 Tainted Client Assets

8.1 If and to the extent that an Accepted Client Assets Claim is to a Tainted Client Asset, the Claimant will not be entitled to a Distribution or Transfer, unless and until such Tainted Client Asset ceases to be a Tainted Client Asset.

8.2 Where any Tainted Client Asset ceases to be a Tainted Client Asset, the relevant Client Asset will either be:

- (a) returned by a Transfer in accordance with the procedure for Transfer Client Assets in Clause 5 above; or
- (b) returned by a Distribution in accordance with the procedure for Client Assets set out in Clause 6 of this Distribution Plan,

as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs and the Claimant's Pre-Administration Outstanding Amounts).

8.3 If and to the extent that any Tainted Client Assets remain Tainted Client Assets by the Long Stop Date (if any), the Administrators will not be obliged to effect a Transfer or make a Distribution of such Tainted Client Assets pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan in respect of the relevant Tainted Client Assets. For the avoidance of doubt, this will not affect any rights of the relevant Clients to the Tainted Client Assets otherwise than pursuant to and as affected by this Distribution Plan.

8.4 Nothing in this Distribution Plan shall prevent the Administrators from taking any actions in relation to any Tainted Client Assets which they are required to take by law, regulation, direction of a competent regulatory authority or any order of a competent court.

9 Non-Returnable Client Assets

9.1 If an Accepted Client Assets Claim is to a Non-Returnable Client Asset, the Claimant will not be entitled to a Transfer or Distribution in respect of the Non-Returnable Client Asset, unless and until such Non-Returnable Client Asset ceases to be a Non-Returnable Client Asset.

9.2 Where any Non-Returnable Client Asset ceases to be a Non-Returnable Client Asset the relevant Client Asset will either be:

- (a) returned by a Transfer in accordance with the procedure for Transfer Client Assets in Clause 5 above; or
- (b) returned by a Distribution in accordance with the procedure for Client Assets set out in Clause 6 of this Distribution Plan,

as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs and the Claimant's Pre-Administration Outstanding Amounts).

9.3 If an Accepted Client Assets Claim includes a claim to a Non-Returnable Client Asset which remains a Non-Returnable Client Asset, the Claimant may, at any time, elect to notify the Administrators in writing that it releases the Company from any obligation to return the Non-Returnable Client Asset to the Claimant; in which event a Shortfall Claim shall automatically

be deemed to have been submitted as a proof of debt under Rule 152 as an unsecured claim for the value of the Non-Returnable Client Asset, without the need for the Claimant to take any further action.

- 9.4 If any Non-Returnable Client Assets remain Non-Returnable Client Assets by the Long Stop Date (if any) and the Claimant has not made any notification in accordance with Clause 9.3:
- (a) the Administrators will not be obliged to take any further action with respect to such Non-Returnable Client Assets pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan in that respect. For the avoidance of doubt, this will not affect any rights of the relevant Clients to the Non-Returnable Client Assets otherwise than pursuant to and as affected by this Distribution Plan; and
 - (b) a Shortfall Claim shall automatically be deemed to have been submitted as a proof of debt under Rule 152 as an unsecured claim for the value of the Non-Returnable Client Asset, without the need for the Claimant to take any further action.

10 Treatment of Late Claimants

- 10.1 Any Client Assets Claim submitted by a Claimant (a "**Late Claimant**") after any Transfer or Distribution has taken place must be correctly submitted in accordance with either Rule 139 or Rule 140 (a "**Late Claim**").
- 10.2 Subject to Clause 10.1, if the Administrators determine that, had the Late Claim been submitted before the Soft Bar Date, it would have been an Accepted Client Assets Claim:
- (a) if enough of those Client Assets (amounting to what the Late Claimant would, in accordance with the terms of this Distribution Plan, have received had it filed its Client Assets Claim prior to any Transfers or Distributions) remain available to be returned then, taking into account any Client Assets which might already have been included in a Transfer to a Nominated Broker for that Late Claimant (on the basis that they were previously a Potential Claimant), they shall be returned to the Late Claimant (by Transfer or Distribution, as the Administrators may determine) as soon as reasonably practicable, subject to the Late Claimant complying with the provisions of Clauses 5.4 for a Transfer or Clauses 6.2 and 6.4 for a Distribution; but
 - (b) if there are insufficient of those Client Assets for this purpose, taking into account any Client Assets which might already have been included in a Transfer to a Nominated Broker for that Late Claimant (on the basis that they were previously a Potential Claimant), then:
 - (i) only such Client Assets as can be returned shall be returned to the Late Claimant by Transfer or Distribution (as the Administrators may determine, in accordance with Clauses 5 and 6) as soon as reasonably practicable, subject to the Late Claimant complying with the provisions of Clauses 5.4 for a Transfer or Clauses 6.2 and 6.4 for a Distribution; and
 - (ii) the Late Claimant shall automatically be deemed to have submitted a proof of debt under Rule 152 for the value of those Client Assets not returned without the need for the Claimant to take any further action.
- 10.3 In no circumstances shall a Late Claim disrupt those Client Assets that have already been returned and to which any Claimant shall have acquired good title.
- 10.4 A Late Claim submitted after any Distribution Selection Date or Transfer Cut Off Date (as applicable) shall be deemed to have been submitted after the Transfer or Distribution of the Client Assets to which the relevant Distribution Selection Date or Transfer Cut-Off Date (as applicable) relates.

- 10.5 Neither the Company nor the Administrators shall be liable in respect of any breach of trust (whether as trustee, accessory or otherwise) to any Claimant in respect of additional claims not reflected by any Transfers or Distributions actually made where, prior to the relevant Transfer Cut-Off Date or Distribution Selection Date, the Company and/or the Administrators did not have information available to them to support the existence of those additional claims (irrespective of whether such additional claims would have been Accepted Client Assets Claims if the Company or the Administrators had had such information available to them prior to the relevant Transfer Cut-Off Date or Distribution Selection Date).
- 10.6 All Claimants whose Client Assets have been the subject of a Transfer or Distribution under this Distribution Plan shall acquire a beneficial entitlement to those Client Assets free of any prior claim or encumbrance of any other Claimant or the Company, save as provided for by this Distribution Plan.

11 Disputes

- 11.1 In circumstances where the Administrators do not accept a Claimant's Asserted Client Assets Claim (in whole or in part), the Administrators may reject such Asserted Client Assets Claim (in whole or in part) and, in that event, shall provide the Claimant with a statement in writing of the Administrators' reasons for doing so, as soon as reasonably practicable thereafter ("**Reasons Statement**").
- 11.2 If a Claimant is dissatisfied with the Administrators' decision in relation to their Asserted Client Assets Claim, the Claimant may apply to the Court for the decision to be reversed or varied. Any such application must be made within 21 days following the date on which the Reasons Statement has been served on the Claimant. The Claimant shall notify the Administrators at reyker.securities@smithandwilliamson.com as soon as possible (and in any event within 48 hours) following such an application being made.
- 11.3 The 21 day time period provided for in Clause 11.2 above may be extended (but only prior to the expiry of the said time period) with the consent of the Administrators or by the Court, in relation to one or more Claimants.
- 11.4 Upon an application to the Court being made in accordance with Clause 11.2 above, the Court shall fix a venue or electronic method for the application to be heard and the relevant Claimant shall deliver notice of that to the Administrators. The Court shall, thereafter, determine the extent (if any) to which the Asserted Client Assets Claim is to a Client Asset held for the relevant Claimant. The Administrators shall notify all Claimants of the fact that such application has been made by placing a notice on the Website.
- 11.5 Unless the Administrators agree or the Court orders otherwise, the relevant Claimant's costs of such application shall be paid by the Claimant and are not payable as an expense of the Special Administration or as part of the Costs.
- 11.6 Where there is an ongoing dispute between, or which involves, Claimants' entitlements to certain Client Assets, including by virtue of an Asserted Client Assets Claim, the Administrators shall not be obliged to (but retain the power to do so in their absolute discretion and if they consider it appropriate in all the circumstances) make a Transfer or Distribution of such Client Assets (or any part of them) ("**Disputed Client Assets**") pursuant to this Distribution Plan, unless and until any such dispute has been (without prejudice to any resolution pursuant to this Clause 11):
- (a) finally determined by the Court and all rights to appeal have been exhausted (including by virtue of a failure to appeal or final refusal to allow an appeal to proceed); or
 - (b) otherwise resolved consensually.
- 11.7 Where a Transfer is made in respect of any Disputed Client Assets, then, in the Administrators' absolute discretion and if they consider it appropriate in all the circumstances to impose the

restriction, no Claimant may give any instruction to any Nominated Broker in respect of any Disputed Client Assets (including for their return or transfer) without the prior written consent of the Administrators, until such time as the dispute concerning those Disputed Client Assets has been concluded in accordance with paragraphs 11.6(a) or 11.6(b).

