
SECURITY COVER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. Part II (*Explanatory Statement*) of this document comprises an Explanatory Statement in compliance with Article 126 of the Companies Law. This document contains a proposal which, if implemented, will result in the redemption of all outstanding Scheme Shares and consequently, the termination of all associated rights in relation to your Scheme Shares. If you are in any doubt as to the contents of this document or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a jurisdiction outside the United Kingdom.

If you sell, have sold or otherwise transferred all of your Scheme Shares, please send this document together with the accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell, have sold or otherwise transferred only part of your holding of Scheme Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was affected.

SCHEME OF ARRANGEMENT

between

CASTLE TRUST PCC

and

CASTLE TRUST GROWTH HOUSA PC

and

THE SCHEME SHAREHOLDERS

(as defined in the Scheme Document)

**to be effected by means of a scheme of arrangement
under Article 125 of the Companies (Jersey) law 1991**

**Circular to Scheme Shareholders and Explanatory Statement
and
Notice of Court Meeting**

Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus for the purposes of the Companies (General Provisions) (Jersey) Order 2002. This document is a circular relating to the Scheme which has been prepared in accordance with Jersey law. Nothing in this document nor any of the accompanying documents should be relied on for

any other purpose. The release, publication or distribution of this document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom or Jersey may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document (including all information incorporated into this document by reference to another source) should be read as a whole and in conjunction with the accompanying documents. Your attention is drawn to the letter from the Directors of Castle Trust PCC and Castle Trust Growth House PC in Part I (*Letter from the Directors of Castle Trust PCC & Castle Trust Growth House PC*) of this document, which contains the unanimous recommendation of the Castle Trust Directors that you vote in favour of the Scheme at the Court Meeting and Part II (*Explanatory Statement*) of this document, which comprises an Explanatory Statement in compliance with Article 126 of the Companies Law 1991.

Notices of the Court Meeting which will be held by means of telephone and webcast, on 21 May 2020, is set out in Part IX (*Notice of Court Meeting*). The Court Meeting will start at 12:00pm London time.

The principal actions to be taken by Scheme Shareholders and Beneficial Shareholders are set out on pages 6-9 of this document. Instructions for proxy and voting arrangements are outlined in particular at pages 6-9 of this document.

Please note that any Person who holds their shares through the Nominee is not a Scheme Shareholder (such that they are a Beneficial Shareholder, but not legal shareholder of the Scheme Shares) for the purposes of this document. Beneficial Shareholders should still however read the Action to be Taken section indicated above at pages 6-9 as this outlines the entitlement of each Beneficial Holder to instruct the CTCN (as Nominee) on how to vote for the Scheme at the Court Meeting on their behalf. Beneficial Shareholders are entitled to exercise the right to instruct CTCN to vote in respect of the underlying series of Scheme Shares CTCN holds for the relevant Beneficial Shareholder at the Court Meeting. It is important to note that the Scheme Consideration will be implemented for each Scheme Shareholder (aside from CTCN) and indirectly for each Beneficial Shareholder.

If you have any questions about this document, the Court Meeting, or are in any doubt as to how to complete or return the Proxy Forms, please contact Castle Trust by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk. Castle Trust cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

No person has been authorised by the Scheme Companies to make any representations concerning the Scheme which are inconsistent with the statements contained herein, and, if made, such representations may not be relied upon as having been so authorised. The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to an implication that there has been no change in the facts set forth in this document since such date.

Certain terms used in this document are defined in Part VIII (*Definitions*) of this document.

Dated: 9 April 2020

IMPORTANT NOTICES

OVERSEAS SHAREHOLDERS

The release, publication or distribution of this document in or into, and the availability of the Scheme to persons who are residents, citizens or nationals of, certain jurisdictions other than the United Kingdom or Jersey may be restricted by law. Persons who are not resident in the United Kingdom or Jersey or who are subject to the laws of any jurisdiction other than the United Kingdom or Jersey should inform themselves of, and observe, any applicable legal and regulatory requirements in that jurisdiction. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom or Jersey to vote the Scheme Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Scheme disclaim any responsibility or liability for the violation of such restrictions by any person. This document does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document has been prepared for the purposes of complying with English and Jersey law and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Jersey.

Unless otherwise determined by the Scheme Companies and permitted by applicable law and regulation, the Scheme will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Scheme are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Scheme (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. The Scheme (unless otherwise permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of the mails, or by any means of instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facilities of a national securities exchange of any Restricted Jurisdiction, and the Scheme will not be capable of acceptance from or within any Restricted Jurisdiction.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference in this document), oral statements made regarding the Scheme, and other information published by the Scheme Companies contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of the Scheme Companies about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this document include statements relating to the expected effects of the Scheme on the Scheme Companies, the expected timing and scope of the Scheme and other statements other than historical facts. Often, but not always, forward-looking

statements can be identified by the use of forward-looking words such as **"plans"**, **"expects"** or **"does not expect"**, **"is expected"**, **"is subject to"**, **"budget"**, **"scheduled"**, **"estimates"**, **"forecasts"**, **"intends"**, **"anticipates"** or **"does not anticipate"**, or **"believes"**, or variations of such words and phrases or statements that certain actions, events or results **"may"**, **"could"**, **"should"**, **"would"**, **"might"** or **"will"** be taken, occur or be achieved. Although the Scheme Companies believe that the expectations reflected in such forward-looking statements are reasonable, the Scheme Companies can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Scheme; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which the Scheme Companies operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which the Scheme Companies operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither the Scheme Companies nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither of the Scheme Companies is under any obligation, and the Scheme Companies expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PUBLICATION ON WEBSITE

A copy of this document will be made available, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, on Castle Trust's website at <http://www.castletrust.co.uk/scheme>, by no later than 12.00 p.m. on the Business Day following the date of publication of this document. For the avoidance of doubt, the contents of this website, or any other website referred to in this document, are not incorporated by reference and do not form part of this document.

ROUNDING

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

The date of publication of this document is 9 April 2020.

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ACTION TO BE TAKEN

For the reasons set out in this document, the Castle Trust Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting, and that you take the actions described below.

COURT MEETING ARRANGEMENTS

Given the current COVID-19/coronavirus pandemic and current UK governmental rules and restrictions relating to this, it has been necessary for the Scheme Companies to organise the Court Meeting in a non-physical manner so that Scheme Shareholders are able to attend the Court Meeting by dialling in by telephone. Scheme Shareholders with internet access will also be able to access a linked webcast so they will be able to hear as well as see the Chairman of the Court Meeting. Scheme Shareholders will be able to ask questions and receive answers. Beneficial Shareholders are similarly entitled to attend and speak at the Court Meeting by telephone or webcast if so desired but will not be entitled to vote at the Court Meeting. The Scheme Companies have engaged Civica Election Services Limited to advise on and coordinate the voting process at the Court Meeting. Details on dialling in and accessing the live webcast are set out below. References to "attend" or "attendance" of the Court Meeting shall therefore, given the above, be references to attendance by telephone/linked webcast.

Voting at the Court Meeting will be carried out by way of telephone voting. This will involve adjourning the Court Meeting for a period of 30 minutes to an hour during which Scheme Shareholders attending the meetings by telephone will be able to dial into an automated system using a dedicated number to register their votes. Each Scheme Shareholder will be given a unique number in the pack of documents sent to them which they will be able to use to identify themselves. They will then be able to proceed through a standard message tree to cast their votes by keying into their telephone keypads. This format will be equally accessible to Scheme Shareholders resident in the UK and Scheme Shareholders resident outside the UK. The Scheme Companies will then reconvene and finalise the Court Meeting.

ATTENDING THE COURT MEETING

Attending the Court Meeting by Telephone

Scheme Shareholders and Beneficial Shareholders who wish to attend the Court Meeting by telephone may do so by calling +44 330 221 9914 and entering the panelist pin 960-000-423 when prompted. The live audio from the Court Meeting will be available from 12:00pm London time on 21 May 2020.

It will not be possible to attend the Court Meeting by telephone using a rotary dial telephone. If a Scheme Shareholder or Beneficial Shareholder has no alternative to a rotary dial telephone they should contact the number outlined in the "Assistance" paragraph below to make alternative arrangements for participation by telephone.

Attending the Court Meeting by Webcast

Scheme Shareholders and Beneficial Shareholders who wish to attend the Court Meeting by webcast may do so by accessing <https://attendee.gotowebinar.com/register/7662124205477930254>. A link to the live website will also be available on www.castletrust.co.uk/scheme. The live webcast will be available from 12:00pm London time on 21 May 2020.

VOTING AT THE COURT MEETING

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

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held by telephone and webcast, at 12:00pm London time on 21 May 2020 (i.e. the Court Meeting). Also required is the approval by the requisite amount of the Founder Shareholders in respect of the Written Resolution. **Please note that Scheme Shareholders (being redeemable preference shareholders under the Cell Articles), are not permitted to cast their vote in respect of the Written Resolution. The Written Resolution will be passed for legal and procedural reasons and will have no bearing on the substance of the Scheme.**

Scheme Shareholders are entitled to attend (by either telephone or by webcast, if that Scheme Shareholder has internet access in the latter case) and vote at the Court Meeting and appoint a proxy to exercise all or any of their rights to attend and vote at the Court Meeting. A proxy need not be a Scheme Shareholder.

Beneficial Shareholders are entitled to either instruct the Nominee to transfer their Scheme Shares to them personally so that they may then attend and vote at the Court Meeting in either their own capacity or through a proxy (who need not be a Scheme Shareholder). Alternatively, Beneficial Shareholders may instruct the Nominee as to their vote (in respect of all of the Scheme Shares to which they are beneficially entitled) for the Court Meeting. Beneficial Shareholders are also entitled to attend and speak (but not vote) at the Court Meeting in their personal capacity if they so desire.

Voting at the Court Meeting as a Scheme Shareholder

Scheme Shareholders are entitled to vote at the Court Meeting for the purposes of considering and approving the Scheme. **For the avoidance of doubt, Beneficial Shareholders are not entitled to vote at the Court Meeting but must instead instruct the Nominee as to how the Nominee should vote in respect of Scheme Shares it holds on behalf of that Beneficial Shareholder.**

The Notice of the Court Meeting is included at Part IX (*Notice of the Court Meeting*) of this document. Scheme Shareholders may attend the Court Meeting by a duly authorised representative, or may vote by proxy by completing a Proxy Form. Returning a Proxy Form will not prevent any Scheme Shareholder from attending the Court Meeting and voting by representative should they wish to do so.

Voting is by reference to the Scheme Shares that each Scheme Shareholder holds. Scheme Shareholders may cast part of their votes in favour of the Scheme/or part against and/or may abstain in part.

Prior the Court Meeting, Civica Election Services will provide each Scheme Shareholder with a unique shareholder ID which each Scheme Shareholder will be required to provide to register their vote by telephone.

It will not be possible to Vote at the Court Meeting by telephone using a rotary dial telephone. If a Scheme Shareholder has no alternative to a rotary dial telephone they should contact the number outlined in the "**Assistance**" paragraph below to make alternative arrangements for voting by telephone.

The Court Meeting will be adjourned for 30 minutes to allow Scheme Shareholders to vote by telephone as further explained below. Voting by telephone shall apply whether the Scheme Shareholder is attending the Court Meeting by telephone or by live webcast.

Scheme Shareholders may Vote by telephone by calling either 0800 197 4612 or 00 44 207 000 3652. These telephone numbers will connect Scheme Shareholders to an automatic system for registering votes run by Civica Election Services on behalf of the Scheme Companies. Scheme Shareholders should follow the recorded prompts for instructions. The telephone numbers for voting will be open from the start of the Court Meeting until 30 minutes after the Court Meeting have been adjourned to allow for Voting.

Before telephone to Vote, Scheme Shareholders should ensure they have their unique creditor ID to hand.

Attendance at the Court Meeting

It is not necessary for a Scheme Shareholder to attend the Court Meeting in person (in this case, either by telephone or by webcast) in order to cast their vote. A Scheme Shareholder can:

1. appoint the Chairman as their proxy to vote on their behalf at the Court Meeting, either via the Portal or by returning a hard copy Proxy Form;
2. appoint a person other than the Chairman as their proxy to attend and vote on their behalf at the Court Meeting by returning a hard copy Proxy Form; or
3. attend (by telephone or by webcast) the Court Meeting and vote.

Submitting Proxy Forms

Each Scheme Shareholder should submit their duly completed Proxy Form so as to be received by the Civica Election Services, London N81 1ER no later than the Proxy Deadline, being 5:00pm (London time) on 19 May 2020.

Electronic Submission

Electronic Proxy Forms can be submitted via the Portal. Scheme Shareholders who wish to appoint the Chairman as their proxy and instruct the Chairman to vote on their behalf at the Court Meeting should complete and submit their Proxy Forms by the Proxy Deadline. The completion and submission of a Proxy Form electronically via the Portal will constitute an electronic signature of such Proxy Form and therefore does not require signature or submission of a hard copy Proxy Form.

Hard-copy Submission

Each Scheme Shareholder has been supplied with a hard copy Proxy Form by post as an accompaniment to the copy of this document sent to them by post. If so required, however, Scheme Shareholders may request a replacement hard copy Proxy Form by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk.

Where a Scheme Shareholder has submitted a Proxy Form via the Portal appointing the Chairman as their proxy, it is not necessary for that Scheme Shareholder also to submit a hard copy Proxy Form.

All Scheme Shareholders who have not submitted a Proxy Form via the Portal (whether because they wish to appoint a person other than the Chairman as their proxy or otherwise) may complete and sign a hard copy Proxy Form in accordance with the instructions set out therein and return it by pre-paid first-class post (using the envelope provided with this Explanatory Statement) or air mail with delivery receipt to Civica Election Services, London N81 1ER.

A Scheme Shareholder need only to complete a single Proxy Form in order to allow their appointee to vote at the Court Meeting.

Beneficial Shareholders

Beneficial Shareholders are entitled to instruct the Nominee as to how they wish to vote in respect of the Scheme Shares that they beneficially hold at the Court Meeting.

A Beneficial Shareholder may instruct the Nominee in respect of the Scheme Shares to which they are beneficially entitled by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk. Beneficial Shareholders must instruct the Nominee as to their votes by the Voting Record Time.

Should a Beneficial Shareholder wish to have legal title for their Scheme Shares transferred from the Nominee to themselves (such that they then are a Scheme Shareholder for the purposes of this document), such Beneficial Shareholders should either telephone 0808 164 5000 or email scheme@castletrust.co.uk for instructions on this. Such transfers must be made by 5:00pm the business day prior to the Voting Record Date. Beneficial Shareholders that become Scheme Shareholders by virtue of such transfer should then follow the instructions indicated above for Scheme Shareholders as to voting and proxy appointment.

ASSISTANCE

Should a Scheme Shareholder or Beneficial Shareholder have any difficulty using the telephone dial-in or linked webcast to attend and speak at the Court Meeting, and should the Scheme Shareholders have any issue using the telephone voting system, such persons can call 01256 636287 on the day of the Court Meeting for assistance.

If you have any questions about this document, or the Court Meeting, or are in any doubt as to how to complete or return the Proxy Forms, please call 0808 164 5000 between 9.00 a.m. and 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales) or email scheme@castletrust.co.uk.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All references to time in this document are references to the time in London, United Kingdom and Jersey, Channel Islands, unless otherwise stated. All dates and times are based on the Scheme Companies' current expectations and are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Scheme Shareholders by posting on the Website. Scheme Shareholders are therefore advised to periodically check the Website for any changes in the expected timetable.

Event	Expected time/date
Publication of this document	9 April 2020
Voting Record Time for the Court Meeting	5:00pm (London time) on 19 May 2020
Proxy Deadline for the Court Meeting	5:00pm (London time) on 19 May 2020
Court Meeting	12:00pm (London time) on 21 May 2020

The following dates are indicative only and subject to change; please see note (4) below

Expected time of suspension of dealings in and registration of transfers of Scheme Shares (including on The International Stock Exchange ("TISE") and the Malta Stock Exchange ("MSE"))	6:00pm on 4 June 2020
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Court Hearing to Sanction the Scheme	5 June 2020
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Effective Date of the Scheme	The date upon which the last of the Conditions is satisfied (which in practice will be the sanctioning of the Scheme by the Court) and the delivery and registration of the Court Order to the Registrar of Companies ¹
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Scheme Effective Time	5 Business Days after the grant of the Full Banking Licence to CTC)
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YOUR ATTENTION IS DRAWN TO THE "NOTES" IN RESPECT OF THIS TIMETABLE AS SET OUT ON THE NEXT PAGE, IN PARTICULAR, NOTE 3, WHICH RELATES TO THE POTENTIAL IMPACT OF COVID-19 ON THE COURT MEETING.

¹ The TISE Listing Sponsor and the MSE Listing Agent will on the Effective Date make formal application to TISEA and MSE for all listing of the Scheme Shares on the Official List of TISE and the list of MSE to be cancelled by TISEA and MFSA respectively upon (or as soon as practicable before) the occurrence of the Scheme Effective Time. Please note, however, that the precise timing of these arrangements is subject to change.