11.8 Subject to Clauses 8 (*Tainted Client Assets*), 9 (*Non-Returnable Client Assets*) and 12 (*Corporate Actions*), if the Administrators' determination in relation to the status of Asserted Client Assets is later reversed or varied by the Administrators themselves or by the Court, then such Client Assets as are then determined to be held for the relevant Claimant will either be:

- (a) returned by a Transfer in accordance with the procedure for Transfer Client Assets in Clause 5 above; or
- (b) returned by a Distribution in accordance with the procedure for Client Assets set out in Clause 6 of this Distribution Plan,

as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs and the Claimant's Pre-Administration Outstanding Amounts).

11.9 The Administrators will not be obliged to take any further action with respect to any Asserted Client Assets Claim pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan to the person making the Asserted Client Assets Claim in respect of the Asserted Client Assets:

- (a) where no Court proceedings in respect of the relevant Asserted Client Assets Claim have been commenced by the date of 21 days after the Claimant receives the Reasons Statement (unless extended in accordance with Clause 11.3); or
- (b) where Court proceedings in respect of the relevant Asserted Client Assets Claim have been commenced pursuant to Clause 11.2, as from the earlier of the date (if any) on which:
 - (i) it has been finally determined by the Court that the Asserted Client Assets are not Client Assets held for the relevant Claimant and all rights to appeal have been exhausted (including by virtue of a failure to appeal or final refusal to allow an appeal to proceed); or
 - (ii) any such proceedings are abandoned.

12 Corporate Actions Assets

12.1 If a Client Asset (for the purposes of this Clause, a "**Relevant Asset**") has been subject to any Corporate Action after the Administration Date which resulted or will result in:

- (a) Client Money or Securities being received by the Company; and/or
- (b) a change in the nature of the Relevant Asset (for example as a result of a stock split, exchange and/or merger and acquisition activity),

("Corporate Actions Assets") then, subject to Clause 9 (*Non-Returnable Client Assets*), where the Client Assets Claim in respect of the Relevant Asset is, or in due course becomes, an Accepted Client Assets Claim, any Corporate Actions Assets which are held by the Company at or after the Effective Date shall be subject to a Transfer or Distribution in accordance with the relevant procedure in this Distribution Plan which governs, or would have governed, the return of the Relevant Assets from which the Corporate Actions Assets derived.

12.2 In Clauses 5 (*Transfer*) to 10 (*Treatment of Late Claimants*), references to Client Assets shall include any Corporate Actions Assets.

13 Costs Allocation

- 13.1 Pursuant to Rule 137, the Costs (as determined and estimated by the Administrators as at the Effective Date) shall be borne by each Claimant with an Accepted Client Assets Claim on the basis that each Claimant shall be required to settle its Claimant's Share of Costs by one or more of the methods of settlement set out in this Distribution Plan.
- 13.2 On any Share of Costs Recalculation Date, the Administrators will make a determination as to whether the Cost Threshold is to be reduced, including as a result of:
- (a) the amount of the total Costs (including all estimated future costs of the Administrators) as at that date being determined and estimated by the Administrators to be less than the sum previously determined and estimated by them;
 - (b) the aggregate contribution towards Costs by all Claimants being greater than prudently estimated by the Administrators; and/or
 - (c) additional Claimants being determined to have Accepted Client Assets Claims resulting in additional Costs contributions.
- 13.3 If there is a reduction in the Cost Threshold as a result of a determination pursuant to Clause 13.2:
- (a) the Administrators shall notify each Claimant and the FSCS of such reduction in the Cost Threshold, and the consequent reduction to be applied to each Claimant's Share of Costs;
 - (b) the Administrators shall calculate and pay any Costs Reserve Rebate due in respect of any Claimant's Share of Costs that has already been settled in accordance with Clause 14 (*Costs Reserve Rebates*); and
 - (c) each Claimant's entitlement to a Shortfall Claim pursuant to Clause 16 (*Costs Shortfalls*) shall be reduced by a corresponding amount.
- 13.4 Where the FSCS pays or undertakes to pay all or part of a Claimant's Share of Costs, the FSCS shall be treated as a "Claimant" for the purposes of this Clause 13 where applicable and the FSCS shall immediately and automatically be subrogated to all of the rights and claims of that FSCS Protected Claimant against the Company and any third party involved in, or connected with, the matters giving rise to that FSCS Protected Claimant's claim for compensation from the FSCS in accordance with COMP 7.3.

14 Costs Reserve Rebates

- 14.1 Any Claimant which has already settled its Claimant's Share of Costs, as applicable, shall be entitled to a rebate in an amount equal to the difference (if any) between:
- (a) the amount of the Claimant's Share of Costs which it has settled; *less*
 - (b) the reduced Claimant's Share of Costs determined pursuant to Clause 13.2,
- (being a "**Costs Reserve Rebate**") provided the total rebate payable to the Claimant is greater than £100.
- 14.2 Where the FSCS pays a Claimant's Share of Costs, the FSCS shall be treated as the "Claimant" for the purposes of this Clause 14.
- 14.3 The Administrators shall make any payment in respect of a Costs Reserve Rebate as soon as practicable following the relevant Share of Costs Recalculation Date.

15 Payment of Costs

15.1 Before a Claimant who has an Accepted Client Assets Claim is entitled to receive a Distribution or whose Client Assets are able to be the subject of a Transfer, the Claimant's Share of Costs must be settled in accordance with the following provisions:

- (a) the "**Compensation Process**", whereby, if the Claimant is an FSCS Protected Claimant, the FSCS shall undertake to pay the Claimant's Share of Costs by the FSCS exercising the Cash Option on such Claimant's behalf provided that:
 - (i) the Compensation Process shall not be available to fund any payment required to discharge any Pre-Administration Outstanding Amounts; and
 - (ii) where the FSCS pays the Claimant's Share of Costs or any part of them on behalf of an FSCS Protected Claimant, the FSCS shall be treated as a "Claimant" for the purposes of Clause 16.2 and the FSCS shall immediately and automatically be subrogated to all of the rights and claims of that FSCS Protected Claimant against the Company and any third party involved in, or connected with, the matters giving rise to that FSCS Protected Claimant's claim for compensation from the FSCS in accordance with COMP 7.3;
- (b) the "**Cash Option**": where the Claimant pays to the Administrators the Claimant's Share of Costs in Sterling by bank transfer or cheque (which must be received by the Administrators and clear at least 5 Business Days prior to the date of the Distribution or Transfer) or;
- (c) the "**Client Money Option**": where the Claimant has a Client Money Distribution Entitlement or its Corporate Action Assets include any Client Money, the Claimant may instruct the Administrators to use such portion of that Client Money as necessary to discharge (in whole or in part) its Claimant's Share of Costs.
- (d) the "**Liquidation Option**": where the Claimant may instruct the Administrators to liquidate a sufficient amount and specific type of its Client Assets to enable that Claimant's Share of Costs to be discharged out of the proceeds of such liquidation in accordance with the requirements in Clause 15.6.

15.2 Where a Claimant which is an FSCS Protected Claimant:

- (a) indicates through their Claim Form, Client Assets Return Statement, the Portal or otherwise that it wishes to use the FSCS to claim compensation; or
- (b) has Client Assets and Client Money which as at the Administration Date have an aggregate value less than or equal to £85,000 and fails by the date of a relevant Transfer or Distribution to make an election in that respect,

such Claimant shall be deemed to have accepted the Compensation Process and, provided that it is eligible to receive FSCS Compensation, unless and until it provides the Administrators with instructions to the contrary in a Payment Options Form (or otherwise), the FSCS will undertake to pay compensation to the Administrators in respect of that Claimant's Share of Costs which the FSCS has determined (in accordance with COMP) is payable on behalf of such Claimant.

15.3 Where a Claimant has Client Assets and Client Money which as at the Administration Date have an aggregate value of more than £85,000, such Claimant is required to give their express confirmation, whether through their Claim Form, Client Assets Return Statement, Payment Options Form, the Portal or otherwise in a manner acceptable to the FSCS, that they wish to receive compensation from the FSCS in order to be able to rely on the Compensation Process to settle their Claimant's Share of Costs under this Distribution Plan.

- 15.4 In the event that the use of a single Costs Option will not result in the discharge in full of that Claimant's Share of Costs and/or the Compensation Process applies but will not result in the Claimant's Share of Costs being settled in full, that Claimant shall be entitled to choose more than one Costs Option provided that:
- (a) the Claimant provides express instructions in the Payment Options Form as to the ranking of their preferences as between the Costs Options; and
 - (b) each Costs Option ranked by the Claimant shall, to the fullest extent practicable, be exhausted in full before a lower ranking Costs Option may be used to discharge any remainder of the Claimant's Share of Costs.
- 15.5 Where the Liquidation Option results in a cash surplus after the deductions of a Claimant's Share of Costs and any Pre-Administration Outstanding Amount, that cash surplus shall be returned to the Claimant in question, (if applicable) together with and using the same process as for the Client Assets which are to be returned to it (if any).
- 15.6 Where the Liquidation Option is used:
- (a) the Claimant shall, in its Payment Options Form, either:
 - (i) indicate that the Administrators may liquidate those of its Client Assets as the Administrators select (and at such time as they determine) in their absolute discretion; or
 - (ii) provide express instructions as to (a) which of the Claimant's Client Assets the Administrators are to liquidate and (b) the quantity of those Client Assets to be liquidated (which shall be liquidated at such time as the Administrators determine);
 - (b) if either (a) the express instructions provided by the Claimant do not enable the Administrators to discharge the Claimant's Share of Costs or are not acceptable to the Administrators for any other reason or (b) the Administrators have attempted, but have been unable, to obtain any express instructions from the Claimant following receipt of the Payment Options Form by the Administrators, the Administrators shall in each case have absolute discretion to determine:
 - (i) which of the Claimant's Client Assets to liquidate;
 - (ii) the quantity of those Client Assets to liquidate; and
 - (iii) the time and date of that liquidation, which shall be at least 10 Business Days after the Administrators' failed attempt to obtain the express instructions from the Claimant referred to in Clause 15.6(b),and where the Administrators have acted in good faith in liquidating all or part of a Claimant's Client Assets, the Claimant shall not have any claim against the Administrators or the Company arising out of, or in connection with, the liquidation of part or all of the Claimant's Client Assets to meet the Claimant's Share of Costs; and
 - (c) any amounts owing to the Company or payable by the Company which are denominated in a currency other than Sterling may be converted into Sterling at the exchange rate available to the Company on the day on which the transaction to liquidate the Client Asset settles.
- 15.7 The Administrators shall, as soon as reasonably practicable, notify each Claimant:
- (a) whose Claimant's Share of Costs cannot be paid in full by the Compensation Process (as determined by the FSCS in accordance with COMP); and

- (b) who also has Securities (together with any Corporate Actions Assets) which make up its Client Assets Claim which the Administrators reasonably believe are likely to have a value (using the same basis and date for valuing Securities as is used by the Administrators for calculating the Costs Allocation Value) which is lower than the Cost Threshold.

15.8 Where any Claimant is notified in accordance with Clause 15.7:

- (a) such Claimant may, subject to any other agreement with the Administrators as to Costs, elect in its Payment Options Form (or otherwise) to release the Company from any obligation to return the Client Assets held for them, with the result that such Claimant does not have to pay any Share of Costs attributable to those Client Assets; and
- (b) a Shortfall Claim shall automatically be deemed to have been submitted as a proof of debt under Rule 152 as an unsecured claim in an amount equal to the aggregate Costs Allocation Value referable to the relevant Client Assets, without the need for the Claimant to take any further action.

15.9 Where a Claimant makes an election in accordance with the provisions of Clause 15.8(a) or is for any other reason a Waiver Client, the Client Assets which the Company held for that Claimant or Waiver Client prior to them making the election or expressing the waiver, may be liquidated by the Company (to the extent that it is possible to do so) and will be:

- (a) applied first to discharge the *pro rata* allocation of any Shortfall in relation to such Client Assets, within the meaning of Clause 4.1; and
- (b) to the extent of any balance of the proceeds remaining, set off against that Claimant's Share of Costs.

16 Costs Shortfalls

16.1 Where the Liquidation Option is followed, in accordance with Rule 137:

- (a) the shortfall in the amount of Client Assets to be returned to that Claimant attributable to the discharge of that Claimant's Share of Costs (a "**Costs Shortfall**") is to be treated as a debt owed to the Claimant by the Company arising before the Company entered Special Administration; and
- (b) the Shortfall Claim resulting from the Costs Shortfall shall automatically be deemed to have been submitted as a proof of debt under Rule 152, without the need for the Claimant to take any further action.

16.2 Where the Cash Option or the Client Money Option is followed, by analogy with Rule 137, the Claimant will be treated as having a debt owed to it by the Company in the amount of the Claimant's Share of Costs paid under the Cash Option or the Client Money Option, which debt shall be treated as having arisen before the Company entered Special Administration. Such claim shall automatically be deemed to have been submitted as a proof of debt under Rule 152, without the need for the Claimant to take any further action.

17 Calculation and payment of Pre-Administration Outstanding Amounts

Calculation of Pre-Administration Outstanding Amounts

17.1 Before a Claimant who has an Accepted Client Assets Claim is entitled to receive a Distribution or whose Client Assets are able to be the subject of a Transfer, any Pre-Administration Outstanding Amounts attributable to dealing with its Client Asset(s) must be settled in accordance with this Clause 17.

17.2 A Claimant's Pre-Administration Outstanding Amount shall be calculated as follows:

- (a) any Liabilities owed by the Claimant to the Company in respect of Financial Contracts; minus
- (b) any Liabilities owed by the Company to the Claimant in respect of Financial Contracts,

provided that a Claimant's Pre-Administration Outstanding Amount may only be a positive number and shall not be less than zero.

17.3 The Administrators shall include the amount of any Pre-Administration Outstanding Amount in the Client Assets Return Statement made available to the Claimant under Clause 3.4 (*Application, Effectiveness and Hard Bar Date*).

17.4 Under the Client Assets Return Statement, any Client which is dissatisfied with the Administrators' calculation of its Pre-Administration Outstanding as set out in their Client Assets Return Statement is initially requested to contact the Administrators to discuss any dispute. The Claimant may also apply to the Court but such application must be made within 21 days following the date that the Client Assets Return Statement has been made available on the Portal (or a longer period as extended prior to the expiry of said time period by the Administrators or the Court). The Claimant shall notify the Administrators of any such application at reyker.securities@smithandwilliamson.com as soon as possible and, in any event, within 48 hours following such an application being made.