Notes:

- (1) If the Court Meeting is adjourned (other than an adjournment to enable Scheme Shareholders to cast their vote over telephone), the Voting Record Time for the relevant adjourned Court Meeting will be 6.00 pm on the date which is two Business Days before the date set for such adjourned Court Meeting.
- (3) These times and dates are indicative only and will depend on, among other things, the dates upon which the Conditions are satisfied or (where applicable) waived.
- (3) Both the PCC and the Cell reserve the right to make any necessary arrangements to hold the Court Meeting in a manner which is compliant with law and the UK government's guidelines as to the COVID-19/coronavirus pandemic. This may include, amongst other matters, making adjusting arrangements for the virtual meeting proposed. The PCC and the Cell may at any time revert to the Court on instructions for how to proceed given the fluid nature of the COVID-19/coronavirus pandemic. **You are strongly advised to monitor these developments on the Website regularly prior to the Court Meeting.**

Part I
LETTER FROM THE DIRECTORS OF CASTLE TRUST PCC AND CASTLE TRUST GROWTH
HOUSA PC

CASTLE TRUST PCC
(protected cell company in Jersey with registration number 108697)

and

CASTLE TRUST GROWTH HOUSA PC
(a protected public cell of the PCC in Jersey with registration number 111371)

Directors of both Scheme Companies:

Mark Grenyer (Director)
Martin Gordon Cudlipp (Director)
Kenny Rae (Director)

Registered Office:

28 Esplanade
St Helier
Jersey
JE2 3QA

9 April 2020

To all Scheme Shareholders and, for information only, to Beneficial Shareholders and persons with information rights

Dear Scheme Shareholder

**EXCHANGE OF RIGHTS IN SCHEME SHARES FOR STRUCTURED DEPOSITS IN
HOUSA ACCOUNTS**

1 Introduction

- 1.1 I am writing to you on behalf of the Castle Trust Directors, the PCC and in respect of and on behalf of the Cell to explain the background to and terms of the Scheme, to encourage you to vote at the Court Meeting to be held on 21 May 2020 to consider the Scheme, and to explain why the Castle Trust Directors are unanimously recommending that Scheme Shareholders vote in favor of the Scheme at the Court Meeting. Unless stated otherwise, defined terms used in this letter have the meanings given to them in Part VIII (*Definitions*).
- 1.2 I draw your attention also to the Explanatory Statement set out in Part II (*Explanatory Statement*) of this document which gives details about the Scheme and to the additional information set out in Part VII (*Additional Information*) of this document. The terms of the Scheme are set out in the Scheme Document in Part IV (*The Scheme of Arrangement*).
- 1.3 **Please note, for the avoidance of doubt, that the Scheme is only proposed in respect of the Scheme Shares and not in respect of any shares issued by the PCC directly.** The terms of the Scheme are set out in the Scheme Document. This Explanatory Statement is intended to provide guidance to the Scheme Shareholders on the terms of the Scheme but has no legal effect in its own right and should therefore not be relied upon as a substitute for reading the provisions of the Scheme itself.

2 Background to the Scheme Companies

2.1 Castle Trust PCC

2.1.1 PCC is a protected cell company with limited liability, incorporated in Jersey on 27 July 2011 under the Companies Law.

2.1.2 PCC is a closed-ended investment company with a single cell, being the Cell.

2.1.3 PCC's directors are Martin Gordon Cudlipp, Kenneth Rae and Mark Grenyer.

2.2 Castle Trust Growth Housa PC

2.2.1 The Cell is a protected cell of the PCC and was registered as such under the Law on 5 September 2012.

2.2.2 The Cell was set up to provide investment opportunities for investors in order to track the performance of the UK and London housing markets.

2.2.3 The Cell has historically issued various redeemable preference shares in itself, each of which correspond with a particular Investment Return and a particular Maturity Date. Each share tracks applicable Indices to produce the Investment Return.

2.2.4 The Cell is therefore a single purpose vehicle and which has issued the relevant Scheme Shares over the course of its life.

2.2.5 The Cell's directors are the same as those of the PCC.

3 Background to the Scheme

3.1 Both the PCC and the Cell are unclassified collective investment funds regulated under the CIF Law. The only activity of PCC since its incorporation has been the establishment of the Cell. The PCC and Cell are not directly part of the broader Castle Trust Group but they were established solely as funding vehicles of CTC and the wider UK mortgage lending business of the Castle Trust Group, with the issue of redeemable preference shares by the Cell (being investment products by the nature of their issue) used for such funding.

3.2 The Cell's only historical activities have therefore been the monthly issue of redeemable preference shares in itself and the investment of subscription proceeds from those shares in financial contracts (and which CTC is counterparty). Under those arrangements, the PCC (acting in respect of the Cell) pays the proceeds of sale generated from the sale of Scheme Shares to CTC. CTC is then obligated, upon the Maturity Date of the relevant Scheme Share, to pay to PCC (acting in respect of the Cell) an amount equal to the total aggregate Investment Return in respect of those Scheme Shares. That process is then used to generate the Investment Return on each series of redeemable preference share issued by the Cell, which the Cell then pays to the relevant shareholder at the time. The only outstanding shares in the Cell (with the exception of the Founder Shares) are those of the Scheme Shares, which are all redeemable preference shares currently in issue in the Cell.

3.3 In order to generate an Investment Return on the Scheme Shares, such Scheme Shares when issued are each tied to an Index. Each series of Scheme Share has differing Investment Returns and risk-profiles, as well as different Maturity Dates. Upon a Scheme Share maturing, the exact Investment Return is dependent on the performance of the relevant linked Indices for that series of Scheme Share.

- 3.4 The Cell has issued relevant shares monthly over the course of its life. These shares have been issued monthly since October 2012. So called "growth" shares (being shares designed for more risk-willing investors) ("**Growth Shares**") were offered for sale each month in the following tranches (each with different maturity dates) up to and including January 2014;
- 3.4.1 3 year term shares;
 - 3.4.2 5 year term shares; and
 - 3.4.3 10 year term shares.
- 3.5 In January 2014, the 3 year share class was discontinued by the directors of Cell due to investor subscription being lower than expected. From February 2014, the 3 year share class ceased issuance and a new protected 5 year share class (being a share class designed to limit investor exposure to the relevant Index) ("**Protected Shares**") were issued in its place. Beginning in December 2014, various other tranches of shares were registered for issuance, including "**UK Growth**" shares, "**London Growth**" shares, "**London Foundation**" shares and "**UK Foundation**" shares (each with substantively similar terms but linked to differing Indices and with variability on Investment Return). In February 2015, as a result of the UK legislative changes referenced above, a number of series of the shares outlined prior were listed on the MSE.
- 3.6 Cell share products continued to be offered until October 2015. No additional share products in the Cell have been issued since then.
- 3.7 As noted above, in order to be able to pay the Investment Return on the relevant Maturity Date for each series of Scheme Share, CTC is obligated under the CTC Guarantees to pay an amount equal to the total aggregate Investment Return in respect of those Scheme Shares upon the maturity of the Scheme Shares to the PCC (acting in respect of the Cell). The Cell then correspondingly is able to pay the Investment Return to the Scheme Shareholders and redeem the relevant Scheme Shares. As such, the Scheme Shareholders hold:
- 3.7.1 rights as holders of the Scheme Shares (as against the Cell), which includes an obligation of the Cell to provide the Investment Return upon the Maturity Date to the Scheme Shareholders; and
 - 3.7.2 rights as against CTC, who (a) must provide an amount equal to the total aggregate Investment Return to the PCC (acting in respect of the Cell) upon the Maturity Date of the Scheme Shares and (b) is obligated to repurchase the Scheme Shares from the Scheme Shareholders in the event the Cell is unable to provide the Investment Return upon the Maturity Date.
- 3.8 In April 2018, CTC announced its intention to become a bank. CTC views this as a more suitable model for its business in the longer term as the business continues to grow. Since then, CTC has been working closely with both of its UK regulators, the PRA and the FCA, with a view to obtaining a Full Banking Licence.
- 3.9 The proposed transition of CTC to a bank regulated in the United Kingdom therefore involves numerous steps, in particular as regards to the sources of funding provided to CTC by third parties and its wider group. One of those steps is provided by the Scheme where, inter alia, Scheme Shareholders are being asked to approve redeeming their Scheme Shares in return for Structured Deposits in the Housa Accounts.
- 3.10 As part of CTC's transition to a bank therefore, there are also other schemes of arrangement organised in respect of the Castle Trust Group in the UK. These schemes take a similar format to the Scheme. First, certain bonds issued by CTD to the investing public (so called

"**Fortress Bonds**") are proposed to be converted to deposits in fixed rate bank accounts held with CTC, with all rights held by the Fortress Bond holders as against the relevant Castle Trust Group entities replaced by rights in the bank accounts. There is also a scheme proposed in respect of CTIH (being a Jersey company issuing notes known as "**Income Housas**") whereby holders of those Income Housas will receive structured deposits under bank accounts in CTC in replacement of their rights against both CTIH and CTC. These schemes (the "**UK Schemes**") are not interconditional with this Scheme.

- 3.11 The Scheme Shares issued by the Cell are also proposed to be converted into Structured Deposits in bank accounts held with CTC in return for their redemption (and the waiver by the Scheme Shareholders of all rights of redemption, including those under the Cell Articles). A structured deposit is a special type of deposit where the principal sum payable at maturity is not fixed but is calculated according to a formula. This formula would replicate the formula used to calculate the Investment Return of the Scheme Shares. These structured deposits would mature on the same date as the corresponding Scheme Shares.
- 3.12 As part of the Scheme, a number of waivers and release are also provided by the Scheme for the discharge of the Scheme Consideration and any rights which may accrue under the Scheme, which include, amongst other things, the release and waiver of the Scheme Companies and CTC from liability under the Housa Share Documents, as well as specific release of CTC from the CTC Guarantees.
- 3.13 In order to achieve this transition, the Scheme Companies, i.e. PCC and the Cell are putting forward a proposal for the Scheme. The success of the Scheme will require a positive vote in favour by sufficient of the Scheme Shareholders, i.e. the persons who legally hold Scheme Shares at the Voting Record Time.
- 3.14 Prior to the Court Meeting being held, it is expected that a small number of Beneficial Shareholders will transfer the associated legal title of their Scheme Shares from CTCN into their own name. This is being done for technical reasons relating to the approval of the Scheme. The Scheme requires, as noted elsewhere in this document, a 75% majority of those Scheme Shareholders voting on the Scheme (whether in person or by proxy) and a majority in number of those voting.
- 3.15 In respect of the second limb of this test, the majority number of those voting, given CTCN is currently the only legal shareholder in respect of the Scheme Shares, it is currently the only Scheme Shareholder entitled to vote. The majority in number test could not therefore be legally satisfied, irrespective of the level of support for the Scheme, if this were to remain the case. As such, after taking legal advice, the PCC and the Cell have determined that the best course of action is to request that specific Beneficial Shareholders (who are anticipated to vote in favour of the Scheme and have agreed to do so) hold their shares legally in their own name so that the majority in number test can be satisfied.

4 **Other Relevant Companies**

- 4.1 A number of other companies are also involved, or were historically involved, in the process for the Cell's issuing of Scheme Shares (*Background to the Scheme*) above. These companies and their roles were accordingly also described in the Housa Share Documents.
- 4.2 However, these companies will not continue to be involved in this process following CTC's transition to a bank. The provisions of the Schemes accordingly also release certain of these companies from other liabilities.
- 4.3 These companies, and their respective roles, are (or were) as follows:

- 4.3.1 At present, the only registered shareholders in the Cell are the Trustee (as holder of the Founder Shares) and CTCN (being the entity that holds the Scheme Shares in accordance with the Nominee Agreements). This is expected to change (as referenced above) prior to the Court Hearing in order to satisfy the majority-in-number test under the Law.
- 4.3.2 CTCN currently holds the legal title to the Scheme Shares issued by the Cell and therefore holds Scheme Shares as the nominee for whichever company or individual holds the beneficial interest in those Scheme Shares.

5 Summary of the Terms of the Scheme

- 5.1 The Scheme is being implemented by means of a court-sanctioned scheme of arrangement under Article 125 of the Law, which requires the approval of the Scheme Shareholders at a Court Meeting and the sanction of the Court. The Scheme is proposed between the Scheme Companies and the Scheme Shareholders. **It is important to note that the Scheme Consideration will be implemented for each Scheme Shareholder (aside from CTCN) and each Beneficial Shareholder (given each Beneficial Shareholder is the beneficial holder of the relevant Scheme Shares CTCN holds on their behalf).**
- 5.2 Under the terms of the Scheme, it is proposed that the Scheme will involve:
 - 5.2.1 the Scheme Shareholders' (or Beneficial Shareholder where relevant) Scheme Shares existing rights being replaced by rights in respect of Structured Deposits in the Housa Accounts on the terms contained in the Scheme;
 - 5.2.2 in consideration for the discharge of the Scheme Consideration under the Scheme and any rights which may accrue under the Scheme, the Scheme provides for a number of waivers and releases, each of which is specifically outlined in clause 4 of the Scheme, but which includes the release of each Scheme Company and CTC from any liability under the Housa Share Documents and a release of CTC from the CTC Guarantees; and
 - 5.2.3 in order to affect 5.2.1 and 5.2.2, the Scheme Shares will accordingly be redeemed by the Cell (and appropriately delisted from both TISE and MSE – further details on this can be found at paragraph 9 of Part II of this document (*Explanatory Statement*)).
- 5.3 The Scheme will become effective only if the Conditions of the Scheme are met, which are:
 - 5.3.1 the approval of the Scheme by a majority in number representing not less than 75 per cent of the voting rights of the holders of the Scheme Shares present and entitled to vote and voting, either in person or by proxy, at the meeting convened by the Court;
 - 5.3.2 the written special resolution of the Cell to approve and implement the Scheme, as set out in the Written Resolution (or any adjournment to it) being duly passed by the holders of the Founder Shares representing at least 2/3rds of the shares that would have been entitled to vote at an extraordinary general meeting of the Cell, and the PCC passing a special resolution in respect of the amendments to the articles of association of the Cell (to be proposed by the Written Resolution);
 - 5.3.3 pursuant to the CIF Law, the JFSC funds authorisation team consents to the amendment of the Cell Articles;

- 5.3.4 written confirmation provided to the Court by the Castle Trust Directors that the Cell will be able to satisfy the requirements of Article 55 of the Companies Law in order to effect any redemption of the Scheme Shares at the Scheme Effective Time pursuant to the Scheme and that they as directors will take all necessary steps in order to effect the Scheme; and
 - 5.3.5 the sanction of the Scheme (without modification, or with such modifications as are agreed by the Scheme Companies and the Court) by the Court.
- 5.4 It is noted that the granting of a Full Banking Licence to CTC is not a condition of the Scheme. However, whilst the Scheme (subject to the satisfaction of the Conditions) will become Effective on the Effective Date (such that it will then bind the Scheme Companies and Scheme Shareholders) the operative terms of the Scheme (such as the redemption of the Scheme Shares and establishment of the Structured Deposits in the Housa Accounts) will not be put into place until the Scheme Effective Time (being the date which is 5 Business Days after the date CTC is granted a Full Banking Licence). It is anticipated that CTC will be granted a full Banking Licence shortly after the sanctioning of the Scheme by the Court. Delivery and registration of an office copy of the order sanctioning the Scheme will be affected as soon as practicable after the Court sanctions the Scheme.
- 5.5 As noted, the Scheme is subject to the Conditions set out in Part III (*Conditions of the Scheme*) of this document being satisfied/waived where applicable. The expected transaction timetable is set out on page 10 of this document. The Court Hearing is scheduled to be held on 5 June 2020 at the Royal Court of Jersey, Royal Court Building, Royal Square, St Helier, Jersey JE1 1BA.
- 5.6 Further information about the Scheme is provided in Part II (*Explanatory Statement*) of this document.
- 6 **Advantages of the Scheme**
- 6.1 The Scheme Companies believe that the Scheme, if implemented, will provide the following key advantages:
- 6.1.1 Account Holders will be able to manage their new Fixed Rate Accounts through a new, mobile banking app which is not available in relation to the Scheme Shares;
 - 6.1.2 Account Holders will be able to withdraw their money at any time and will be shown, through the Housa Account, the value of that withdrawal;
 - 6.1.3 When Account Holders wish to withdraw money on maturity, they will be able to do so by way of a same day transfer rather than needing to wait as they are required to do on the maturity of Scheme Shares;
 - 6.1.4 Account Holders will have access to paperless statements, to a complete online document library and to a downloadable full transaction history, none of which are available for Scheme Shares;
 - 6.1.5 Account Holders will enjoy an improved covenant from CTC for the following reasons:
 - 6.1.5.1 as a bank, CTC will have access to the sterling monetary framework, which will make it a financially stronger company;

- 6.1.5.2 as a bank, CTC expects to be able to negotiate better rates with suppliers and other parties with which it transacts;
- 6.1.5.3 the market for deposit accounts is much deeper than the market for fixed term investment products of the type the Cell issues (in the form of the Scheme Shares), so CTC expects to be able to scale operationally more easily with access to a deeper pool of funding; and
- 6.1.5.4 some mortgage brokers are reluctant to deal with lenders who are neither banks nor building societies, so by becoming a bank CTC expects to increase Group's ability to market its mortgage products.
- 6.1.6 Account Holders will benefit from CTC becoming subject, as a bank, to increased prudential oversight by the PRA; and
- 6.1.7 in the unlikely event that CTC should fail, Account Holders can expect to receive reimbursement from the Financial Services Compensation Scheme within seven days, whereas it may take a period of months for a claim by a holder of a Scheme Share.