17.5 The Administrators will revise any Claimant's Pre-Administration Outstanding Amount (as set out in the Claimant's Client Assets Return Statement):

- (a) where Court proceedings have been commenced by a Claimant in accordance with Clause 17.4 and the Court has determined that the Claimant's Pre-Outstanding Amount is different from that which has been calculated by the Administrators and set out in the Claimant's Client Assets Return Statement; or
- (b) the revision of the Claimant's Pre-Outstanding Amount is otherwise agreed between the Administrators and the Claimant,

but the Administrators shall not be obliged to make any Transfer or Distribution with respect to the Client Assets of such Claimant until such time as a determination by the Court has been made following an application made under Clause 17.4 or the dispute has been otherwise resolved (including by the expiry of the 21 day period referred to in Clause 17.4).

17.6 The Administrators will not be obliged to revise any Claimant's Pre-Administration Outstanding Amount (as set out in their Client Assets Return Statement) pursuant to this Distribution Plan:

- (a) where Court proceedings in respect of the relevant Pre-Administration Outstanding Amount have been commenced within the 21 day period (or as extended by the Administrators or the Court where such an extension occurs) referred to in Clause 17.4 and either:
 - (i) the Pre-Administration Outstanding Amount has been finally determined by the Court to be an amount equal to the Pre-Administration Outstanding Amount as calculated by the Administrators, and all rights to appeal have been exhausted (including by virtue of a failure to appeal or final refusal to allow an appeal to proceed); or
 - (ii) any such proceedings are abandoned or settled on the basis of an amount equal to the Pre-Administration Outstanding Amount as calculated by the Administrators, or
- (b) where no Court proceedings in respect of the relevant Pre-Administration Outstanding Amount have been commenced within the 21 day period (or any

extended period where such an extension by the Administrators or the Court occurs) referred to in Clause 17.4,

and the Administrators shall not be obliged to make any Transfer or Distribution with respect to the Client Assets of such Claimant until such time as a determination by the Court has been made or the dispute has been otherwise resolved (including by the expiry of the 21 period referred to in Clause 17.4).

Payment of Pre-Administration Outstanding Amounts

17.7 A Claimant who owes a Pre-Administration Outstanding Amount shall be required in a Payment Options Form to select one of the following options for the payment of such Pre-Administration Outstanding Amount:

- (a) **Cash Option:** whereby the Claimant may pay to the Administrators the amount required for the Pre-Administration Outstanding Amount to be discharged;
- (b) **Client Money Option:** whereby if the Claimant has Client Money forming part of its Corporate Action Assets then the Claimant may instruct the Administrators to use such portion of its entitlement to that Client Money as is necessary to discharge (in whole or in part) the Claimant's Pre-Administration Outstanding Amount; and
- (c) **Liquidation Option:** whereby the Claimant may instruct the Administrators to liquidate a sufficient number of a Claimant's Client Assets to enable that Claimant's Pre-Administration Outstanding Amount to be discharged and to discharge the Claimant's Pre-Administration Outstanding Amount out of the proceeds of the liquidation.

17.8 In the event that the use of a single payment option under Clause 17.7 will not result in the discharge in full of a Claimant's Pre-Administration Outstanding Amount, a Claimant shall be entitled to choose more than one option provided that:

- (a) the Claimant provides express instructions in its Payment Options Form as to the ranking of their preferences as between the selected payment options under Clause 17.7; and
- (b) each option ranked by the Claimant shall, to the fullest extent practicable, be exhausted in full before a lower ranking option may be used to discharge any remainder of the Claimant's Pre-Administration Outstanding Amount.

17.9 Where the "Liquidation" payment option under Clause 17.7 is used:

- (a) the Claimant shall, in its Payment Options Form, either:
 - (i) indicate that the Administrators may liquidate those of its Client Assets as the Administrators select (and at such time as they determine) in their absolute discretion; or
 - (ii) provide express instructions as to (a) which of the Claimant's Client Assets the Administrators are to liquidate and (b) the quantity of those Client Assets to be liquidated (which shall be liquidated at such time as the Administrators determine);
- (b) if either (a) the express instructions provided by the Claimant do not enable the Administrators to discharge the Claimant's Pre-Administration Outstanding Amount or are not acceptable to the Administrators for any other reason or (b) the Administrators have attempted, but have been unable, to obtain any express instructions from the Claimant following receipt of the Payment Options Form by the Administrators, the Administrators shall in each case have absolute discretion to determine:

- (i) which of the Claimant's Client Assets to liquidate;
- (ii) the quantity of those Client Assets to liquidate; and
- (iii) the time and date of that liquidation, which shall be at least 10 Business Days after the Administrators' failed attempt to obtain the express instructions from the Claimant referred to in Clause 17.9(b),

and where the Administrators have acted in good faith in liquidating all or part of a Claimant's Client Assets, the Claimant shall not have any claim against the Administrators or the Company arising out of, or in connection with, the liquidation of part or all of the Claimant's Client Assets to meet the Claimant's Pre-Administration Outstanding Amount; and

- (c) any amounts owing to the Company or payable by the Company which are denominated in a currency other than Sterling may be converted into Sterling at the exchange rate available to the Company on the day on which the transaction to liquidate the Client Asset settles.

17.10 Where the "Liquidation" payment option under Clause 17.7 results in a cash surplus, that cash surplus, provided it is not required to settle a Claimant's Share of Costs, shall be returned to the Claimant in question (if applicable) together with any Client Assets which are to be returned to it using the same procedure as for the Client Assets which are to be returned to it (if any).

18 Authority

Where an investment manager or other authorised representative has been granted authority by a Claimant to give instructions to the Company or a Nominee on behalf of that Claimant and the Administrators are satisfied that: (i) the authority has not been revoked and continues to subsist; and (ii) the authority extends to the giving of instructions for the transfer, distribution or return of the Claimants' Client Assets, together with instructions as to the payment or discharge of the costs of any such Transfer, Distribution or return (in each case under (ii), within the meaning of this Distribution Plan), the Administrators are permitted to accept a Client Assets Return Statement, Payment Options Form or other instruction from that investment manager or other authorised representative for the purposes of this Distribution Plan.

19 Releases

19.1 Without prejudice to any Claimant's right to receive a Distribution or participate in a Transfer pursuant to this Distribution Plan, and save in respect of any Shortfall Claim, with effect from the Effective Date, each Claimant hereby irrevocably and unconditionally:

- (a) releases and waives in favour of the Administrators and the Released Third Parties all its rights, entitlements and interest in any Administration Claims; and
- (b) undertakes and agrees not to commence, voluntarily aid, or in any way prosecute against the Administrators or any Released Third Party (as applicable) in any jurisdiction whatsoever, any claim which seeks recovery or a determination in respect of or arising out of any Administration Claims.

19.2 Nothing in clause 19.1 shall exclude or limit the liability of the Administrators or the relevant Released Third Parties for any act of gross negligence, wilful default or fraud.

20 Assignment

No assignment or transfer of any rights or obligations under or in respect of any Client Assets Claim made after the Effective Date shall be recognised by the Administrators for the purpose of determining any entitlement under this Distribution Plan (other than an assignment to or by the FSCS or where the FSCS is automatically subrogated to all or any part of the rights and claims of any FSCS Protected Claimant against the Company and any third party involved in,

or connected with, the matters giving rise to that FSCS Protected Claimant's claim for compensation from the FSCS in accordance with COMP 7.3).

21 Notice

Any notice or other written communication to be given under or in relation to this Distribution Plan shall be given in accordance with Chapter 3, Part 11 of the Rules.

22 Conversion of Client Assets

22.1 Where the Administrators, in their discretion and acting reasonably, deem it appropriate and consistent with Objective 1 to do so, they may instruct any competent central securities depository, depository, clearing system, registrar or issuer (as applicable) to cause:

- (a) one or more Physically Held Client Assets to be issued in place of any of a Claimant's Electronically Held Securities; or
- (b) any Physically Held Client Assets in materialised form to which a Claimant may be entitled to be dematerialised and the relevant Securities thereafter to be held as Electronically Held Securities in the name of, or on behalf of, the Company for the benefit of the relevant Claimant.