7 **Other matters to consider**

- 7.1 Notwithstanding the advantages of the Scheme noted in paragraph 6 (*Advantages of the Schemes*) above, the Castle Trust Directors do wish to highlight to Scheme Shareholders and Beneficial Shareholders certain other matters to consider:
 - 7.1.1 While the Scheme Shares are transferable to third parties, the Structured Deposits will not be transferable. However, the Castle Trust Directors understand that historically transfers of Scheme Shares have been very rare in practice. Account Holders will in any case be free to withdraw their funds prior to the end of the term of their Housa Account.
 - 7.1.2 While there is no restriction on who can hold Scheme Shares, only private individuals who are 18 or older will be able to hold Structured Deposits. However, where corporate entities currently hold Scheme Shares, this provision will be waived for the purpose of allowing those same corporate entities to hold Structured Deposits.
- 7.2 The Castle Trust Directors do not therefore consider these matters to be disadvantages and any disadvantage is in fact far outweighed by the advantages of the Scheme.

8 **Taxation**

- 8.1 Your attention is drawn to Part VI (*Taxation*) of this document. If you are in any doubt as to your tax position, you should consult an appropriately qualified independent professional tax advisor.
- 8.2 Please refer to clause 10 (*Compensation for Increased Taxation*) of the Schemes Document for further information as to how CTC therefore proposes to ensure that no Scheme Shareholder (or underlying Beneficial Shareholder) is placed in a worse position from a taxation perspective as a result of the Scheme.

9 **Cancellation of listed Scheme Shares**

- 9.1 It is intended that, in respect of the Scheme Shares currently listed on either TISE or the MSE, an application will be made on the Effective Date to both the TISEA and MFSA to cancel the listings of the Scheme Shares upon (or as soon as practicable before) the occurrence of the Scheme Effective Time. Further information on this point can be seen in the Explanatory Statement.
- 9.2 The last day of dealings in Scheme Shares on any listed exchange (TISE or MSE) is expected to be the Business Day prior to the Effective Date (anticipated to be 4 June 2020).
- 10 **Overseas Shareholders**
- 10.1 Overseas Shareholders should refer to paragraph 12 of Part II (*Explanatory Statement*) of this document, which contains important information relevant to such holders.
- 11 **Further Information**
- 11.1 Your attention is drawn to the Explanatory Statement set out in Part II (*Explanatory Statement*) of this document, the full terms of the Scheme set out in Part IV (*The Scheme of Arrangement*) the additional information set out in Part VII (*Additional Information*) and the Notice of the Court Meeting set out in Part IX (*Notice of Court Meeting*) of this document. You should read the whole of this document and the accompanying Proxy Forms and not rely solely on the information contained in this letter or the Explanatory Statement.
- 11.2 A copy of this document and the Proxy Forms are and will be available for inspection on Castle Trust's website at <https://www.castletrust.co.uk/scheme>.
- 12 **Action to be taken**
- 12.1 Your attention is drawn to the Action to be Taken section on pages 6-9 of this document, which explain the actions you should take in relation to the Scheme.
- 13 **The Scheme and the Court Meeting**
- 13.1 The Scheme is being implemented by way of a court sanctioned scheme of arrangement between the Scheme Companies and the Scheme Shareholders, under Article 125 of the Law.
- 13.2 To become Effective, the Scheme requires, among other things, the approval of a majority in number of the Scheme Shareholders present and voting (and entitled to vote) in person or by proxy at the Court Meeting, representing not less than 75 per cent. or more of the voting rights held by such Scheme Shareholders.
- 13.3 The Scheme also requires the passing of the Written Resolution.
- 13.4 It is also noted that, in accordance with the Cell's Articles, any amendment to the Articles of the Cell requires a special resolution of PCC for approval. Accordingly, it is a Condition of the Scheme that this resolution is also passed following the passing of the Written Resolution. There are not anticipated to be any issues with the passing of this resolution.
- 13.5 Following the Court Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. The Scheme will only become Effective upon the Court Order being delivered to the Registrar of Companies for registration, as well as all of the underlying Conditions having been satisfied. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting (and if they attended and voted, whether or not they voted in favour).

- 13.6 Following the Scheme becoming Effective in accordance with its terms, the operative provisions of the Scheme (being primarily the redemption of the Scheme Shares in exchange for the Structured Deposits in the Housa Accounts) will only be carried out at the Scheme Effective Time.
- 13.7 Your attention is drawn to the Action to be Taken section on pages 6-9 of this document, which explain the actions you should take in relation to the Scheme.
- 13.8 Further details of the Scheme and the Court Meeting are set out in paragraph of Part II (*Explanatory Statement*).
- 14 **Recommendation**
- 14.1 The Castle Trust Directors, for the reasons given above and having obtained leave of the Court to convene the Court Meeting, consider the terms of the Scheme to be fair and reasonable. Accordingly, the Castle Trust Directors unanimously recommend the Scheme Shareholders vote in favour of the Scheme at the Court Meeting.
- 14.2 If you have any questions concerning the action you are required to take or the Scheme more generally, please contact Castle Trust by telephoning 0808 164 5000 or by e-mailing scheme@castletrust.co.uk

Yours sincerely

Kenneth Rae

For and on behalf of the board of directors of the Scheme Companies

Part II
EXPLANATORY STATEMENT
(in compliance with Article 126 of the Companies Law)

9 April 2020

To all Scheme Shareholders and, for information only, to persons with information rights

Dear Scheme Shareholder

**RECOMMENDED EXCHANGE OF SCHEME SHARES FOR STRUCTURED DEPOSITS IN
FIXED-TERM BANK ACCOUNTS**

1 Introduction

1.1 This Part II (Explanatory Statement) summarises the key features of the Scheme.

1.2 It is, however, a summary only. The Scheme Document contains all of the terms of the Schemes that will become binding on the Scheme Companies and the Scheme Shareholders if the Scheme is sanctioned by the Court and become effective. In the event of any inconsistency between the summary contained in this Part II (*Explanatory Statement*) and the Scheme Document, the Scheme Document will prevail (Part IV – *The Scheme of Arrangement*). The terms of the Scheme are set out in full at Part IV of this Document. For Overseas Shareholders, your attention is drawn to paragraph 12 of this Part II (*Explanatory Statement*) which contains important information relevant to such holders.

1.3 Your attention is drawn to the letter from the directors of Castle Trust PCC and Castle Trust Growth Housa PC set out in Part I (*Letter from the Directors of Castle Trust PCC and Castle Trust Growth Housa PC*) of this document, which forms part of this Explanatory Statement. That letter contains, among other things, the unanimous recommendation by the Castle Trust Directors to Scheme Shareholders to vote or procure votes in favor of the Scheme at the Court Meeting and an explanation of the background to and reasons for recommending the Scheme.

1.4 The shareholders who will be bound by the Scheme if it is to become effective are referred to in this Explanatory Statement and in the Scheme as the Scheme Shareholders. Every Person who holds one or more series of Scheme Share at the Voting Record Date will be a Scheme Shareholder.

2 Application and effectiveness of the Scheme

2.1 The Scheme will be effective upon the Effective Date provided the Conditions of the Scheme have been satisfied at that point. The Conditions to the Scheme are set out in Part III of this document. The principal operative terms of the Scheme will then become operative at the Scheme Effective Time.

3 The key effects of the Schemes on the Scheme Shareholders

Please note that the following clause 3 (*The key effects of the Schemes on the Scheme Shareholders*) will apply to the Beneficial Holders, such that if the Scheme is passed at the Court Meeting, along with the Scheme becoming Effective in accordance with its Conditions, each Beneficial Shareholder will receive the Scheme Consideration at the Scheme Effective Time in return for the redemption of the Scheme Shares to which they are beneficially entitled.

3.1 Rights of Redemption

At and from the Effective Date, the Scheme Shareholders agree to waive and forgo all rights of redemption they hold in respect of the Scheme Shares and the Cell agrees to redeem the Scheme Shares in accordance with the terms of the Scheme.

3.2 New Housa Accounts

At and from the Scheme Effective Time:

- 3.2.1 one new Housa Account will be opened with CTC in the name of each Scheme Shareholder (or Beneficial Shareholder where relevant) for each series of Scheme Share which that Scheme Shareholder or Beneficial Shareholder holds a relevant interest;
- 3.2.2 where a Scheme Shareholder (or Beneficial Shareholder where relevant) holds a relevant interest in more than one series of Scheme Shares, more than one new Housa Account will be opened in that Scheme Shareholder's (or Beneficial Shareholder's) name.

3.3 Replacement of terms and conditions

At and from the Scheme Effective Time, subject to the remaining provisions of this paragraph 3 (*The key effects of the Schemes on the Scheme Shareholders*):

- 3.3.1 the Housa Share Terms and Conditions will no longer apply; and
- 3.3.2 the Housa Account Terms and Conditions will instead apply to the rights and interests which the Scheme Shareholders or Beneficial Shareholders acquire under the Scheme in substitution for their existing rights and interests.

3.4 Conversion of interests in Scheme Shares to interests in Structured Deposits

At and from the Scheme Effective Time:

- 3.4.1 in consideration for the discharge of the Scheme Consideration under the Scheme and any rights which may accrue under the Scheme, the Scheme provides for a number of waivers and releases, each of which is specifically outlined in clause 4 of the Scheme, but which includes the release of each Scheme Company and CTC from any liability under the Housa Share Documents and a release of CTC from the CTC Guarantees;
- 3.4.2 the Scheme Shares will be redeemed by the Cell; and
- 3.4.3 in return each Scheme Shareholder (or Beneficial Shareholder where relevant) will receive a Structured Deposit in each new Housa Account equal to the Investment Value of each series of Scheme Share which it held a relevant interest in immediately prior to the Scheme Effective Time.

3.5 Maturity date

At and from the Scheme Effective Time:

- 3.5.1 subject to paragraph 3.5.2 below, the term of each new Housa Account will be equal to the unexpired term of the Scheme Shares which were converted into a Structured Deposit in that Housa Account; and
- 3.5.2 Scheme Shareholders (or Beneficial Shareholders where relevant) who have become Account Holders following the Scheme Effective Time will continue

to be entitled to make early withdrawals in accordance with the terms of the Housa Account Terms and Conditions.

3.6 **Value on maturity**

The value of each Structured Deposit at the end of its term will be calculated by the same formula as is currently used to calculate the Investment Return, and its value at the end of the term will accordingly be the same as the value of the Investment Return would have been on the Maturity Date had the Scheme Shareholder's (or Beneficial Shareholder's) relevant interest in the relevant Scheme Shares not been converted into an interest in a Structured Deposit in a Housa Account.

3.7 **Taxation**

3.7.1 Your attention is drawn to Part VI (*Taxation*) of this document. If you are in any doubt as to your tax position, you should consult an appropriately qualified independent professional tax advisor.

3.7.2 Please also see clause 10 of the Scheme in Part IV (*The Scheme of Arrangement*) as regards potential payments by CTC to those who suffer adverse tax consequences under the Scheme.

3.8 **Other relevant provisions**

Notwithstanding any provisions of the Housa Account Terms and Conditions which might otherwise have applied, among other things:

- The new Housa Accounts will be opened automatically. There will be no need for a Scheme Shareholder or Beneficial Shareholder to apply for a new Housa Account or to undergo verification checks in order to receive Structured Deposits in place of Scheme Shares. Similarly, there will be no funding period, as the Structured Deposit will be credited automatically at the Scheme Effective Time.
- The Scheme Document contains a fuller analysis of the manner in which clauses of the Housa Account are to be construed or interpreted in relation to Housa Accounts to which CTC has credited a Structured Deposit pursuant to the Scheme.

3.9 **What will happen to the new Housa Accounts following their respective maturity dates?**

3.9.1 Following the Scheme Effective Time, it will not be possible for a Scheme Shareholder or Beneficial Shareholder whom has had their relevant interest in the Scheme Shares converted into a Structured Deposit in a Housa Account (being, at that point, an Account Holder) to roll over their existing Housa Account into new Housa Account following the end of the term of their existing Housa Account. However, prior to the end of the term of their existing Housa Account, Account Holders will be able to provide instructions to CTC that at the end of the term:

3.9.1.1 all or part of their funds are to be rolled over into a Fixed Rate Account or an Easy Access Account; or

3.9.1.2 some or all of their funds are to be withdrawn. In this case, an amount equal to the principal balance which remains due but unpaid will be remitted to the Account Holders either by

transfer to a nominated account with another bank or by cheque in accordance with their instructions.

3.9.2 In the event that an Account Holder has provided no instructions to CTC by the Maturity Date, the amount of their funds together with any interest will be paid automatically into a Maturity Easy Access Account.

3.9.3 A Scheme Shareholder or Beneficial Shareholder may view a copy of the presently proposed terms and conditions for a Fixed Rate Account, an Easy Access Account or a Maturity Easy Access Account, and of the general terms and conditions which will apply to all of those types of account, by way of the following link: <https://www.castletrust.co.uk/scheme>. Please note these account terms may be subject to change over time.

3.9.4 CTC will also supply a copy of these terms and conditions to by post to any Scheme Shareholder or Beneficial Shareholder who so requests.

4 Information on PCC and the Cell

The Castle Trust Directors are Martin Gordon Cudlipp, Kenneth Rae and Mark Grenyer. The PCC and Cell share the same registered office at 28 Esplanade, St Helier, Jersey, JE2 3QA and have the same company secretary, being JTC (Jersey) Limited of 28 Esplanade, St Helier, Jersey, JE2 3QA.

5 Description of the Scheme and Court Meeting

5.1 The Scheme

5.1.1 The Scheme is being implemented by means of a court-sanctioned scheme of arrangement between the Scheme Companies and the Scheme Shareholders on the register of members or Beneficial Shareholders of the Scheme Shares of the Cell at the Scheme Effective Time, under Article 125 of the Companies Law. The procedure requires approval by Scheme Shareholders at the Court Meeting the satisfaction of the Conditions, as well as the sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (The Scheme of Arrangement) of this document.

5.1.2 The Scheme, as noted above, involves the redemption of the Scheme Shareholders' Scheme Shares in return for the Scheme Shareholders or Beneficial Shareholders (where relevant) receiving Structured Deposits in the Housa Accounts.

5.2 The Court Meeting

5.2.1 The Court Meeting has been convened at the direction of the Court as a telephone meeting (with a linked webcast) at 12:00pm London time on 21 May 2020 for Scheme Shareholders on the register of members as at the Voting Record Time to consider and, if thought fit, approve the Scheme.

5.2.2 At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person or by proxy, representing 75 per cent. or more of the voting rights held by such Scheme Shareholders.

- 5.2.3 Beneficial Shareholders should instruct the Nominee as to how they wish to vote in respect of the Scheme Shares that they beneficially hold at the Court Meeting.
- 5.2.4 A Beneficial Shareholder may instruct the Nominee by contacting telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk. Beneficial Shareholders must instruct the Nominee as to their votes by the Voting Record Time.
- 5.2.5 **It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair and reasonable representation of opinion of the Scheme Shareholders. You are therefore strongly advised to sign and return the Proxy Form or, alternatively, appoint a proxy electronically. The completion and return of the Proxy Form will not prevent you from attending, voting and speaking at either the Court Meeting, or any adjournment thereof, in person if you are entitled to do so.**

5.3 The Court Hearing

- 5.3.1 Under the Law, the Scheme requires the sanction of the Court. Subject to the prior satisfaction or waiver of the other Conditions set out in Part III (*Conditions of the Scheme*) of this document, the Court Hearing will be held on 5 June 2020 at the Royal Court of Jersey, Royal Court Building, Royal Square, St Helier, Jersey, JE1 1BA, Channel Islands. Scheme Shareholders are entitled to attend and be heard at the Court Hearing, should they wish to do so, in person or through counsel.
- 5.3.2 Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon the satisfaction of the last of the Conditions.
- 5.3.3 Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Effective Time, irrespective of whether or not they attended or voted in favor of, or against, the Scheme at the Court Meeting.
- 5.3.4 Following the Scheme becoming Effective, redemption of the Scheme Shares and their conversion into Structured Deposits in Housa Accounts (as well as all other ancillary matters in connection therewith) will only become effective (i.e. be put into place) at the Scheme Effective Time.