23 Modification

23.1 The Administrators may make any additions or modifications to this Distribution Plan (which includes the information contained in the Annex and Schedules) before or after the Effective Date:

- (a) which reflect the return of Client Assets to any Late Claimant in accordance with Rule 147, without the need for the Distribution Plan to be approved again by either the Court or the Creditors' Committee;
- (b) which are of a minor, technical or administrative nature without the need for the Distribution Plan to be approved again by either the Court or the Creditors' Committee; or
- (c) which:
 - (i) are consistent with the pursuit by the Administrators of Objective 1;
 - (ii) would not materially prejudice the interests of any Claimant or the FSCS; and
 - (iii) have been approved by the Creditors' Committee,

without the need for the Distribution Plan to be approved again by the Court.

23.2 If the Administrators make any additions or modifications under Clause 23.1 above, the Administrators shall inform Claimants by posting the Distribution Plan as so amended or modified on the Website.

24 Illegality and Severance

If a provision of this Distribution Plan is, or but for this Clause would be, held to be illegal, invalid or unenforceable, in whole or in part, in the jurisdiction to which it pertains but would be legal, valid and enforceable if part of the provision was deleted, the provision will apply with the minimum modification necessary to make it legal, valid and enforceable in that jurisdiction, and any such illegality, invalidity or unenforceability in any jurisdiction will not invalidate or render invalid or unenforceable such provisions in any other jurisdiction.

25 Governing Law and Jurisdiction

25.1 Without prejudice to the continuing existence of the statutory moratorium under paragraphs 42 and 43 of Schedule B1 to the Insolvency Act, as applied and modified by Regulation 15:

- (a) this Distribution Plan and all matters (including any contractual or non-contractual obligation) arising from or connected with it shall be governed by, and construed in accordance with, the laws of England and Wales;
- (b) subject to Clause 25.1(c), the courts of England have exclusive jurisdiction to decide and to settle any dispute or claim arising out of or in connection with this Distribution Plan ("**Proceedings**"); and
- (c) this jurisdiction clause is for the benefit of the Company and the Administrators only and the Company and/or the Administrators will not be prevented from instigating Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Company and/or the Administrators may take concurrent Proceedings in any number of jurisdictions.

Schedule 1
Client Assets Return Statement

CLIENT ASSETS RETURN STATEMENT

REYKER SECURITIES PLC (IN SPECIAL ADMINISTRATION)

DATE OF SPECIAL ADMINISTRATION: 8 OCTOBER 2019

Client ID: <XXXX>
Client name: <XXXXXX XXXXXXXXX>
Nominated Broker: <XXXXXXXXXXXXXXXXXX>
Proposed Transfer Date: <X XXXXXXXX 2020 (or as soon as practicable thereafter)>
Statement date <XXXXXX>
FSCS status: <Eligible> / <Not eligible>

Required action

[These bullet points will only appear if relevant to the stated Client]

- You have satisfied the Transfer Conditions (see section A.1 of this statement) and no further action is required from you, unless you wish to opt-out of the Transfer detailed in section A.1 (in which case please complete the 'Request to opt-out' section at the end of this form).
- The Client Assets shown in this statement, which includes Client Assets and Corporate Action income, will be transferred to the Nominated Broker on the Proposed Transfer Date (or as soon as practicable thereafter).
- You have not yet satisfied one or more of the Transfer Conditions (see section A.1 of this statement) and MUST take immediate action in order for the Client Assets and Corporate Action income shown in this statement to be transferred to the Nominated Broker.
- Please complete the Payment Options Form (available on the Portal) and follow the instructions to pay any amounts due to the Company.
- You [also] have [insert type of Client Assets] which cannot be transferred to one of the Nominated Brokers and therefore you will need to complete the Distribution section of this statement to provide instructions as to which alternative broker you wish those Client Assets to be distributed to.
- You have Client Money which you requested be held by the Joint Special Administrators (the "JSAs") until such time that it may be distributed (as part of the first interim distribution of Client Money) to the same broker to which your Client Assets will be transferred under the Distribution Plan. You will therefore need to provide your express consent for this Client Money to be distributed to the Nominated Broker in the Client Money section of this statement.

Statement overview

- This statement provides details of the Client Assets and Corporate Action income to be transferred to the Nominated Broker on the Proposed Transfer Date (or as soon as practicable thereafter) under the terms of the Distribution Plan.

- The statement does not include Client Money (i.e. cash held on your behalf as at 8 October 2019) as this is being returned to you under a separate process, being the Client Money Distribution.
- If, however, as part of the Client Money Distribution process, you instructed the JSAs to hold your Client Money (or a proportion thereof) until such time that it may be distributed to the same broker as your Client Assets, then the respective amount of Client Money will be itemised on this statement and will be transferred to the Nominated Broker along with your other Client Assets, subject to you giving your express consent below.
- All the Client Assets and Corporate Action income within this statement will be transferred to the Nominated Broker on the Proposed Transfer Date (or as soon as practicable thereafter), unless:
 1. One of the Transfer Conditions under the terms of the Distribution Plan has not been met at least five Business Days before the Proposed Transfer Date - see section A.1 of this statement for further details; or
 2. You choose to opt-out of the Transfer by submitting the below 'Request to opt-out' - but you must exercise this option at least 5 Business Days before the Proposed Transfer Date; or
 3. There are [*insert relevant Client Asset types*] which cannot be transferred to a Nominated Broker and you will need to nominate an alternative broker to receive these on your behalf in the Distribution section of this statement. In these circumstances, these assets will not be transferred but your other Client Assets and Corporate Action income will be transferred.

A. Client Assets (including stock adjustments following Corporate Actions post 8 October 2019)

1. Client Assets subject to a Transfer

The below table summarises the total number of units of each stock line held by the Company on your behalf as at the Statement Date and which will be transferred to the Nominated Broker on the Proposed Transfer Date, subject to the **Transfer Conditions** being met by no later than five Business Days' before that date.

Plan	Plan type	ISIN (1)	Security description (1)	Units per statement (2)	Units held by Reyker (3)	Shortfall (4)	Security interest (5)
<XXXX>	Direct	ZZ000000XXXX	XXXXXXXXXXXX	4,366.00	4,366.00	0.00	No
<XXXX>	Direct	ZZ00000000XX	XXXXXXXXXXXX	7,136.00	7,136.00	0.00	No
<XXXX>	CTF	ZZ00000000XX	XXXXXXXXXXXX	18,617.00	18,617.00	0.00	No

The Transfer Conditions are as follows:

- Where you have been issued with a Payment Options Form on the Portal, you have completed, submitted and complied with the steps set out in that form, including:
 - Where you are not eligible for FSCS compensation you have settled your Claimant's Share of Costs as detailed in section C of this statement;
 - Where you are eligible for FSCS compensation and your total Client Assets and Client Money have a combined value of more than £85,000 you have confirmed your wish to receive the benefit of FSCS compensation;

- You have paid any Pre-Administration Outstanding Amount, as detailed in section D of this statement and any Payment Options Form;
- Where your express consent to the Transfer is required under the terms of the contract between you and the Company, you have provided this consent - where this applies to you, you will have received a letter from the JSAs on 24 July 2020 seeking this consent.

2. Client Assets which cannot be subject to a Transfer

The below table summarises the total number of units of each stock line held by the Company on your behalf as at the Statement Date which **cannot** be transferred to a Nominated Broker due to the nature of the Client Asset. They will therefore have to be distributed to an alternative broker who you will need to specify in the Distribution section (section F) of this statement, where you will also need to confirm the arrangements you have made with that broker.