6 Entitlement to vote at the Court Meeting

- 6.1 Each Scheme Shareholder who is entered in the Cell's register of members at the Voting Record Time will be entitled to attend, speak and vote on all resolutions to be put to the Court Meeting. If the Court Meeting is adjourned, only those Scheme Shareholders on the register of members at close of business on the day which is two Business Days before the adjourned meeting will be entitled to attend, speak and vote. Each eligible Scheme Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Scheme Shareholder. Eligible Scheme Shareholders who return completed Proxy Form or appoint a proxy electronically on the Portal may still attend the Court Meeting instead of their proxies and vote in person, if they wish and are entitled to do so. If you are in any doubt as to whether or not you are permitted to vote at the Court Meeting, please contact Castle Trust via the details set out in the "Action to be Taken" section on pages 6-9 of this document.

- 6.2 Each Beneficial Shareholder is entitled to instruct CTCN (as nominee of their Scheme Shares) as to how they wish their Scheme Shares to vote at the Court Meeting. Beneficial Shareholders are also entitled to attend and speak (but not vote) at the Court Meeting if they so desire. Instructions to CTCN as to votes must be given by the Beneficial Shareholders by the Voting Record Time by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk. If a Beneficial Holder wishes to have legal title to the Scheme Shares transferred from CTCN to themselves (such that they will become a Scheme Shareholder), such Beneficial Holders must contact Castle Trust using the same details in the "Action to be Taken" on pages 6-9 of this document.

7 **Modifications to the Scheme**

- 7.1 The Scheme contains a provision for the Scheme Companies to consent on behalf of all persons concerned to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or impose a condition to the Scheme which might be material to the interests of the Scheme Shareholders unless the Scheme Shareholders were informed of such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

8 **Conditions to the Scheme**

- 8.1 The Scheme is conditional upon:

- 8.1.1 the approval of the Scheme by a majority in number representing not less than 75 per cent of the voting rights of the holders of the Scheme Shares present and entitled to vote and voting, either in person or by proxy, at the meeting convened by the Court;
- 8.1.2 the written special resolution of the Cell to approve and implement the Scheme, as set out in the Written Resolution (or any adjournment to it) being duly passed by the holders of the Founder Shares representing at least 2/3rds of the shares that would have been entitled to vote at an extraordinary general meeting of the Cell, and the PCC passing a special resolution in respect of the amendments to the articles of association of the Cell (to be proposed by the Written Resolution);
- 8.1.3 pursuant to the CIF Law, the JFSC funds authorisation team consents to the amendment of the Cell Articles;
- 8.1.4 written confirmation provided to the Court by the Castle Trust Directors that the Cell will be able to satisfy the requirements of Article 55 of the Companies Law in order to effect any redemption of the Scheme Shares at the Scheme Effective Time pursuant to the Scheme and that they as directors will take all necessary steps in order to effect the Scheme; and
- 8.1.5 the sanction of the Scheme (without modification, or with such modifications as are agreed by the Scheme Companies and the Court) by the Court.

9 **Delisting**

- 9.1 The last day of dealings in Scheme Shares on any listed exchange (TISE or MSE) is expected to be the Business Day prior to the Effective Date (anticipated to be 4 June 2020). Formal applications will be made on the Effective Date for the listings of all Scheme Shares

to be cancelled on TISE and MSE upon (or as soon as practicable before) the occurrence of the Scheme Effective Time.

- 9.2 Share certificates in respect of the Scheme Shares will cease to be valid from the Scheme Effective Time.

10 **Interest of the Boards in the Scheme**

- 10.1 As explained in this Explanatory Statement, the Scheme is being used to affect a restructuring of the Scheme Shares. No members of the board of directors of either Scheme Company hold any Scheme Shares or hold any rights against, or shares in, the Scheme Companies which will be affected by the Scheme, nor will they obtain any direct personal benefit from the Scheme or receive any part of the Scheme Consideration.

11 **Taxation**

- 11.1 Scheme Shareholders (and underlying Beneficial Shareholders) should read Part VI (*Taxation*) of this document which contains a general description of the tax consequences of the Scheme in the United Kingdom and Jersey. If they are in any doubt as to their tax position, they should contact their professional adviser immediately.
- 11.2 Scheme Shareholders (and underlying Beneficial Shareholders) who are or may be subject to tax outside the United Kingdom and Jersey, should consult an appropriately qualified independent professional adviser as to the tax consequences of the Scheme.

12 **Overseas Shareholders**

The release, publication or distribution of this document in or into, and the availability of the Scheme to persons who are residents, citizens or nationals of, certain jurisdictions other than the United Kingdom or Jersey or who are subject to the laws of any jurisdiction other than the United Kingdom or Jersey, should inform themselves of, and observe, any applicable legal and regulatory requirements in that jurisdiction. Any failure to comply with the restrictions may constitute a violation of the laws and/or regulations of any such jurisdiction. In particular, the ability of persons (being Scheme Shareholders) who are not resident in the United Kingdom or Jersey to vote Scheme Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Scheme disclaim any responsibility or liability for the violation of such restrictions by any person.

13 **Further Information**

- 13.1 The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the further information contained in this document, all of which forms part of this Explanatory Statement, and, in particular, to the Conditions set out in Part III (*Conditions of the Scheme*), and the additional information set out in Part VII (*Additional Information*) of this document.
- 13.2 Furthermore, given it will be CTC in whom the Structured Deposits and Housa Accounts will be held, your attention is drawn to the Financial Information of CTC in Part V (*Financial Information*) of this documents.

14 **Action to be Taken**

- 14.1 Your attention is drawn to the "Action to be Taken" section on pages 6-9 of this document, which explains the actions you should take in relation to the Scheme.

15 **Costs**

- 15.1 The Scheme Companies will pay, or procure the payment of, all of their own costs, charges, expenses and disbursements incurred in connection with the Scheme.

16 **Governing law and jurisdiction**

- 16.1 This Explanatory Statement is not a legally binding document. Its contents do not form part of the Scheme and are not intended to have any legal effect.
- 16.2 However, in the event that a Court should ever be called upon to interpret any of the contents of this Explanatory Statement, the provisions of clause 11.10 (*Governing law and jurisdiction*) of the Scheme Document will apply to this Explanatory Statement as if references to the Scheme were a reference to this Explanatory Statement.

Part III
CONDITIONS OF THE SCHEME

THE CONDITIONS

1. The Scheme will be conditional upon the Scheme becoming unconditional and becoming Effective on the Effective Date.
2. The Scheme will be conditional upon:
 - (a) the approval of the Scheme by a majority in number representing not less than 75 per cent of the voting rights of the holders of the Scheme Shares present and entitled to vote and voting, either in person or by proxy, at the meeting convened by the Court;
 - (b) the written special resolution of the Cell to approve and implement the Scheme, as set out in the Written Resolution (or any adjournment to it) being duly passed by the holders of the Founder Shares representing at least 2/3rds of the shares that would have been entitled to vote at an extraordinary general meeting of the Cell, and the PCC passing a special resolution in respect of the amendments to the articles of association of the Cell (to be proposed by the Written Resolution);
 - (c) pursuant to the CIF Law, the JFSC funds authorisation team consents to the amendment of the Cell Articles;
 - (d) written confirmation provided to the Court by the Castle Trust Directors that the Cell will be able to satisfy the requirements of Article 55 of the Companies Law in order to effect any redemption of the Scheme Shares at the Scheme Effective Time pursuant to the Scheme and that they as directors will take all necessary steps in order to effect the Scheme; and
 - (e) the sanction of the Scheme (without modification, or with such modifications as are agreed by the Scheme Companies and the Court) by the Court.

Part IV
THE SCHEME OF ARRANGEMENT

IN THE ROYAL COURT OF JERSEY
SAMEDI DIVISION

File No.2020/06

IN THE MATTER OF CASTLE TRUST PCC

-AND-

IN THE MATTER OF CASTLE TRUST GROWTH HOUSA PC

-AND-

IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991

SCHEME OF ARRANGEMENT
(under Article 125 of the Companies (Jersey) Law 1991)

between

CASTLE TRUST PCC

and

CASTLE TRUST GROWTH HOUSA PCC

and

THE HOLDERS OF THE SCHEME SHARES

(as defined below)

1. Definitions and Interpretation

1.1 Definitions

In the Scheme, unless the context requires otherwise:

Account Holder: a person who holds one or more Housa Accounts as a result of their interests in the Scheme Shares having been converted into interests in those Housa Accounts under the Scheme;

Applicable Final Terms: for any series of Scheme Shares, the set of Final Terms applicable to that series of Scheme Shares;

Banking Licence: permission to carry on the activity of accepting deposits pursuant to Part 4A of the UK Financial Services and Markets Act 2000;

Beneficial Shareholder: a Person who holds any relevant Scheme Shares beneficially via CTCN as nominee;

Business Day: any day (excluding any Saturday or Sunday or public or bank holiday) on which banks are generally open for banking business in London and Jersey;

Companies Law: the Companies (Jersey) Law 1991, as amended;

Conditions: means the conditions to the Scheme set out in Part III of the Scheme Document;

CTC: Castle Trust Capital plc, a company registered in England and Wales (registered number 07454474) whose registered office is at 10 Norwich Street, London EC4A 1BD;

CTC Guarantees: the guarantee obligations CTC has to the purchase a Scheme Shareholder's Scheme Shares, as is outlined in the relevant Applicable Final Terms;

CTCN: Castle Trust Capital Nominees Limited, a company registered in England and Wales (registered number 07801931) whose registered office is at 10 Norwich Street, London EC4A 1BD;

Compensation: has the meaning given to it in clause 10 (*Compensation for increased taxation*);

Court: the Royal Court of Jersey;

Court Meeting: the meeting of the Scheme Shareholders as at the Voting Record Time to be convened with the permission of the Court pursuant to Article 125 of the Companies Law;

Effective Date: the date upon which the last of the Conditions is satisfied (which in practice will be the sanctioning of the Scheme by the Court) and the delivery and registration of the Court Order to the Registrar of Companies;

Effective Time: 7.00 a.m. on the Effective Date;

Expert: has the meaning given to it in clause 7.2 (*Resolution by Expert*);

Explanatory Statement: the statement in compliance with Article 126 of the Companies Law;

FCA Handbook: the rules, guidance and glossary contained in the FCA handbook of rules and guidance, as amended or replaced from time to time;

Final Terms: the relevant terms and conditions that apply to the Scheme Shares (dependent on their type and the date of issue) listed in Part 3 of Appendix 2 (*Housa Share Documents*) to this Scheme;

Full Banking Licence: a Banking Licence which has no restriction on mobilisation attached to it;

Housa: Castle Trust Growth Housa PC, a cell of the PCC registered in Jersey with registered number 111371;

Housa Account: a bank deposit account held with CTC;

Housa Account Terms and Conditions: the Housa Account terms and conditions in the form set out at Appendix 1 (*The Housa Account Terms and Conditions*) to this Scheme;

Housa Share Documents: the documents listed in Appendix 2 (Housa Share Documents) to this Scheme;

Housa Share Terms and Conditions: the terms and conditions which together govern the Scheme Shareholders' interests in the Scheme Shares, and being, in the case of any given series of Scheme Shares as applicable, the Securities Notes, Summary Notes, Registration Documents, Supplemental Prospectuses and Applicable Final Terms;

Investment Return: has the meaning given to it in the Housa Share Terms and Conditions, specifically within the Applicable Final Terms;

Investment Value: means a principal amount equal to the Investment Return which a Scheme Shareholder (or Beneficial Shareholder, as the case may be) would have received had they redeemed their Scheme Shares on the Scheme Effective Time;

Liabilities: all present, future, actual or contingent liabilities, however, wherever and in whatever capacity and under whatever law or legal principle so arising (including in contract, debt, tort, restitution or by statute and in whatever jurisdiction), whether or not its amount is fixed or undetermined, whether sole or joint and whether or not it involves the payment of money or the performance of any other act or obligation whatsoever and whether known or unknown;

Maturity Date: has the meaning given to it in the Housa Share Terms and Conditions, specifically within the Applicable Final Terms;

MSE: the Malta Stock Exchange;

Nominee Agreements: the nominee agreements made by CTC by deed poll dated 24 September 2014 and the nominee agreement dated 1 May 2014 between CTCN, CTC and Castle Trust Capital Management Limited;

PCC: Castle Trust PCC, a protected cell company registered in Jersey with company number 108697;

Portal: a secure online facility made available to Scheme Shareholders on the Website;

Proceeding: any action, claim, process, legal or other proceeding including any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, set-off, combination of accounts, demand for cash collateral, demand for mandatory prepayment, execution, restraint, forfeiture, re-entry, seizure, lien, enforcement of judgment, giving of notice, acceleration of debt, enforcement of any security or enforcement of any documentary credit;

Registration Documents: means in respect of a series of Scheme Share, the underlying registration document of that series of Scheme Share listed in Part 1 of Appendix 2 (Housa Share Documents);

Scheme: this members' scheme of arrangement in respect of the Scheme Companies under Article 125 of the Companies Law in its present form or with or subject to any modifications,

additions or conditions that the Court may require or approve and that are consented to by the Scheme Companies;

Scheme Companies: PCC and the Housa;

Scheme Consideration: the Structured Deposits, the interests in Housa Accounts, the Compensation and all other rights conferred on the Scheme Shareholders under this Scheme;

Scheme Document: means this document and the circular to scheme shareholders and explanatory statement, as well as the notice of the Court Meeting, to which this document forms part;

Scheme Effective Time: the date which is 5 Business Days after the granting of the Full Banking Licence by CTC;

Scheme Share: the outstanding redeemable preference shares in the capital of Housa in issue at the date of the Scheme Document or, to the extent applicable, prior to or at the Scheme Effective Time;

Scheme Shareholder: a holder of Scheme Shares appearing on the register of members of Housa from time to time;

Securities Notes: in relation to any series of Scheme Shares, the applicable securities note to that series of Scheme Share listed at Part 4 of Appendix 2 (*Housa Share Documents*);

Structured Deposit: a structured deposit in a Housa Account (for which purposes the term “structured deposit” shall have the meaning given to it in the FCA Handbook);

Supplemental Prospectus: a supplemental prospectus as applying to the relevant series of Scheme Shares listed in Part 2 of Appendix 2 (*Housa Share Documents*);

Summary Notes: in relation to any series of Scheme Shares, the applicable summary note (and Termsheet) to that series of that Scheme Share listed at Part 4 of Appendix 2 (*Housa Share Documents*);

Termsheets: in relation to any series of Scheme Shares, the applicable term sheet setting out a summary of the terms of the issue of that Scheme Share listed at Part 4 of Appendix 2 (*Housa Share Documents*);

TISE: The International Stock Exchange;

UK Court: the High Court of Justice of England and Wales;

Voting: the exercise of a Scheme Shareholders' vote to approve or reject the Scheme at the Court Meeting and “Vote” shall be construed accordingly; and

Voting Record Date: the date which is two Business Days before the date of the Scheme Meeting or such later date as the Scheme Companies may determine (and which will be notified in writing by the Scheme Companies to the Scheme Shareholders);

Voting Record Time: 5.00 p.m. on the Voting Record Date;

Website: <https://www.castletrust.co.uk/scheme> ;

Written Resolution: the written special resolution of the holders of the Founder Shares amending the Cell Articles

1.2 Interpretation

In this Scheme, unless the context otherwise requires:

- 1.2.1 references to law include common or customary law, principles of equity and any constitution, code of practice, decree, judgment, decision, legislation, order, ordinance, regulation, by-law, statute, treaty or other legislative measure in any

jurisdiction or any present or future directive, regulation, guideline, request, rule or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive, regulation, guideline, request, rule or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- 1.2.2 references to any provision of any law or regulation are to be construed as referring to that provision as it may have been, or may from time to time be, amended or re-enacted, and as referring to all by-laws, instruments, orders and regulations for the time being made under or deriving validity from that provision;
- 1.2.3 a reference to any party or person shall be construed as including its and any subsequent successors in title, permitted transferees and permitted assigns, in each case in accordance with their respective interests;
- 1.2.4 references to rights include all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi-easements and appurtenances (in each case, of every kind, present and future, actual and contingent);
- 1.2.5 references to including mean including without limitation;
- 1.2.6 a defined term includes its other cognate forms;
- 1.2.7 references to indebtedness include any obligation or claim for the payment or repayment of money, whether present or future, actual or contingent;
- 1.2.8 unless otherwise stated, references to annexes, recitals, parts, schedules, clauses, appendices and paragraphs are references to the annexes, recitals, parts, schedules, clauses, appendices and paragraphs respectively of or to the Schemes;
- 1.2.9 references to a person include references to an individual, firm, partnership, company, corporation, other legal entity, unincorporated body of persons or any state or state agency;
- 1.2.10 references to an agreement, deed or document shall be construed also to refer to such agreement, deed or document as amended, supplemented, restated, varied, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant to it;
- 1.2.11 the singular includes the plural and vice versa and words importing one gender include the other gender;
- 1.2.12 headings to recitals, parts, appendices and clauses are for ease of reference only and shall not affect the interpretation of the Scheme;
- 1.2.13 to the extent that there is any conflict or inconsistency between the terms of the Scheme and the Explanatory Statement, the terms of the Scheme shall prevail;
- 1.2.14 references to the Scheme or its cognate forms means the Scheme, on the terms of this document;
- 1.2.15 if any obligation is to be performed under the terms of the Scheme on a date other

than a Business Day, the relevant obligation shall be performed on the next Business Day;

1.2.16 a reference to the Scheme is to the Scheme as modified with the consent, or by the order, of the Court; and

1.2.17 all references to time in the Scheme are to London time.

2. Application and effectiveness of the Scheme

2.1 The Scheme shall become effective on the Effective Time, subject to satisfaction of the Conditions.

2.2 The Scheme Companies will promptly notify the Scheme Shareholders and CTC that the Effective Time has occurred.

2.3 At and from the Effective Date, the Scheme Companies shall procure that application is made for the Scheme Shares to be delisted from TISE or the MSE upon (or as soon as practicable before) the occurrence of the Scheme Effective Time.

2.4 Following the Effective Time, clauses 3 to 11 (inclusive) of this Scheme will not become operative until the Scheme Effective Time.

3. Compromise and arrangement

3.1 Redemption Rights

At and from the Effective Date, the Scheme Shareholders agree to waive and forgo all rights of redemption they hold in respect of the Scheme Shares (notwithstanding Article 2.11.4 of the Cell Articles) and the Cell agrees to redeem the Scheme Shares in accordance with the terms of this Scheme (notwithstanding any rights or obligations in place under the Articles immediately prior to the passing of the Written Resolution in respect of redemption).

3.2 Housa Accounts

3.2.1 At and from the Scheme Effective Time for each series of Scheme Share in respect of which a Scheme Shareholder (other than CTCN) or a Beneficial Shareholder holds a relevant interest, CTC shall, upon notification by the Scheme Companies, open a corresponding Housa Account in the name of that Scheme Shareholder (other than CTCN) or Beneficial Shareholder.

3.2.2 In the event of a dispute as to the identity of a Scheme Shareholder (other than CTCN) or a Beneficial Shareholder who holds a relevant interest prior to the Scheme Effective Time, CTC shall, upon notification by the Scheme Companies, open a Housa Account in the name of such Scheme Shareholder or Beneficial Shareholder as is agreed by the Scheme Companies, or failing that determined by the Expert in accordance with clause 7 (*Disputes*), to have held that beneficial interest, if necessary in substitution for the account opened in accordance with clause 3.2.1.

3.3 Replacement of terms and conditions

At and from the Scheme Effective Time, subject to the remaining provisions of this clause 3 (*Compromise and Arrangement*):

3.3.1 the Housa Share Terms and Conditions shall be discharged and of no effect and shall no longer apply to the Scheme Shares;

- 3.3.2 the Scheme Shareholders (other than CTCN) and Beneficial Shareholders shall in place of the rights so discharged in respect under the Scheme Shares acquire under the Scheme rights against CTC under a banking contract governed by the Housa Account Terms and Conditions; and
- 3.3.3 each Scheme Shareholder (other than CTCN) and Beneficial Shareholder on the one hand and CTC on the other hand shall be bound by the Housa Account Terms and Conditions in relation to all matters concerning the Housa Accounts, and accordingly for these purposes references in the Housa Account Terms and Conditions to “you” shall be construed as references to the relevant Scheme Shareholder or Beneficial Shareholder and references in the Housa Account Terms and Conditions to “we or “us” shall be construed as references to CTC.

3.4 **Redemption of Shares**

At and from the Scheme Effective Time, subject to the remaining provisions of this clause 3 (*Compromise and Arrangement*), the Scheme Shares shall be (notwithstanding any provisions of the Cell Articles) redeemed by Housa.

3.5 **Conversion of Interests in Scheme Shares to Interests in Structured Deposits**

At and from the Scheme Effective Time, in consideration of the provisions of clause 3 and for the releases and waivers provided pursuant to clause 4.1 (*Release of each Scheme Company and their affiliates*):

- 3.5.1 CTC will, upon notification by the Scheme Companies, credit each Housa Account in the name of a Scheme Shareholder (other than CTCN) or, as appropriate, a Beneficial Shareholder:
- (a) with a Structured Deposit equal in amount to the total Investment Value of the corresponding series of Scheme Shares in respect of which that Scheme Shareholder or Beneficial Shareholder is shown as holding a relevant interest at the Scheme Effective Time; or
 - (b) in the event of a dispute as to the total Investment Value of the corresponding series of Scheme Shares in respect of which that Scheme Shareholder or Beneficial Shareholder holds a relevant interest, with a Structured Deposit equal in amount to such total Investment Value of the corresponding series of Scheme Shares in respect of which such Scheme Shareholder or Beneficial Shareholder is agreed by the Scheme Companies, or failing that determined by the Expert in accordance with clause 7 (*Disputes*), as having held a relevant interest at the Scheme Effective Time.

3.6 **Term**

At and from the Scheme Effective Time, the “term” (as that term is used in the Housa Account Terms and Conditions) for each Housa Account to which CTC has credited a Structured Deposit pursuant to clause 3.5 (*Conversion of Scheme Shares to Interests in Structured Deposits*) shall be the period of time commencing on the date on which the Scheme Shareholder (other than CTCN) or Beneficial Shareholder first became entitled to the relevant series of Scheme Shares and ending on the Maturity Date of that series of Scheme Shares prior to the Scheme Effective Time.

3.7 **Original T&Cs**

At and from the Scheme Effective Time, the “Ongoing T&Cs” (as that term is used in the Housa Account Terms and Conditions) for each Housa Account to which CTC has credited a Structured Deposit pursuant to clause 3.5 (*Conversion of interests in Scheme Shares to interests in Structured Deposits*) shall be the Applicable Final Terms applicable to the corresponding series of Scheme Shares prior to the Scheme Effective Time.

3.8 Value of the Structured Deposits

At and from the Scheme Effective Time, the value of each Structured Deposit will be calculated by the same formula as is currently used to calculate the Investment Return. The value of each Structured Deposit at the end of its term will accordingly be equal to the value which the Investment Return would have taken on the Maturity Date had the Scheme Shareholder's or Beneficial Shareholder's interest in the relevant Scheme Share not been converted into an interest in a Structured Deposit in a Housa Account.

4. Releases

4.1 Release of each Scheme Company and their affiliates

At and from the Scheme Effective Time, in consideration for the discharge of the Scheme Consideration under the Scheme and any other rights which may accrue under the Scheme, the Scheme provides that:

- 4.1.1 each Scheme Company and CTC and their respective directors, officers, employees and agents are released from any and all further Liability under the Housa Share Documents or otherwise in connection with the Scheme Shares;
- 4.1.2 a waiver for any and all claims which may lie against either Scheme Company and CTC and their respective directors, officers, employees and agents under the Housa Share Documents or otherwise in connection with the Scheme Shares is given to such persons;
- 4.1.3 CTCN is released in respect of any and all claims which may lie against CTCN specifically in respect of the Nominee Agreements, under which CTCN legally holds Scheme Shares on behalf of relevant Beneficial Shareholders;
- 4.1.4 a waiver for any and all claims in relation to the Scheme Shares against CTC is given and CTC is released from the CTC Guarantees;
- 4.1.5 without prejudice to the releases and waivers set out in clauses 4.1.1 and 4.1.2, release is given to the Scheme Companies from any and all further Liability, and any and all claims against the Scheme Companies are waived under the Housa Share Documents or otherwise in connection with the Scheme Shares; and
- 4.1.6 a waiver is irrevocably and unconditionally given and release is irrevocably and unconditionally given in respect of any rights which may subsist against the releases and waivers set out in clauses 4.1.1, 4.1.2, 4.1.3, 4.1.4 and 4.1.5 to the extent the same are or might be ineffective.

4.2 Release of each Scheme Shareholder

At and from the Scheme Effective Time, each Scheme Company:

- 4.2.1 releases each Scheme Shareholder from any and all further Liability under the Housa Share Documents or otherwise in connection with the Scheme Shares;

- 4.2.2 waives any and all claims they may have against any Scheme Shareholder under the Housa Share Documents or otherwise in connection with the Scheme Shares; and
- 4.2.3 irrevocably and unconditionally waives and releases any rights which may subsist against the releases and waivers set out in clauses 4.2.1 and 4.2.2 to the extent the same are or might be ineffective.

5. Persons bound

The compromise and arrangement effected by the Scheme shall apply to all Scheme Shares and shall be binding on all Scheme Shareholders, the Scheme Companies, CTC and CTCN, and, in each case, their respective successors and assigns.

6. Instructions, Authorisations and Directions

At and from the Scheme Effective Time, each Scheme Shareholder irrevocably instructs and authorises each of the Scheme Companies to execute any documents and to take all such other actions which are required to be executed to give effect to the Scheme.

6.1 Authority to disclose information

Each Scheme Shareholder irrevocably authorises, empowers and appoints CTCN to provide the Scheme Companies with the amounts of the Scheme Shares held by such Scheme Shareholder and details of the beneficial ownership of any Scheme Shares as stated in the books and records of CTCN. The Scheme Shareholders agree that the Scheme Companies shall use the information provided by CTCN from such books and records to calculate and determine:

- 6.1.1 the entitlement of each Scheme Shareholder to Vote; and
- 6.1.2 the value of the Scheme Consideration to be received by that Scheme Shareholder or, where relevant, a Beneficial Shareholder,

and that any such determination shall, in the absence of manifest error, be conclusive and binding on that Scheme Shareholder and the other parties to these Schemes.

6.2 Effect of maturity of Scheme Shares prior to the Scheme Effective Time

- 6.2.1 The fact that that a Scheme Shareholder's Scheme Shares may mature during the period between the Voting Record Time and the Scheme Effective Time as a result of that series of Scheme Shares having its Maturity Date shall not retrospectively affect the validity of any Vote cast by that Scheme Shareholder at the Court Meeting.
- 6.2.2 The Scheme Consideration to be received by any Scheme Shareholder or where relevant, any Beneficial Shareholder, shall, however, be calculated and determined by reference to the total value of that Scheme Shareholder's or Beneficial Shareholder's relevant interests as at the Scheme Effective Time in accordance with clause 3 (*Compromise and Arrangement*), not by reference to the value of that Scheme Shareholder's or Beneficial Shareholder's relevant interest in the Scheme Shares for the purposes of Voting as at the Voting Record Time.

7. Disputes

7.1 Disagreements regarding CTCN's records

If any Beneficial Shareholder disagrees with the records held by CTCN in respect of:

- 7.1.1 the total principal value of any series of Scheme Shares in respect of which that Beneficial Shareholder held a relevant interest at the Scheme Effective Time; and/or
- 7.1.2 the identity of the Beneficial Shareholder who was beneficially entitled to any series of Scheme Shares at the Scheme Effective Time.

that Beneficial Shareholder shall notify the Scheme Companies within 14 days of the Scheme Effective Date setting out the reasons why they disagree.

7.2 Resolution by Expert

In the event that a Beneficial Shareholder gives notice in accordance with clause 7.1 and the Beneficial Shareholder and the Scheme Companies fail to resolve any dispute within 28 days, then either the Scheme Companies or the Beneficial Shareholder may notify the other that they wish to refer the dispute to an Expert. The Scheme Companies shall accordingly then refer the dispute to the Expert as soon as the relevant Expert has been chosen in accordance with clause 7.3. The Expert's opinion shall be final and binding on the Scheme Companies and the Scheme Shareholders and the Beneficial Shareholders, subject to clause 7.5 (*Financial Ombudsman Service*), insofar as the law allows. The Expert shall act as an expert and not as an arbitrator. In so far as the law allows, there shall be no right of appeal from a decision of the Expert.

7.3 Choice of Expert

The Scheme Companies shall notify any relevant Scheme Shareholder and Beneficial Shareholder which is counterparty to the relevant dispute of its choice of Expert. If the counterparty notifies the Scheme Companies in writing that they object to the Expert selected by the Scheme Companies within five Business Days of such notice from the Scheme Companies, the counterparty and the Scheme Companies shall use reasonable efforts to agree upon an Expert. If the counterparty and the Scheme Companies do not agree upon an Expert within seven days of such notice of objection having been given by the counterparty (or if such notice of objection is not given within the period of five Business Days referred to above in this clause) the Scheme Companies choice of Expert shall be binding, in so far as the law allows.

7.4 Bar Date

Subject to clause 7.5 (*Financial Ombudsman Service*), a Beneficial Shareholder who fails to notify the Scheme Companies that they disagree with the records held by CTCN in respect of any of the matters stipulated in clause 7.1 within the 14-day period stipulated in that clause 7.1 shall have no further right to pursue any remedy against the Scheme Companies in respect of any matter stipulated in clause 7.1 save to the extent that the Scheme Companies, in their sole discretion, may agree otherwise.

7.5 Financial Ombudsman Service

Nothing in this clause 7 (*Disputes*) shall prevent a party from referring a complaint to the Financial Ombudsman Service in circumstances where that party has the right to do so.

8. Assignments and transfers

- 8.1.1 Notwithstanding any provision of the Housa Share Documents but subject to clause 8.1.2 below, no assignment or transfer of any beneficial entitlement to any Scheme Shares or of any other rights or obligations under or in respect of any of the Scheme Shares on after the Voting Record Time shall be recognised by the Scheme Companies for the purpose either of determining the entitlements of the Scheme

Shareholders to Vote in relation to the Scheme at the Court Meeting or of determining the entitlements of the Scheme Shareholders (other than CTCN) or Beneficial Shareholders to receive the Scheme Consideration.

- 8.1.2 Where the Scheme Companies have received from any person believed to be a Scheme Shareholder or Beneficial Shareholder notice in writing of an assignment or transfer of any beneficial entitlement they may have or hold in respect of any Scheme Shares or of any other rights or obligations under or in respect of any of the Scheme Shares after the Voting Record Time, the Scheme Companies may, in their sole discretion and subject to the production of such other evidence as the Scheme Companies may reasonably require, agree to recognise such assignment or transfer for the purpose of determining entitlements under the Scheme. It shall be a term of such recognition that the assignee or transferee of a Scheme Shares so recognised by the Scheme Company shall be bound by the terms of the Scheme.

9. Scheme Shareholder Undertakings

9.1 Each Scheme Shareholder:

- 9.1.1 irrevocably authorises, consents to, ratifies and confirms everything which the Scheme comprises and the Scheme Companies may lawfully do or cause to be done or purport to do pursuant to the authority conferred by clause 6 (*Instructions, Authorisations and Directions*);

9.1.2 irrevocably consents to:

- (a) the terms and conditions of, and compromise and arrangement effected by, the Scheme;
- (b) the discharge of the Scheme Consideration; and
- (c) the allocation of the Scheme Consideration and the matters necessary to implement such allocation in accordance with the terms of the Scheme.

- 9.2 To the extent permitted by law, no Scheme Shareholder or Beneficial Shareholder shall be entitled to challenge the validity of any act done or omitted to be done in good faith by the Scheme Companies in connection with its actions or omissions pursuant to the authority granted to it under clause 6 (*Instructions, Authorisations and Directions*) in accordance with the provisions of the Scheme or the exercise by the Scheme Companies or an Expert (or any of their respective authorised signatories, directors, officers, agents, employees and/or delegates) in good faith of any power conferred upon them for the purposes of the Schemes if exercised in accordance with the provisions of the Schemes.

- 9.3 Neither the Scheme Companies nor any Expert shall be liable for any cost, loss or Liability in connection with the Scheme, or their formulation, promotion or implementation unless such loss is attributable to the gross negligence, wilful misconduct, or fraud of the relevant Scheme Company or that Expert (or any of their respective authorised signatories, agents, employees and/or delegates). Neither the Scheme Companies nor any Expert shall be liable for any consequential loss or Liability incurred by any person in connection with the Scheme.

10. Compensation for Increased Taxation

- 10.1 For the avoidance of doubt, to the extent that a Scheme Shareholder holds its shares on behalf of a Beneficial Shareholder, the provisions of this clause 10 will also apply to that Beneficial Shareholder such that they may (via the Scheme Shareholder) notify CTC of any increased

taxation suffered as a result of the Scheme and CTC shall accordingly arrange to provide compensation (conditional upon 10.4, below) to that Beneficial Shareholder.

- 10.2 CTC will, upon notification by the Scheme Companies, advance to any Scheme Shareholder an amount equal to any capital gains tax liability of that Scheme Shareholder that, as a result of the Scheme, arises in respect of the disposal of any Scheme Share in an earlier tax year than would otherwise be the case and is payable before the relevant Maturity Date. Any such advance will be repayable on the Maturity Date.
- 10.3 CTC will, upon notification by the Scheme Companies, compensate any Scheme Shareholder who is subject to increased tax in respect of their Scheme Shares and Housa Accounts than they would have been liable to pay on their return on any Scheme Shares had the Scheme not been implemented.
- 10.4 The obligations on CTC in clause 10.2 and 10.3 are conditional on receipt by CTC of reasonably satisfactory evidence that the tax liability in question has arisen.
- 10.5 CTC may, at its option, set off the repayment to it of any amounts advanced to any Scheme Shareholder under clause 10.2 against any amount standing to the credit of that Scheme Shareholder's Housa Account or any compensation amount which is due to that Scheme Shareholder under clause 10.3.