Plan	Plan type	ISIN (1)	Security description (1)	Units per statement (2)	Units held by Reyker (3)	Shortfall (4)	Security interest (5)
<XXXX>	CTF	ZZ00000000XX	XXXXXXXXXXXX	18,617.00	18,617.00	0.00	No

Notes

- 1 The ISIN and security description identify each line of stock held by the Company on your behalf;
- 2 This column confirms the number of units of each stock recorded as at the Statement Date. For some Clients, the number of units of certain holdings may have changed since previous statements prepared to 8 October 2019 as a result of mandatory Corporate Actions, e.g. stock splits.
- 3 This column confirms the number of units of each stock line actually held by the Company for you (either electronically within sub-custodian settlement systems or in the form of paper certificates) and which will be returned to you under the Distribution Plan.
- 4 Where the number of units actually held by the Company (column 3) differs to the number of units recorded on your Client statement (column 2), this column will report the shortfall, i.e. the missing number of units. Where there is a shortfall you will automatically be deemed to have submitted an unsecured claim for the value of that shortfall to the Company without taking any further steps.
- 5 This column confirms whether your Client Assets are subject to Security Interests held by a third party. If any of your Client Assets are subject to Security Interests, this may delay the transfer of the respective Client Assets to your Nominated Broker. The JSAs will work with any third parties holding a Security Interest to ensure the release of the respective Client Assets at the earliest opportunity and no further action is required by you in this regard.

N.B. The above amounts are stated as at the Statement Date and are subject to change up to the Proposed Transfer Date due to ongoing mandatory Corporate Actions.

B. Corporate Action income (i.e. cash income received from Client Assets post 8 October 2019)

Below is an itemised summary of the cash income received from your Client Assets after 8 October 2019 (e.g. dividends received on shares or redemption proceeds).

Plan	Plan type	Date (6)	Income type (6)	Currency (7)	Amount (8)
<XXXX>	Direct	02/04/2020	UK dividend gross	GBP	750.00
<XXXX>	Direct	02/05/2020	UK dividend gross	GBP	750.00
<XXXX>	Direct	30/06/2020	Redemption	GBP	25,000.00
<XXXX>	Direct	01/07/2020	Transfer out - Early return PPM	GBP	(24,600.00)
<XXXX>	Direct	01/07/2020	Transfer out - Admin fee	GBP	(£400.00)
<XXXX>	Direct	31/07/2020	Investment income	USD	500.00

Summary of Corporate Action income to be transferred to the Nominated Broker (9):

GBP	1,500
USD	500

Notes

- 6 These columns confirm the date and type of income received from your Client Assets.
- 7 This column confirms the currency in which the cash income was received.
- 8 This column confirms the quantum received and credited to your account or, alternatively (in red), the quantum of any deductions from your Corporate Action income following 8 October 2019 (i.e. sums already returned under the JSAs' early return of post-pooling money policy and any associated fees).
- 9 This is a summary of the total net cash receipts following 8 October 2019, aggregated into their native currency, and which will be transferred to the Nominated Broker on the Proposed Transfer Date (or as soon as practicable thereafter).

N.B. The above amounts are stated as at the Statement Date and are subject to change up to the Proposed Transfer Date due to ongoing mandatory Corporate Actions.

C. Claimant's Share of Costs

The legislation governing the special administration of the Company provides that the costs of returning Client Assets to you are to be paid out of Client Assets held by the Company on behalf of its Clients. Accordingly, each Client must pay their share of the total cost of returning Client Assets. The amount you have to pay for the return of your Client Assets is detailed below as **Your Claimant's Share of Costs**.

For the vast majority of Clients, these Costs will be paid by the FSCS on your behalf without you having to confirm you wish to receive the benefit of compensation and, accordingly, those Clients do not need to take any further action in this regard. **Where you have Clients Assets and Client Money with a combined value of more than £85,000 you will need to confirm that you wish to receive compensation from the FSCS.** Your FSCS status is set out below.

Your Costs Allocation Value - £XXXX

Your Claimant's Share of Costs - £XXXX

Notes

- The Costs Allocation Value is the indicative value of your holdings of Client Assets as at the end of 7 October 2019 (being the last practicable date for valuation prior to the JSAs' appointment).
- Your Claimant's Share of Costs is the fee to be paid by you or the FSCS (subject to whether you are a FSCS eligible Client and their compensation limits) in respect of the return of the Client Assets within this statement.
- The maximum share of Costs for any Claimant is £2,500. However, where the Costs Allocation Value of your Client Assets is less than this, your Claimant's Share of Costs is capped at the Costs Allocation Value .

You are a FSCS Protected Claimant and your Claimant's Share of Costs will be paid by the FSCS on your behalf. No further action is required.

OR

You are a FSCS Protected Claimant but your Client Assets and Client Money have a value of more than £85,000 and you have not yet confirmed via the Portal that you wish to receive the benefit of compensation from the FSCS. Please confirm that you wish to receive the benefit of compensation from the FSCS by completing your 'Claim declaration' on the Portal.

OR

You are not a FSCS Protected Claimant. Please complete the Payment Option Form (available on the Portal) and follow the instructions to settle your Claimant's Share of Costs.

D. Pre-Administration Outstanding Amount

[This section will only appear on a statement if a Client owes a Pre-Administration Outstanding Amount]

Below is confirmation of the amounts you still owe to the Company following the deduction of your Client Money Distribution Entitlement (being the balance of cash held on your behalf as at 8 October 2019 and which is subject to the Client Money distribution process).

These amounts must be paid in full before your Client Assets and Corporate Action income can be transferred to the Nominated Broker on the Proposed Transfer Date (or, alternatively, subject to a Distribution to an alternative broker).

Description	Currency	Amount
Overdrawn Client Money balance	GBP	(309.00)
Other Pre-Administration Outstanding Amounts	GBP	Nil

Please complete the Payment Options Form (available on the Portal) and follow the instructions to settle your Pre-Administration Outstanding Amounts.

- If you **dispute** that the above amounts are owed by you then initially we request that you contact Client Services on 0800 048 9512 to discuss the reasons for this.
- In any event, under the terms of the Distribution Plan you only have a **limited period of 21 days** from the date this statement was first made available to you, to apply to court to dispute the Pre-Administration Outstanding Amounts detailed above. If you do make such an application then you are required to notify the JSAs at reyker.securities@smithandwilliamson.com as soon as possible and, in any event, **within 48 hours** following such application.
- If you do not make an application within the 21 day period then you will be deemed to have accepted the Pre-Administration Outstanding Amounts detailed above.

E. Client Money distribution

[This section will only appear on a Client's statement if they opted, via the Portal, to defer the distribution of Client Money until such time that it may be distributed to the same broker to which Client Assets will be transferred]

Below is a summary of the Client Money which you requested be held by the JSAs until such time that it may be distributed (as part of the first interim distribution of Client Money) to the same broker to which your Client Assets will be transferred under the Distribution Plan.

As this Client Money is dealt with outside of the Distribution Plan, the JSAs require your **express consent** to distribute this Client Money to the Nominated Broker on or around the Proposed Transfer Date.

To provide your consent, please tick the following box:

- I provide consent for the below Client Money to be transferred to the Nominated Broker on or around the Proposed Transfer Date (or as soon as practicable thereafter).

Plan	Plan type	Tax wrapper	Currency	Amount
<XXXX>	ISA	Yes	GBP	5,000.00
<XXXX>	ISA	Yes	USD	250.00

F. Distribution section

[This section will only appear if the Client has Client Assets held within a Child Trust Fund or IF ISA]

In this section, you **MUST** give instructions in relation to any Client Assets or Corporate Action income which will not be the subject of a Transfer because no Nominated Broker has been found who will accept them from the JSAs - these consist of [XXXXXX] and are listed in section A.2 of this statement.

Any Distribution of these Client Assets and Corporate Action income will only take place once i) the JSAs have set a Distribution Selection Date, ii) you have provided the instructions required in respect of an alternative broker (as detailed below) and iii) ensured that your Claimant's Share of Costs and any Pre-Administration Outstanding Amounts have been settled.