11. General Scheme Provisions

11.1 Costs

The Scheme Companies shall pay, or procure the payment of, the costs, charges, expenses and disbursements incurred by them in connection with the Scheme, including the costs, charges, expenses and disbursements of any Expert.

11.2 Modifications of the Scheme

The Scheme Companies may consent on behalf of all concerned to the modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Where the Scheme Companies make any such modification, they will promptly publish details of that modification on the Website.

11.3 Prohibition on Proceedings

11.3.1 Subject to clause 11.3.2 below, no Scheme Shareholder or Beneficial Shareholder may commence, support any person commencing, or instruct any person to commence or take any Proceeding against either Scheme Company or any of their respective directors, officers or advisors in respect of or arising from or relating to the terms of the Housa Share Documents or the formulation, promotion or implementation of the Scheme.

11.3.2 A Scheme Shareholder or Beneficial Shareholder may take Proceedings against a Scheme Company to enforce its rights under the Scheme provided that:

- (a) such Proceedings do not relate to a dispute regarding any of the matters outlined in clause 7.1 (*Disagreements regarding CTCN's records*); or
- (b) (so far as such Proceedings relate to the Scheme) such Scheme Shareholder or Beneficial Shareholder provides ten Business Days' notice of its intention to commence such Proceedings to the Scheme Companies.

11.3.3 Each Scheme Shareholder or Beneficial Shareholder will hold on trust for the benefit of the Scheme Company or (as applicable) its directors, officers or advisers any recovery made pursuant to any Proceeding in breach of this clause 11.3 and will turn over any such recovery forthwith upon demand being made by the relevant Scheme Company without set-off, counterclaim or deduction. To the extent that the asset comprising the recovery cannot be held on trust by the Scheme Shareholder, the Scheme Shareholder or Beneficial Shareholder shall pay to the Scheme Company an amount equal to that recovery immediately upon demand being made by the Scheme Company without set-off, counterclaim or deduction, to be held on trust by the Scheme Company for the person(s) entitled to it.

11.3.4 Nothing in this clause 11.3 shall restrict the ability of a Scheme Shareholder or Beneficial Shareholder, in their new capacity as an Account Holder following the Effective Date, from taking Proceedings against CTC and the Scheme Companies where they consider that CTC has failed to comply with its ongoing obligations under the Housa Account Terms and Conditions.

11.4 **Obligations on days other than a Business Day**

If any obligation is to be performed under the terms of the Scheme on a day other than a Business Day, the relevant obligation shall be performed on the next Business Day.

11.5 **Notices**

11.5.1 Any notice or other written communication to be given under or in relation to the Schemes shall be given in writing and shall be deemed to have been duly given if:

- (a) it is delivered by hand or sent by post, and by airmail where it is addressed to a different country from that in which it is posted, to:
 - (i) in the case of the Scheme Companies, to PO Box 6965, Basingstoke RG24 4XE, and marked "For the attention of the Scheme Administrator";
 - (ii) in the case of CTC to PO Box 6965, Basingstoke RG24 4XE, and marked "For the attention of the Scheme Administrator"; and
 - (iii) in the case of a Scheme Shareholder (other than CTCN) or Beneficial Shareholder, its last known address according to the records maintained by CTCN.

11.5.2 Any notice or other written communication to be given under the Scheme shall be deemed to have been served:

- (a) if delivered by hand, on the first Business Day following delivery; and
- (b) if sent by post, on the second Business Day after posting if the recipient is in the country of dispatch, otherwise on the seventh Business Day after posting.

11.5.3 Any communication to be made under or in connection with the Scheme, may be made by electronic mail or other electronic means, if the Scheme Shareholders or Beneficial Shareholders or the Scheme Companies make such communication:

- (a) in the case of the Scheme Companies, to scheme@castletrust.co.uk or to such replacement electronic mail address as may be supplied by the Scheme

Companies (or either of them) to the Scheme Shareholders or Beneficial Shareholders in order to receive electronic mail correspondence in connection with the Scheme; and

- (b) in the case of a Scheme Shareholder or Beneficial Shareholder, to such electronic mail address as has most recently been notified by that Scheme Shareholder or Beneficial Shareholder to the Scheme Companies in order to receive electronic mail correspondence more generally in connection with the Scheme Shares and/or Housa Accounts.

11.5.4 Any electronic communication made in respect of the Scheme will be effective only when actually received in readable form.

11.5.5 In proving service, it shall be sufficient proof, in the case of a notice sent by post, that the envelope was properly stamped, addressed and placed in the post.

11.5.6 The accidental omission to send any notice, written communication or other document in accordance with this clause 11.5 or the non-receipt of any such notice by any Scheme Shareholder, shall not affect the provisions of the Schemes.

11.6 Severability

If any provision of the Scheme is or at any time becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity nor enforceability in such jurisdiction of any other provision of the Scheme, nor the legality, validity or enforceability under the laws of any other jurisdiction of any provision of the Scheme, shall be affected or impaired.

11.7 Delegation

11.7.1 The Scheme Companies may perform their rights, powers, duties, discretions and/or obligations, through such one or more authorised signatories, acting jointly or severally, as they may appoint from time to time.

11.7.2 The Scheme Companies may also delegate their rights, powers, duties, discretions and/or obligations (including the execution and delivery of any document or instrument) to any person they deem appropriate, in their sole discretion.

11.8 Future liquidations or dissolution

The Schemes shall be unaffected by any liquidation, dissolution or similar process in its jurisdiction of incorporation of either Scheme Company after the Scheme Effective Time and shall, in those circumstances, continue according to its terms.

11.9 Further Directions

In the event that CTC is not granted a Banking Licence within 60 days of the Effective Date, or the redemption of the Scheme Shares as provided by the Scheme cannot legally proceed under the Companies Law, the Scheme Companies will seek the direction of the Court on how to proceed.

11.10 Governing law and jurisdiction

11.10.1 This Scheme is governed by Jersey law and is subject to the exclusive jurisdiction of the Court.

11.10.2 Subject to the provisions of clause 7 (*Disputes*) and clause 11.3 (*Prohibition on Proceedings*), the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding (including any Proceeding which is permitted by the terms of the Scheme) and to settle any dispute which may arise out of or in connection with any provision of the Schemes or their implementation, or out of any action taken or omitted to be taken under the Schemes or their administration or any non-contractual obligations arising out of or in connection with the Scheme.

9 April 2020

APPENDIX 1

The Housa Account Terms and Conditions

Housa Terms & Conditions

Terms and conditions-effective from [•] 2020

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1. Introduction

- 1.1 This document contains the terms and conditions (the “**Housa Terms and Conditions**”) applicable to our **Converted Income Housa and Converted Growth Housa** (each a “**Product**” and together the “**Products**”).
- 1.2 Separate terms apply to Converted Income Housa and Converted Growth Housa. If any term of this agreement is found to be unenforceable, this will not affect the validity of any others.
- 1.3 Please read the Housa Terms and Conditions carefully. If you want to refer to them in future, you can access them on our website at www.castletrustbank.co.uk, via online banking, on our mobile banking app, by telephone on 0808 164 5000 or by post at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.
- 1.4 We will deal with you solely on an execution only basis which means that we do not provide any advice to you in relation to your Maturity Instructions or the reinvestment instructions for any of the Products. By accepting your Maturity Instructions for any of the Products, we are not confirming that the Product you have selected is suitable for you. If you are in any doubt about any of our Products and their suitability to you, please speak to your financial adviser.
- 1.5 The formula used to calculate the amount payable at maturity or at Early Encashment replicate the formula that would have been used to calculate the equivalent payable amount had the Products not been converted, therefore the amount you will be paid upon maturity or upon Early Encashment of your Products will be equivalent to the amount you would have been paid upon maturity or Early Encashment had the Products not been converted.
- 1.6 In this agreement:
 - (a) “Business Day” means Monday to Friday excluding English Bank Holidays;
 - (b) “Cancellation Event” means a customer instruction which would result in us breaching a law, regulation or sanction;
 - (c) “Converted Growth Housa” means the Income Housa as converted to interests in structured deposits held in bank accounts with Castle Trust following the scheme of arrangement;
 - (d) “Converted Income Housa” means the Growth Housa as converted to interests in structured deposits held in bank accounts with Castle Trust following the scheme of arrangement;
 - (e) “Converted Products” means any of the Income Housa and Growth Housa converted into Converted Income Housa and Converted Growth Housa following the scheme of arrangement;
 - (f) “Early Encashment” means an accepted request from a customer upon which a customer is allowed to withdraw funds from a Product before the end of the term;
 - (g) “Growth Housa” means any Maturity Growth and Foundation Loan Note Product held by Castle Trust customers prior to the scheme of arrangement;
 - (h) “Income Housa” means any Quarterly Loan Note held by Castle Trust customers prior to the scheme of arrangement;
 - (i) “Index Adjustment Event” means any event, as defined or described in the Original T&Cs, upon which the interest rate would be changed in accordance with the terms of your Original T&Cs;
 - (j) “Housa ISA Products” means any ISA variations offered for Growth Housa and Income Housa;
 - (k) “Maturity Accounts” means any Easy Access Maturity Account and Easy Access Maturity ISA;
 - (l) “Nominated Account” means a UK based current account, held in the name of one or both of the applicants, that will be used as the receiving account for any withdrawals from your Castle Trust Bank account;
 - (m) “Original T&Cs” means the individual set of terms and conditions contained within the base prospectus, any supplemental prospectuses and the set of indicative terms and conditions relevant to your Product at the time of your application;
 - (n) “Privacy Policy” means the form of Castle Trust Bank Privacy Policy active at the date of the Housa Terms and Conditions;
 - (o) “Self Service Portal” means the self-service platform accessed via the Castle Trust mobile app and the Castle Trust Bank website;

(p) "we", "our" and "us" means Castle Trust Bank; and

(q) "you" and "your" means our customer.

2. Confidentiality and Data Protection

Privacy

- 2.1 Your privacy is important to us and the information you give us is treated confidentially, in line with data protection laws.
- 2.2 Where necessary, and to help us improve our Products or service delivery, we may share your information with parties outside of Castle Trust Bank. Our Privacy Policy explains how we obtain and use and keep your information safe. We'll provide you with a copy of the Privacy Policy when you open your Product, or you may find it on our website at www.castletrustbank.co.uk.

How to contact us

- 2.3 Our Customer Services team is available Monday to Friday 9am to 5pm. You can contact us in the following ways:
- a) Online via the Self Service Portal;
 - b) Email us at savings@castletrustbank.co.uk;
 - c) Phone us on 0808 164 5000; and
 - d) Send a letter to: Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.

How we'll contact you

- 2.4 Where possible, we'll contact you in line with your communication preference. Communication can be via post, email, secure message, messaging within the app, push notifications, SMS, or over the telephone.
- 2.5 We will only send you each text or email once. If you delete a text or email, we cannot send it again. We cannot guarantee that all letters, text messages and emails sent as part of our service will be received in a timely manner (or in exceptional circumstances at all) due to factors outside of our control.
- 2.6 You should inform us as soon as possible if any of your contact details change.
- 2.7 All the information we give you and all communications from us will be in English. We'll only accept communications and instructions from you in English.

3. Product basics

Availability of Products

- 3.1 All of our Products are subject to availability and, from time to time, we may be unable to offer you a specific Product.
- 3.2 We are not accepting further applications for the Products.

Paying from your Product

- 3.3 If we have reason to believe a payment from your Product might break any law, regulation or sanction we reserve the right to accept or reject the payment or delay processing the payment until further Verification Checks are satisfied.

Statements

- 3.4 We'll provide statements annually on the anniversary of the conversion of your Product and in accordance with the terms set out in your Original T&Cs. You can also request a statement at any time - just call us on 0808 164 5000, Monday to Friday 9 am to 5 pm, or contact us by post at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE - or download a statement online.

How do I manage my Product?

- 3.5 You can manage your Product in a number of ways:
- Online via the Self Service Portal;
 - By phone, calling us on 0808 164 5000, Monday to Friday 9 am to 5 pm;

- By secure message through your online account;
- By sending an email to us at savings@castletrustbank.co.uk; and
- By post, sending a letter to Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.

3.6 If you get in touch via email, we may contact you to confirm your instruction your is genuine.

Closing your Product

3.7 You can close your Product at any time, without incurring any fees.

3.8 If you decide to close your Product, we will calculate the amount due to you. The balance of funds will be transferred to your **Nominated Account** or another easy access account you own except in the following circumstances:

3.8.1 If there is no valid **Nominated Account** or **Easy Access Savings Account**, then funds will be returned by cheque addressed to the Product holder or Product holders.

3.9 For full details on when and how you can close your Product, please refer to the Product specific guidelines.

When we can close your Product

3.10 We reserve the right to close your Product immediately and without notice, if you:

- have given us false or misleading information;
- have used (or could be using) the Product for an illegal purpose, or allowed someone else to do this; or
- instruct us to do something that would cause us to break any law, regulation or sanction or that would result in a **Cancellation Event**.

3.11 Upon the occurrence of a **Cancellation Event**, we may not return the funds in your Product, or in the event that we do return the funds in your Product, the payment may not include interest.

Can I withdraw my money?

3.12 Withdrawals from your Product are permitted at any time.

How long is my Product fixed for?

3.13 Your Product is fixed for a specific length of time ("the term"), determined by the product you applied for. The term applicable to your Product is set out in your Original T&Cs .

What is the interest rate?

3.14 The interest rate on your Product is fixed for the term of the product, determined by the product you applied for. The interest rate for your Product is set out in your Original T&Cs.

How is interest calculated?

3.15 Interest is calculated in accordance with the terms set out in your Original T&Cs.

Can Castle Trust Bank change the interest rate?

3.16 Castle Trust Bank cannot change the interest rate on our Products, however Index Adjustment Events are applicable to the Products in accordance with the relevant terms set out in your Original T&Cs.

When will interest be paid?

3.17 The frequency of interest payment on your Product is determined by the Product you applied for. Please refer to your Original T&Cs for further details.

What happens at maturity?

3.18 Before your Product reaches maturity, you'll need to provide us with your maturity instructions. You don't need to do anything until we get in touch with you, which will be about a month before your Product matures.

3.19 You can provide us with your maturity instructions:

- Online via the Self Service Portal;
- By phone, calling us on 0808 164 5000, Monday to Friday 9 am to 5 pm;

- Sending us a secure message through your online account;
- By post, sending a letter to Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.

3.20 There are a number of options available to you at maturity:

- Payment of the amounts due to you in accordance with the terms set out in your Original T&Cs;
- Roll all of the funds into a new **Fixed Rate Account**;
- Roll part of the funds into a new **Fixed Rate Account**;
- Withdraw all of the funds by bank transfer to your **Nominated Account** or an **Easy Access Account**;
- Withdraw part of the funds by bank transfer to your **Nominated Account** or an **Easy Access Account**, with the balance rolled into a new **Fixed Rate Account**.

3.21 If we do not receive your instructions before your Product matures, your Product will automatically convert to a **Maturity Easy Access Account**. This Product has a different set of terms and conditions and a different interest rate, which is typically lower than the **Fixed Rate Account**. We will write to you with a copy of the terms and conditions if this happens.

ISA Specific Features

The terms and conditions in this section are only applicable to the **Housa ISA Products** and are additional to the terms and conditions above.

Is my Product eligible for ISA status?

3.22 **Housa ISA Products** are eligible for Cash ISA status, subject to certain requirements being met:

- ISAs must be held in a sole name;
- The product-holder must be resident in the UK for tax purposes; and
- You can only open one Cash ISA per tax year.

What is the tax treatment of my ISA?

3.23 **Housa ISA Products** are subject to HMRC ISA rules. HMRC may change these rules each tax year.

3.24 Castle Trust Bank is the ISA Plan Manager and **Housa ISA Products** will be managed in accordance with the ISA Plan Manager rules.

3.25 In the event that we are notified by HMRC to complete an 'ISA Repair' or 'Void' on your Product, if we cannot move your funds into an equivalent non-ISA Product we will contact you to discuss the options available.

3.26 We will report ISA subscriptions made into a Castle Trust Bank product to HMRC on an annual basis.

Can I transfer my ISA to another ISA provider?

3.27 If you wish to transfer your ISA to another provider, you must first contact the other ISA provider who will advise you of their requirements. They will then contact us to initiate the transfer which we will complete within 5 **Business Days** once a valid transfer instruction is received. We will not be able to 'cancel' a transfer once it is underway and care should be taken to ensure the instructions are accurate and correct at the time of submission.