Please provide details of the alternative broker or ISA manager that you want these Client Assets and/or Corporate Action income to be distributed to below.

Broker name:	XXXXXXXXXXXXXXXXXXXXXX
Broker address:	XXXXXXXXXXXXXXXXXXXXXX
FCA registered number:	XXXXXXXXXX
Your client ref:	XXXXXXXXXXXXXXXXXXXXXX
<input type="checkbox"/>	I (or the Client) have an open account with the above-named broker or ISA manager
<input type="checkbox"/>	The alternative broker or ISA manager has confirmed it can accept the Client Assets detailed within section A.2 of this statement
<input type="checkbox"/>	I (or the Client) consent for the JSAs to contact the alternative broker or ISA manager to verify my account and arrange for the transfer of Client Assets
<input type="checkbox"/>	I, a User of the Portal, have read and understood and accept the User Representations on behalf of myself or the Client (which are available here)

I confirm I submit this request to Distribute the Clients Assets detailed in section A.2:

- As a Client on my own behalf
- As a legal entity (e.g. a company or partnership) which is a Client and of which I am duly authorised to act
- On behalf of an individual Client from whom I have specific authority to act

SUBMIT

G. Request to opt-out

Under the terms of the Distribution Plan, your Client Assets and Corporate Action income will automatically Transfer to the Nominated Broker on the Proposed Transfer Date (or as soon as practicable thereafter) unless (i) they are of a class which cannot be transferred to a Nominated Broker (as listed in A.2) or (ii) you request to opt-out of the Transfer and designate your own choice of broker or ISA manager to receive such assets on your behalf. **Any opt out must be done at least 5 Business Days before the Proposed Transfer Date.**

If you are happy for all your Client Assets within section A.1 of this statement to Transfer to the Nominated Broker you do not have to complete this section.

If, however, you wish for all or part of your Client Assets within section A.1 of this statement to be transferred to an alternative broker, please complete and submit the below opt-out request.

Please note, opting-out of the proposed Transfer to the Nominated Broker will cause a delay in the distribution of the respective Client Assets as the JSAs will prioritise the bulk Transfer of Client Assets to the Nominated Brokers in the interests of all Clients generally. Any Distribution of your Client Assets and Corporate Action income will only take place once i) the JSAs have set a Distribution Selection Date, ii) you have provided the instructions required below in respect of an alternative broker and iii) you have ensured that your Claimant's Share of Costs and any Pre-Administration Outstanding Amount has been settled.

- I understand that opting-out of the proposed Transfer to the Nominated Broker will cause a delay in the return of the respective Client Assets.
- I wish for some or all of my Client Assets within section A.1 of this statement to be transferred to an alternative broker and, therefore, opt-out of the Transfer to the Nominated Broker in respect of the selected Client Assets

[Table to appear if above boxes are ticked.]

Please confirm the Client Assets which you do not wish to be transferred to the Nominated Broker.

Select	Plan	Plan type	ISIN	Security description	Units held
<input type="checkbox"/>	<XXXX>	Direct	ZZ000000XXXX	XXXXXXXXXXXX	4,366.00
<input type="checkbox"/>	<XXXX>	Direct	ZZ0000000XXX	XXXXXXXXXXXX	7,136.00
<input type="checkbox"/>	<XXXX>	CTF	ZZ00000000XX	XXXXXXXXXXXX	18,617.00

Please confirm the broker to which the selected Client Assets should be transferred by completing the below details and declarations:

Broker name:	XXXXXXXXXXXXXXXXXXXXXXXXXX
Broker address:	XXXXXXXXXXXXXXXXXXXXXXXXXX
FCA registered number:	XXXXXXXXXXXX
Your client ref:	XXXXXXXXXXXXXXXXXXXXXXXXXX
<input type="checkbox"/>	I (or the Client) have an open account with the above-named broker or ISA manager
<input type="checkbox"/>	The alternative broker or ISA manager has confirmed it can accept the Client Assets detailed within this Client Asset Return Statement
<input type="checkbox"/>	I (or the Client) consent for the JSAs to contact the alternative broker or ISA manager to verify my account and arrange for the transfer of Client Assets
<input type="checkbox"/>	I, a User of the Portal, have read and understood and accept the User Representations on behalf of myself or the Client (which are available here)

I confirm I submit this opt-out request:

- As a Client on my own behalf
- As a legal entity (e.g. a company or partnership) which is a Client and of which I am duly authorised to act
- On behalf of an individual Client from whom I have specific authority to act

SUBMIT

Should you have any queries in respect of the Client Asset Return Statement, please contact Client Services on 0800 048 9512 or, alternatively, by email at clientservices@reyker.com.

Disclaimer

Mark Ford, Adam Stephens and Henry Shinnors of Smith and Williamson LLP were each appointed as the JSAs of the Company on 8 October 2019. The affairs, business and property of the Company are being managed by the JSAs who act as agents of the Company and without personal liability.

Neither the Company or the JSAs can give Clients any advice whatsoever in respect of their investments and nothing within this statement, the Portal, or any other associated literature issued by the JSAs should be treated as such. If you are uncertain as to the best option(s) for you and your investments and the financial consequences, please seek independent professional advice.

**Schedule 2
Payment Options Form**

PAYMENT OPTIONS FORM

REYKER SECURITIES PLC (IN SPECIAL ADMINISTRATION)

DATE OF SPECIAL ADMINISTRATION: 8 OCTOBER 2019

Client ID: <XXXX>
Client name: <XXXXXX XXXXXXXXX>
Nominated Broker: <XXXXXXXXXXXXXXXXXX>
Proposed Transfer Date: <X XXXXXXXX 2020 (or as soon as practicable thereafter)>
FSCS status: <Eligible> / <Not eligible>

This form has been made available to you because you need to take **IMMEDIATE ACTION** in order to have your Client Assets (which includes Corporate Action income received following 8 October 2019) transferred to the Nominated Broker on the Proposed Transfer Date (or as soon as reasonably practicable thereafter) or, alternatively, where you have either requested to opt-out of the Transfer or have Client Assets which cannot be the subject of a Transfer, to an alternative broker or ISA manager of your choice.

If you fail to complete and action the instructions set out in this form, your Client Assets will not be able to be returned and will remain under the control of the JSAs until the required action is taken or until further notice. In this event, you will not be able to trade or access your Client Assets (which includes Corporate Action income such as dividends and redemptions received in respect of Client Assets following 8 October 2019).

In order for your Client Assets to be included in a Transfer you will need to complete all steps detailed in this form **no later than 5 Business Days** before the Proposed Transfer Date.

In order for your Client Assets to be part of any Distribution following the JSAs setting a Distribution Selection Date, you will need to complete all steps detailed in this form.

Required action

[The bullet points will only appear if relevant to the stated Client]

- You are not a FSCS Protected Claimant and, therefore, you are required to pay your Claimant's Share of Costs in respect of the return of Client Assets yourself;
- You are eligible for FSCS compensation but the combined value of your Client Assets and Client Money is more than £85,000 and you have not yet confirmed you wish to receive the benefit of FSCS compensation - you are required to provide that confirmation via the Portal or otherwise pay your Claimant's Share of Costs in respect of the return of Client Assets;
- The Company's records confirm that you owe a Pre-Administration Outstanding Amount and there was insufficient Client Money held in your plan(s) as at 8 October 2019 to settle this debt in full. Where possible, Client Money held in your plan(s) as at 8 October 2019 has been used to settle this debt in part: however, you are required to pay the outstanding balance in advance of the Transfer or Distribution of your Client Assets.
- **Please complete this form to indicate how you wish to settle the outstanding sum(s) due to the Company and follow the instructions provided.**
- For further information, please refer to the Explanatory Statement and Distribution Plan which is available at <https://smithandwilliamson.com/reyker-securities-plc/>

Claimant's Share of Costs

[This section will only appear if relevant to the stated Client]

The legislation governing the special administration of the Company provides that the costs of returning Client Assets are to be paid out of Client Assets held by the Company on behalf of its Clients. Accordingly, each Client must pay their share of the total cost of returning Client Assets. The basis on which your Claimant's Share of Costs has been calculated is detailed in your Client Assets Return Statement.