3.28 You are permitted to transfer your ISA to another provider at any time.

3.29 We will only be liable for delays to transfer instructions that are caused by our own negligence or by our own breach of contract. We cannot be responsible for any delays arising through the actions or inactions of you or the other ISA provider.

Can I make withdrawals from or close my ISA?

3.30 You may make withdrawals from your ISA at any time.

3.31 You may close your ISA at any time. You should be aware that closing your ISA Product may impact its tax-free status. Your Product cannot be reinstated once it is closed and care should be taken to ensure the closure instruction is appropriate for your circumstances.

What happens to my ISA if I die?

3.32 Your ISA will end when:

- 3.32.1 your executor closes it; or
- 3.32.2 the administration of your estate is complete.

Please refer to section Death of the General Terms and Conditions for further details regarding the treatment of your Product in the event of your death.

4. Accountability

- 4.1 We are not liable for any payment from the Product, or for access to the Product, if this is because you:
- have acted fraudulently;
 - have told anyone your password or other security information; or
 - have deliberately or with gross negligence failed to keep your password or other security information secret.
- 4.2 After you have told us that your security details are no longer secure, you are not responsible for any loss, unless you have acted fraudulently.
- 4.3 We do not accept liability for any scenario where the value of your Product could have been increased, or where the value of your Product was reduced unless this was as a result of gross negligence, deliberate breach of our obligations or fraud by us.
- 4.4 We are also not liable for loss that was caused by abnormal or unforeseen circumstances that we couldn't reasonably control.
- 4.5 We are not liable for acting upon any instructions which are forged or fraudulent and shall be entitled to assume that all signatures are genuine. If in any case we agree to accept instructions by telephone or electronic means, we may assume the identity of the caller is genuine, having taken reasonable steps to identify them, unless it shall be obvious that he or she was not a genuine caller or sender.
- 4.6 If we cannot provide our service due to circumstances beyond our reasonable control, we will, where possible, take such reasonable steps as we can to bring those circumstances to an end. We shall not be liable for any losses or expenses suffered by you as a result of such circumstances or as a result of a delay or failure in the provision of our services caused by such circumstances.

Records of instructions we've received

- 4.7 We keep written records of all the instructions received from you and record all the telephone communications.
- 4.8 In case of a dispute or a complaint, unless there's an obvious error, our own records of what you've asked us to do are conclusive.

Tax status

- 4.9 We currently report to HMRC.
- 4.10 In order to enable us to report to the relevant tax authorities we may need to disclose your personal information.
- 4.11 It is your responsibility to tell us if you are required to pay tax or report to tax authorities in other countries. If your circumstances change and impact your tax status please let us know straight away.

5. Transferring the agreement and waiving our rights

When the agreement may be transferred

- 5.1 We can transfer any of our rights and duties under this agreement to another person. We may also arrange for any other person to carry out our rights or duties under this agreement. This will not affect your rights under this agreement or your legal rights.
- 5.2 In the event that we transfer our rights or duties, you may read these Housa Terms and Conditions such that any reference to "we", "us" or "Castle Trust Bank" in this agreement, to also mean the party / parties we have transferred our rights or duties to.
- 5.3 You may not transfer or charge the benefit of this agreement to anyone else.

Waiving our rights

- 5.4 In the event that you do not operate your Product within the agreed terms and conditions, we may pursue the recovery of any losses arising from your actions. Even if we decide not to take action at the time, we reserve the right to take action at any point in the future.

6. Notices, communications, change of details

- 6.1 You should send any notices (including cancellation notices) requests for information or instructions for us to the address below, quoting your full name and your Product number in all correspondence with us:
- 6.2 **Castle Trust Bank,**
PO Box 6965,
Basingstoke,
RG24 4XE
Tel: (Freephone) 0808 164 5000
(Monday-Friday, 9am-5pm)
- 6.3 Once you have registered with our Self Service Portal, you can also contact us via the portal's secure messaging service.
- 6.4 For your protection and to help us improve our service we may record and monitor phone calls.
- 6.5 We will send any notices or other correspondence to the address you have given in your application or to a new permanent residential address provided you have notified us of the change. You should notify us of any change of name or address as soon as possible, providing us with appropriate supporting documentation, e.g. in the case of a change of name, the deed poll or marriage certificate.
- 6.6 All communications sent to you by us will be treated as received by you two **Business Days** after posting.
- 6.7 Any documents or cheques sent to you by us and any documents or cheques sent by you to us will be sent at your own risk and we accept no liability prior to receipt of any document or cheque or after despatch of any document or cheque to you.
- 6.8 We will not send you any documents if their distribution may be prohibited by any applicable law.

7. If things go wrong

If you have a complaint

- 7.1 Call us on 0808 164 5000, Monday to Friday 9 am to 5 pm, if something's concerning you or to make a complaint and we'll do our best to put things right. Our complaints procedure can be found on our website at www.castletrustbank.co.uk.
- 7.2 In order to make a complaint, you can also reach us by sending us a secure message via the Self Service Portal, emailing us at savings@castletrustbank.co.uk or writing to us at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.
- 7.3 If you have a complaint and aren't satisfied with how we deal with it or it's been over 8 weeks since you raised it, you can refer your complaint to the Financial Ombudsman Service. There are details of how to do this at **www.financial-ombudsman.org.uk** but we'll also give you these details at the time.

Our supervisory authority

- 7.4 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 541910.

Compensation scheme

- 7.5 Your Product is protected by the Financial Services Compensation Scheme (FSCS). The current FSCS limit (£85,000) relates to the combined amount in all of your Products with Castle Trust Bank, including your share of any joint Product, and not to each separate Product.
- 7.6 You can find out more about how the scheme works, and how much of your savings this covers in the FSCS information sheet in your welcome pack, or by visiting **www.fscs.org.uk**.

8. Online and Mobile Banking

- 8.1 With online banking and mobile banking, you can access information about your Product, give us instructions, set up alerts and use other functionality that we make available from time to time.
- 8.2 We will provide or ask you to set security details for access to online banking and mobile banking. These could include a password, security code or memorable information. We may change these requirements at any time.
- 8.3 If you are a joint Product holder, each person named on the Product can register for online banking and mobile banking. Each joint Product holder will have separate security details to access and use the service.
- 8.4 You can access online banking by logging on at our website www.castletrustbank.co.uk.
- 8.5 You can access mobile banking using the mobile app (available on Android and iOS).
- 8.6 Between the hours of 00:00 and 07:00 am the Self Service Portal will show the status and balance of your account as of 00:00. During that time, you will not be able to make amendments to your accounts, add or withdraw your funds, transfer money, change details or open additional accounts.

9. The mobile banking app end user licence agreement

- 9.1 You use the mobile banking app under licence from us on the terms set out below. This licence is non-transferable, non-assignable and non-exclusive.
- 9.2 You are not permitted, and will not be able to, download, install or use the mobile app on a device which has been jail-broken, rooted or which has had its security settings compromised in any other way. Jail-broken or rooted means that the device has deliberately had its security settings changed, making it less secure and more vulnerable to fraudulent attacks. If we detect that your device has been jail-broken, rooted or had its security settings compromised in any other way we shall be entitled to prevent you from using the mobile banking app.
- 9.3 In using the app, you must:
 - a) use the app only on a device that you own or control and only to access the mobile banking service;
 - b) not sub-licence, assign or claim to exercise any rights in relation to the app;
 - c) not copy or reverse engineer, amend, alter or adapt any part of the app, and
 - d) accept the terms of this licence without making any amendment to them.
- 9.4 The licence commences when you first install the mobile app and will continue until you stop using mobile banking. If you stop using mobile banking, you should delete the mobile app from your devices. By using the app, you will be deemed to accept the terms of this licence.
- 9.5 Any updates to the mobile app will be made available through the Apple app store and Google Play or other application stores the mobile app is available from. We will not be responsible for providing updates to you in any other way.
- 9.6 We are solely responsible for the mobile app and should you wish to raise any complaint concerning the operation of the mobile app, you should contact us rather than the relevant app store.
- 9.7 If a third-party claims that the mobile app or your use of it infringes their rights, you will give us any reasonable assistance we require to investigate and defend that claim.
- 9.8 By using the mobile app, you confirm that you are not located in a country which is subject to any embargo by the United States of America ("the US"), is considered a terrorist-supporting country by the US and you are not prohibited from accessing the app as a result of being listed on any US Government restricted parties lists.
- 9.9 You understand that by using the mobile app the authorised app providers and their subsidiaries are third party beneficiaries of the licence and may enforce the licence in this capacity.

10. Access to Online and Mobile Banking

- 10.1 We may make changes to the way that the services are accessed at any time. We will tell you about such changes by either placing a message on our website, via your mobile device, or by text, email or by post.
- 10.2 You are responsible for maintaining your computer or mobile device, for ensuring that it is compatible with the particular service and for downloading the latest version of the app.
- 10.3 Occasionally, we may need to carry out maintenance that could limit the availability of the services. As far as is possible, we will provide you with advance notice of any scheduled maintenance. While we will limit service downtime, we do not accept liability for any losses arising from the services being unavailable.
- 10.4 We shall use reasonable endeavours to keep the services free from viruses and corrupt files but cannot guarantee this. You should ensure that you have appropriate anti-virus software installed on any computer or mobile devices that you use to access the services. We shall not be liable for any loss or damage you suffer if your device is infected by a virus or corrupt file unless such loss or damage is the direct result of our negligence or deliberate default.

11. One Time Passcodes

- 11.1 In order to access many aspects of the services you will need to register your mobile phone number and email address to receive one-time passcodes (“**OTP**”) that we will send to your phone or email address. You will need to input this code to verify and complete certain transactions.
- 11.2 You must take all reasonable precautions to prevent anyone else from accessing the passcode and must never disclose it to anyone, even if they claim to be our employees or agents or the police. We will never ask you to disclose your OTP.

12. Security

- 12.1 You must take reasonable security precautions to keep your Product safe when using mobile banking or online banking, including:
 - a) not choosing a PIN or other security details which may be easy to guess, such as your date of birth;
 - b) memorising security details or writing them down only in a way that cannot be understood by others (you should not store them on your device);
 - c) only providing security details to us when asked through mobile banking or online banking (we will ask for details if you call us but will never ask for them over email);
 - d) only responding to an email if you are confident it came from us (we will address emails to you personally and quote your postcode or last four digits of the Product number to identify ourselves);
 - e) only accessing our mobile banking or online banking service via our website or app (you should never go to our online banking service from a link in an email and enter your security details);
 - f) ensuring any information shown or stored on your device is kept secure, that the device is locked when you are not using it and that you log out when exiting the service;
 - g) protecting your device with up-to-date anti-virus and firewall software; and
 - h) not accessing your Product from a device using public Wi-Fi.
- 12.2 Our digital services may use your location data or information about your device in order to prevent and detect fraud. For example, we may check if you are in the country where your payments are being made in instances where we suspect fraud on your Product. We will not use this information for any other purpose.
- 12.3 Further details on keeping your Products safe can be found on our website and at www.getsafeonline.org (<http://www.getsafeonline.org>). You must follow any other the guidance we give you about keeping your security details and mobile device or computer secure.
- 12.4 If you receive a suspicious email please do not open it or click on any links contained within it, instead report this immediately by forwarding the email to savings@castletrust.co.uk.
- 12.5 You must contact us immediately if:
 - 12.5.1 you believe someone else knows your security details or think they have been misused;

- 12.5.2 you change your phone number;
- 12.5.3 your phone is lost or stolen; or
- 12.5.4 you have received a text or email confirming a change to your Product and you have not asked to change your details.

12.6 If you don't follow these procedures, we may withdraw or suspend your ability to access online banking or mobile banking until we are satisfied that your Product is secure.

13. Using the service abroad

13.1 Online banking and mobile banking services use a high level of encryption, which may be illegal in some countries outside of the UK. You should not access the services from countries where this is not permitted by local law. We shall not be liable for any loss, damage or other outcome suffered by you as a result of you breaking any local law by using the services from outside the UK.

14. Termination and suspension of services

- 14.1 You can cancel your online banking and mobile banking service at any time by calling us or writing to us at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.
- 14.2 If you cancel online banking, you will not be able to access any online-only Products and you will no longer be able to use mobile banking.
- 14.3 You can end your use of mobile banking at any time by deleting the app from your device.
- 14.4 We may terminate your use of any of the services at any time by giving you at least two months' written notice (including email or text alerts). We may also terminate or suspend your use of the services if we terminate or suspend your use of your Products in accordance with the Product terms.

15. Death

- 15.1 In the event of Castle Trust being notified of death of an Product-holder, we commit to dealing with the situation in a compassionate and understanding manner.
- 15.2 When notified of a death associated to a Product we will ask the notifier to provide legal documents a) evidencing the death, and b) confirming the authority of the executor on the Product.
- 15.3 When acting upon the instruction of the executor on a sole Product, we will:
 - 15.3.1 Transfer the Product balance in accordance with the instructions of the executor;
 - 15.3.2 Alternatively, the executor may instruct us to retain the Productbalance until the Product matures.
- 15.4 In relation to ISA Products, we do not allow the transfer of the ISA to your surviving spouse or civil partner. We will however, provide the relevant valuations upon the request of an alternative ISA provider, selected by the spouse or civil partner, to facilitate the transfer of the Additional Permitted Subscriptions in accordance with HMRC rules.
- 15.5 Upon receipt of a Product-holder's death certificate, we will take reasonable steps to ensure that online services and notifications are terminated.

16. Changes to these conditions

- 16.1 We can change any of these terms and conditions, including introducing or changing levels of fees, provided we give you at least two months' notice in advance of the change.
- 16.2 We may also make changes to online banking or mobile banking from time to time that we ask you to agree to through the website or app, for example software updates or improvements in functionality.
- 16.3 We can give you notice of any changes on the log on page of online banking, via the mobile banking app, by post, email, text or by any other means we agree with you.

17. Enforcement and Jurisdiction

- 17.1 These legal terms (English law applies, and disputes will be settled by English courts) are between you and Castle Trust Bank

If you would like this in another format such as large print, Braille or audio CD please contact us. If you have a hearing or speech impairment you can contact us using Text Relay on [•] (lines are open Monday to Friday from 9am to 5pm), by email [•] or our Secure Messaging service via your online account.

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

APPENDIX 2

Housa Share Documents

PART 1

Registration Documents

Series of Share	Registration Document
Growth	Growth registration document dated 3 October 2012
Protected	Protected registration document dated 30 September 2013
UK Growth	UK Growth registration document dated 30 December 2014
London Foundation	London Foundation registration document dated 30 December 2014
UK Foundation	UK Foundation registration document dated 30 December 2014

PART 2

Supplemental Prospectus

Series of Share	Supplemental Prospectus
UK Foundation	22 May 2015 supplementary prospectus 26 June 2015 supplementary prospectus 2 28 July 2015 supplementary prospectus 3
Greater London Growth	22 May 2015 supplementary prospectus 26 June 2015 supplementary prospectus 2 28 July 2015 supplementary prospectus 3
UK Growth	22 May 2015 supplementary prospectus 26 June 2015 supplementary prospectus 2 28 July 2015 supplementary prospectus 3
Greater London Foundation	22 May 2015 supplementary prospectus 26 June 2015 supplementary prospectus 2 28 July 2015 supplementary prospectus 3

PART 3

Final Terms (Terms and Conditions)

Series of Share	Final Terms (dependent on date of issue)
Growth Housa	1 October 2012 Terms and Conditions 1 October 2013 Terms and Conditions 1 February 2014 Terms and Conditions 1 May 2014 Terms and Conditions 1 July 2014 Terms and Conditions
Protected Housa	1 February 2014 Terms and Conditions 1 May 2014 Terms and Conditions 1 July 2014 Terms and Conditions
UK and Greater London Growth Housas	2 February 2015 Terms and Conditions
UK and Greater London Foundation Housas	2 February 2015 Terms and Conditions

PART 4

Summary and Securities Notes and Termsheets

Share Series (by month issued)	Summary Note	Securities Note	Termsheet
Greater London Foundation 10 yr August 2015	Summary Note dated 29 July 2015	Securities Note dated 29 July 2015	August 2015 Greater London Foundation Termsheet
Greater London Foundation 10 yr June 2015	Summary Note dated 13 May 2015	Securities Note dated 13 May 2015	June 2015 Greater London Foundation Termsheet
Greater London Foundation 10 yr March 2015	Summary Note dated 4 February 2015	Securities Note dated 4 February 2015	March 2015 Greater London Foundation Termsheet
Greater London Foundation 10 yr May 2015	Summary Note dated 7 April 2015	Securities Note dated 7 April 2015	April 2015 Greater London Foundation Termsheet
Greater London Foundation 10 Yr October 2015	Summary Note dated 25 September 2015	Securities Note dated 25 September 2015	October 2015 Greater London Foundation Termsheet
Greater London Foundation 10 yr September 2015	Summary Note dated 24 August 2015	Securities Note dated 24 August 2015	September 2015 Greater London Foundation Termsheet
Greater London Foundation 5 yr April 2015	Summary Note dated 12 March 2015	Securities Note dated 12 March 2015	April 2015 Greater London Foundation Termsheet
Greater London Foundation 5 yr August 2015	Summary Note dated 29 July 2015	Securities Note dated 29 July 2015	August 2015 Greater London Foundation Termsheet
Greater London Foundation 5 yr July 2015	Summary Note dated 22 June 2015	Securities Note dated 22 June 2015	July 2015 Greater London Foundation Termsheet
Greater London Foundation 5 yr June 2015	Securities Note dated 13 May 2015	Securities Note dated 13 May 2015	June 2015 Greater London Foundation Termsheet
Greater London Foundation 5 yr May 2015	Summary Note dated 7 April 2015	Securities Note dated 7 April 2015	April 2015 Greater London Foundation Termsheet
Greater London Foundation 5 Yr October 2015	Summary Note dated 25 September 2015	Securities Note dated 25 September 2015	October 2015 Greater London Foundation Termsheet
Greater London Foundation 5 yr	Summary Note dated 24 August 2015	Securities Note dated 24 August 2015	September 2015 Greater London Foundation