Your Claimant's Share of Costs - £XXXX

The JSAs need your instructions as to how you will pay your Claimant's Share of Costs.

Please select one of the following options:

1. Cash option

You may pay your Claimant's Share of Costs directly to the Company by cheque or bank transfer.

- i. Bank transfers should be made to the following account held with NatWest:

Account name: Reyker Securities plc (in special administration);
Number: 40511987,
Sort code: 60-00-01

The reference should include 'SOC' and clearly state your name.

- ii. Cheques should be made payable to Reyker Securities plc (in special administration).

Notes

- Given the Covid-19 pandemic, there may be a short delay in processing cheques received by post. The JSAs would therefore recommend a bank transfer where possible;
- Funds must have cleared by the deadline stated above in order to ensure the Transfer can be completed on the Proposed Transfer Date.

2. Client Money option

You may instruct the JSAs to use your Client Money Distribution Entitlement (to the extent this has not already been distributed to you) or your Corporate Action income received following 8 October 2019 to pay your Claimant's Share of Costs.

Please note, certain Client Money and Corporate Action income may be held in tax efficient investment products such as ISAs. You may wish to seek independent professional advice before selecting this option.

3. Liquidation option

You may instruct the JSAs to liquidate a sufficient amount and type of your Client Assets (i.e. stock) into cash to pay your Claimant's Share of Costs.

You will need to provide your 'Liquidation instructions' below before submitting this form.

4. **Multiple option**

If the use of a single payment option is insufficient to discharge your Claimant's Share of Costs, you can choose more than one option by selecting this option and ranking payment options according to your preference by using the drop-down boxes below.

1. <Client Money/Corporate Action income option>
2. <Liquidation option>
3. <Cash option>

Notes

- Your preferred payment method will be exhausted in full before the next lower ranking option may be used;
- You will need to complete your 'Liquidation instructions' below before submitting this form.

Pre-Administration Outstanding Amount

[This section will only appear if relevant to the stated Client]

Below is confirmation of your Pre-Administration Outstanding Amount owed to the Company following the deduction of your Client Money entitlement (being the balance of cash held on your behalf as at 8 October 2019 and which was subject to the Client Money distribution process).

These amounts must be paid in full before your Client Assets and Corporate Action income can be transferred to the Nominated Broker on the Proposed Transfer Date or be the subject of a Distribution.

Description	Currency	Amount
Overdrawn Client Money balance	GBP	(309.00)
Other pre-administration outstanding debts	GBP	Nil

The JSAs need your instructions as to how you will pay your Pre-Administration Outstanding Amount.

Please select one of the following options:

1. **Cash option**

You may pay your Pre-Administration Outstanding Amount directly to the Company by cheque or bank transfer.

- i. Bank transfers should be made to the following account held with NatWest:

Account name: Reyker Securities plc (in special administration);
Number: **40511987**
Sort code: **360-00-01**

The reference should include 'POA' and clearly state your name.

- ii. Cheques should be made payable to Reyker Securities plc (in special administration).

Notes

- Given the Covid-19 pandemic, there may be a short delay in processing cheques received by post. The JSAs would therefore recommend a bank transfer where possible;
- Funds must have cleared by the deadline stated above in order to ensure the Transfer can be completed on the Proposed Transfer Date.

2. Corporate Action income option

You may instruct the JSAs to use your Corporate Action income received following 8 October 2019 to pay your Pre-Administration Outstanding Amount.

Please note, your Corporate Action income may be held in tax efficient investment products such as ISAs. You may wish to seek independent professional advice before selecting this option.

3. Liquidation option

You may instruct the JSAs to liquidate a sufficient amount and type of your Client Assets (i.e. stock) into cash to pay your Pre-Administration Outstanding Amount.

You will need to provide your 'Liquidation instructions' below before submitting this form.

4. Multiple option

If the use of a single payment option is insufficient to discharge your Pre-Administration Outstanding Amount, you can choose more than one option by selecting this option and ranking payment options according to your preference by using the drop-down boxes below.

1. <Corporate Action income option>
2. <Liquidation option>
3. <Cash option>

Notes

- Your preferred payment method will be exhausted in full before the next lower ranking option may be used;
- You will need to complete your 'Liquidation instructions' below before submitting this form.

Liquidation option instructions

[This section will only appear if the Client selected the 'Liquidation option' or 'Multiple option' above.]

Where you have elected to pay for outstanding costs or liabilities via the Liquidation option, please provide your express instructions as to the type and quantity of the Client Assets you would like liquidated by selecting the first tick box below and using the drop down menus to complete the relevant table.

Alternatively, if you would prefer for the JSAs to liquidate your Client Assets in their absolute discretion please indicate this by selecting the second tick box below.

- Please liquidate my Client Assets in accordance with the order provided below:

[Table to appear if selected]

Order	Client Asset Description	ISIN	Units held	Quantity to sell
1	<Drop down box for stock name>	<Auto complete>	<Auto complete>	[X]
2	<Drop down box for stock name>	<Auto complete>	<Auto complete>	[X]
3	<Drop down box for stock name>	<Auto complete>	<Auto complete>	[X]
4	<Drop down box for stock name>	<Auto complete>	<Auto complete>	[X]

- Please liquidate the type and quantum of my Client Assets as you select (and at such time as you determine) in your absolute discretion

Notes

- The liquidation of Client Assets will take place at such times as the JSAs determine.
- If the instructions you provide do not enable the JSAs to properly discharge your outstanding liabilities in full, are not acceptable to the Administrators for any other reason or the JSAs have attempted, but have been unable, to obtain any express instructions from you following submission of this Form, the JSAs do have the discretion to determine:
 - which of your Client Assets to liquidate;
 - the quantity of those Client Assets to liquidate; and
 - the time and date of that liquidation, but this will be no less than 10 Business Days after the JSAs' failed attempt to obtain the express instructions from you in relation to liquidation of your Client Assets.

Payment declaration

Please complete the following declaration once you have completed your instructions and press 'Submit'.

- I hereby confirm that the Payment Options Form accurately reflects my (or the Client's) wishes in respect of how any outstanding sums due to the Company should be paid.
- I, a User of the Portal, have read and understood and accept the User Representations on behalf of myself or the Client (which are available [here](#))

Furthermore, I confirm that I submit the Payment Options Form

- As a Client on my own behalf
- As a legal entity (e.g. a company or partnership) which is a Client and of which I am duly authorised to act
- On behalf of an individual Client from whom I have specific authority to act

The JSAs' Fair Processing Notice in relation to the General Data Protection Regulation can be accessed at www.smithandwilliamson.com/rrsgdpr. By submitting these details you agree to the JSAs, their firm and the Company holding and processing any data or information held or submitted, including through this Portal, for the purposes of the special administration of the Company, including the distribution or transfer of Clients' Client Assets.

SUBMIT

For further information, please refer to the Explanatory Statement and Distribution Plan which is available at <https://smithandwilliamson.com/reyker-securities-plc/>.

Should you have any queries, please contact Client Services on 0800 048 9512 or, alternatively, by email at clientservices@reyker.com.

Disclaimer

Mark Ford, Adam Stephens and Henry Shinnors of Smith and Williamson LLP were each appointed as the JSAs of the Company on 8 October 2019. The affairs, business and property of the Company are being managed by the JSAs who act as agents of the Company and without personal liability.

Neither the Company or the JSAs can give Clients any advice whatsoever in respect of their investments and nothing within this statement, the Portal, or any other associated literature issued by the JSAs should be treated as such. If you are uncertain as to the best option(s) for you and your investments and the financial consequences, please seek independent professional advice.

**Annex
Client Assets**