September 2015			Termsheet
Greater London Growth 5 yr April 2015	Summary Note dated 12 March 2015	Securities Note dated 12 March 2015	April 2015 Greater London Growth Termsheet
Greater London Growth 5 yr August 2015	Summary Note dated 29 July 2015	Securities Note dated 29 July 2015	August 2015 Greater London Growth Termsheet
Greater London Growth 5 yr July 2015	Summary Note dated 22 June 2015	Securities Note dated 22 June 2015	July 2015 Greater London Growth Termsheet
Greater London Growth 5 yr June 2015	Securities Note dated 13 May 2015	Securities Note dated 13 May 2015	June 2015 Greater London Growth Termsheet
Greater London Growth 5 yr May 2015	Summary Note dated 7 April 2015	Securities Note dated 7 April 2015	April 2015 Greater London Growth Termsheet
Greater London Growth 5 Yr October 2015	Summary Note dated 25 September 2015	Securities Note dated 25 September 2015	October 2015 Greater London Growth Termsheet
Greater London Growth 5 yr September 2015	Summary Note dated 24 August 2015	Securities Note dated 24 August 2015	September 2015 Greater London Growth Termsheet
Growth 10 Year June 2014	Summary Note dated 29 May 2014	Summary Note dated 29 May 2014	June 2014 Growth Termsheet
Growth 10 yr April 2013	Summary Note dated 27 March 2013	Securities Note dated 27 March 2013	April 2013 Growth Termsheet
Growth 10 yr April 2014	Summary Note dated 28 March 2014	Securities Note dated 28 March 2014	April 2014 Growth Termsheet
Growth 10 yr December 2012	Summary Note dated 6 December 2012	Securities Note dated 6 December 2012	December 2012 Growth Termsheet
Growth 10 yr December 2013	Summary Note dated 29 November 2013	Securities Note dated 29 November 2013	December 2013 Growth Termsheet
Growth 10 yr February 2013	Summary Note dated 31 January 2013	Securities Note dated 31 January 2013	February 2013 Growth Termsheet
Growth 10 yr February 2014	Summary Note dated 28 January 2014	Securities Note dated 28 January 2014	February 2014 Growth Termsheet
Growth 10 yr January 2013	Summary Note dated 28 December 2012	Securities Note dated 28 December 2012	January 2013 Growth Termsheet
Growth 10 yr January 2014	Summary Note dated 31 December 2013	Securities Note dated 31 December 2013	January 2014 Growth Termsheet
Growth 10 yr July 2013	Summary Note dated 27 June 2013	Securities Note dated 27 June 2013	July 2013 Growth Termsheet
Growth 10 yr July 2014	Summary Note dated 30 June 2014	Securities Note dated 30 June 2014	July 2014 Growth Termsheet
Growth 10 yr June 2013	Summary Note dated 30 May 2013	Securities Note dated 30 May 2013	June 2013 Growth Termsheet
Growth 10 yr March 2013	Summary Note dated 28 February 2013	Securities Note dated 28 February 2013	March 2013 Growth Termsheet
Growth 10 yr March	Summary Note dated 28	Securities Note dated 28	March 2014 Growth

2014	February 2014	February 2014	Termsheet
Growth 10 yr May 2013	Summary Note dated 29 April 2013	Securities Note dated 29 April 2013	May 2013 Growth Termsheet
Growth 10 yr May 2014	Summary Note dated 30 April 2014	Securities Note dated 30 April 2014	May 2014 Growth Termsheet
Growth 10 yr November 2012	Summary Note dated 31 October 2012	Securities Note dated 31 October 2012	November 2012 Growth Termsheet
Growth 10 yr November 2013	Summary Note dated 31 October 2013	Securities Note dated 31 October 2013	November 2013 Growth Termsheet
Growth 10 yr October 2012	Summary Note dated 4 October 2012	Securities Note dated 4 October 2012	October 2012 Growth Termsheet
Growth 10 yr October 2013	Summary Note dated 30 September 2013	Securities Note dated 30 September 2013	October 2013 Growth Termsheet
Growth 10 yr September 2013	Summary Note dated 29 August 2013	Securities Note dated 29 August 2013	September 2013 Growth Termsheet
UK Foundation 10 yr July 2015	Summary Note dated 22 June 2015	Securities Note dated 22 June 2015	July 2015 UK Foundation Termsheet
UK Foundation 10 yr May 2015	Summary Note dated 7 April 2015	Securities Note dated 7 April 2015	April 2015 UK Foundation Termsheet
UK Foundation 10 yr October 2015	Summary Note dated 25 September 2015	Securities Note dated 25 September 2015	October 2015 UK Foundation Termsheet
UK Foundation 10 yr September 2015	Summary Note dated 24 August 2015	Securities Note dated 24 August 2015	September 2015 UK Foundation Termsheet
UK Foundation 5 yr April 2015	Summary Note dated 12 March 2015	Securities Note dated 12 March 2015	April 2015 UK Foundation Termsheet
UK Foundation 5 yr August 2015	Summary Note dated 29 July 2015	Securities Note dated 29 July 2015	August 2015 UK Foundation Termsheet
UK Foundation 5 yr July 2015	Summary Note dated 22 June 2015	Securities Note dated 22 June 2015	July 2015 UK Foundation Termsheet
UK Foundation 5 yr June 2015	Securities Note dated 13 May 2015	Securities Note dated 13 May 2015	June 2015 UK Foundation Termsheet
UK Foundation 5 yr May 2015	Summary Note dated 7 April 2015	Securities Note dated 7 April 2015	April 2015 UK Foundation Termsheet
UK Foundation 5 Yr October 2015	Summary Note dated 25 September 2015	Securities Note dated 25 September 2015	October 2015 UK Foundation Termsheet
UK Foundation 5 yr September 2015	Summary Note dated 24 August 2015	Securities Note dated 24 August 2015	September 2015 UK Foundation Termsheet

Part V
FINANCIAL INFORMATION

Financial Information relating to CTC

For the most recent (March 2019 and September 2019) financial statements of CTC (and associated entities) please visit www.castletrust.co.uk/group-news-about-us and which are incorporated by reference into this document.

Part VI

TAXATION

1. UNITED KINGDOM

The following summary of the anticipated tax treatment in the UK of the Scheme Shareholders and underlying Beneficial Shareholders is based on UK taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Scheme Shareholders and underlying Beneficial Shareholders should consult their professional advisers on the implications of the Scheme under the laws of the jurisdictions(s) in which they may be liable to taxation. Scheme Shareholders and underlying Beneficial Shareholders should also be aware that tax laws, rules and practice and their interpretation may change.

The objective of the existing Scheme Shareholder arrangements is to provide the Investment Return on the Maturity Date.

The replacement of Scheme Shareholders' Scheme Shares with Structured Deposits is expected to be a disposal of the Scheme Shares for capital gains tax purposes. This may trigger capital gains tax in respect of any gains in respect of amounts credited to the Housa Accounts on the Scheme Effective Time (subject to the availability of any annual exempt amount or reliefs). As such, the Scheme may trigger a capital gains tax charge in an earlier tax year than would otherwise have been the case.

No further capital returns are expected on maturity of the Housa Accounts. Instead, UK Scheme Shareholders and underlying Beneficial Shareholders will be subject to income tax and, as a result, Scheme Shareholders and Beneficial Shareholders may be subject to tax at a higher rate in respect of returns received on their Housa Account than would otherwise have been the case on their Scheme Shares.

Please refer to clause 10 (*Compensation for Increased Taxation*) of the Scheme Document for further information as to how CTC therefore proposes to ensure that no Scheme Shareholder or underlying Beneficial Shareholder is placed in a worse position from a taxation perspective as a result of the Scheme.

2. JERSEY

The following summary of the anticipated tax treatment in Jersey of the holders of the Scheme Shares is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Scheme Shareholders and Beneficial Shareholders should consult their professional advisers on the implications of the Scheme under the laws of the jurisdictions(s) in which they may be liable to taxation. Scheme Shareholders and Beneficial Shareholders should also be aware that tax laws, rules and practice and their interpretation may change.

No taxation or stamp duty will be payable in Jersey by holders of the Scheme Shares (other than holders of the Scheme Shares resident in Jersey who may be subject to Jersey tax depending on their circumstances) as a result of the receipt of the Scheme Consideration for the redemption of the Scheme Shares.

Jersey does not levy any capital taxes. However, any Jersey resident affected by these proposals should, as noted above, consult with their local tax adviser as to the effect of these arrangements on their individual tax position.

It is noted that the above summation is applicable to Beneficial Shareholders as well as any Scheme Shareholders.

Part VII
ADDITIONAL INFORMATION

1. Responsibility

The Castle Trust Directors, whose names are set out in paragraphs 2 and 3 of this Part VII accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Castle Trust Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors and responsible persons

The Castle Trust Directors are as follows:

Martin Gordon Cudlipp

Kenneth Rae

Mark Grenyer

PCC's registered office is at: 28 Esplanade, St Helier, Jersey, JE2 3QA.

The Cell's registered office is at: 28 Esplanade, St Helier, Jersey, JE2 3QA.

The Company Secretary of PCC and the Cell is JTC (Jersey) Limited of 28 Esplanade, St Helier, Jersey, JE2 3QA.

3. Scheme-related fees and expenses

The Scheme Companies will pay, or procure the payment of, all of their own costs, charges, expenses and disbursements incurred in connection with the Scheme.

4. Incorporation by reference

Parts of other documents are incorporated by reference in, and form part of, this document.

5. Other information

5.1 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) between the Scheme Companies or any person acting in concert with either of them and any of their respective directors, recent directors, shareholders or recent shareholders of the Cell, or any person interested or recently interested in Scheme Shares, having any connection with or dependence on or which is conditional upon the outcome of the Scheme.

5.2 Settlement of the consideration under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which the Scheme Companies may otherwise be, or claim to be, entitled against any such Scheme Shareholder (except as provided by the Scheme specifically).

5.3 Save as disclosed in this document, the emoluments of the Castle Trust Directors will not be affected by the Scheme or any other associated transaction.

- 5.4 Save as disclosed in this document, there is no agreement or arrangement to which either Scheme Company is a party which relates to the circumstances in which it may or may not invoke a condition to the Scheme.

Part VIII

DEFINITIONS

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

"Account Holders"	a person who holds one or more Housa Accounts as a result of their interests in the Scheme Shares having been converted into interests in those Housa Accounts under the Scheme;
"Articles"	the articles of association of the Cell, as amended from time to time;
"Banking Licence"	means permission to carry on the activity of accepting deposits pursuant to Part 4A of the UK Financial Services and Markets Act 2000;
"Beneficial Shareholder"	means a Person who holds any relevant Scheme Shares beneficially via the Nominee;
"Business Day"	any day (excluding any Saturday or Sunday or public or bank holiday) on which banks are generally open for banking business in London and Jersey;
"Castle Trust Directors"	means, as the circumstances may require, either or both of the directors of the PCC and the Cell being, at the time of publishing of these documents, those directors listed in Part VII (<i>Additional Information</i>);
"Castle Trust Group"	means CTC and its subsidiaries;
"Cell"	means Housa;
"Chairman"	means the Chairman of the Court Meeting, who is anticipated to be Martin Bischoff (being the CEO of CTC);
"CIF Law"	means the Collective Investment Funds (Jersey) Law 1988, as amended;
"Companies Law"	the Companies (Jersey) Law 1991, as amended;
"Conditions"	the conditions to the implementation of the Scheme set out in Part III (<i>Conditions of the Scheme</i>) of this document and a " Condition " shall mean any one of them;
"Court"	the Royal Court of Jersey;
"Court Hearing"	the final hearing by the Court (any and adjournment thereof) to sanction the Scheme pursuant to Article 125 of the Companies Law;

"Court Meeting"	the telephone/webcast meeting of Scheme Shareholders as at the Voting Record Time to be convened with the permission of the Court pursuant to Article 125 of the Companies Law, notice of which is set out in Part XI of this document, for the purpose of considering, and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof;
"Court Order"	the Act of the Court sanctioning the Scheme under Article 125 of the Companies Law;
"CTC"	means Castle Trust Capital plc, a company registered in England and Wales (registered number 07454474) whose registered office is at 10 Norwich Street, London EC4A 1BD;
"CTC Guarantee"	means the guarantee obligations CTC has to the purchase a Scheme Shareholder's Scheme Shares, as is outlined in the relevant Applicable Final Terms (as defined in the scheme document in Part IV (<i>The Scheme of Arrangement</i>)) to this document;
"CTCN"	Castle Trust Capital Nominees Limited, a company registered in England and Wales (registered number 07801931) whose registered office is at 10 Norwich Street, London EC4A 1BD;
"CTIH"	Castle Trust Income House plc, a public company registered in Jersey with registered number 108225;
"Easy Access Account"	an easy access bank account held with CTC;
"Effective"	in the context of the Scheme, the Scheme having become effective pursuant to its terms;
"Effective Time"	7:00am on the Effective Date;
"Effective Date"	the date upon which the last of the Conditions is satisfied (which in practice will be the sanctioning of the Scheme by the Court) and the delivery and registration of the Court Order to the Registrar of Companies, upon which the Scheme will become Effective in accordance with its terms;
"Explanatory Statement"	the explanatory statement set out in Part II (<i>Explanatory Statement</i>) of this document;
"FCA"	the United Kingdom's Financial Conduct Authority;
"FCA Handbook"	the rules, guidance and glossary contained in the FCA handbook of rules and guidance, as amended or replaced from time to time;
"Fixed Rate Account"	a fixed rate bank account held with CTC;
"Founder Shares"	means the 2 ordinary shares in issue of the Cell and which are held by The Trustee of The Housing Foundation Charitable Trust;

"Founder Shareholders"	means the Trustee;
"Full Banking Licence"	a Banking Licence which has no restriction on mobilization attached to it;
"Housa"	Castle Trust Growth Housa PC, a cell of the PCC registered in Jersey with registered number 111371;
"Housa Account"	a structured deposit account held with CTC;
"Housa Account Terms and Conditions"	the Housa terms and conditions in the form set out in the scheme document at Part IV of this document (<i>The Scheme of Arrangement</i>) and attached at Appendix 1 of the same;
"Housa Share Terms and Conditions"	means the terms and conditions which together govern the Scheme Shareholders' interests in the Scheme Shares, and being, in the case of any given series of Scheme Shares as applicable, the Securities Notes, Summary Notes, Registration Documents, Supplemental Prospectuses and Applicable Final Terms (each as defined in the scheme document in Part IV (<i>The Scheme of Arrangement</i>) of this document;
"holder"	a registered holder (including any person(s) entitled by transmission);
"Index" or "Indices"	means the relevant index to which each series of Scheme Shares is linked in accordance with the Housa Share Terms and Conditions;
"Investment Return"	has the meaning given to it in the Housa Share Terms and Conditions;
"Investment Value"	means a principal amount equal to the Investment Return which a Scheme Shareholder (or Beneficial Holder as the case may be) would have received had they redeemed their interests in the corresponding series of Scheme Shares on the Effective Date;
"JFSC"	means the Jersey Financial Services Commission;
"Liabilities"	all present, future, actual or contingent liabilities, however, wherever and in whatever capacity and under whatever law or legal theory so arising (including in contract, debt, tort, restitution or by statute and in whatever jurisdiction), whether or not its amount is fixed or undetermined, whether sole or joint and whether or not it involves the payment of money or the performance of any other act or obligation whatsoever and whether known or unknown;
"Maturity Date"	has the meaning given to it in the Housa Account Terms and Conditions;
"Maturity Easy Access Account"	a maturity easy access bank account held with CTC;

"Meeting"	the Court Meeting, including any adjournment thereof;
"MFSA"	means the Malta Financial Services Authority;
"MSE"	means the Malta Stock Exchange;
"MSE Listing Agent"	means Calamatta Cuschieri Investment Services Ltd;
"Nominee Agreements"	the nominee agreements made by CTC by deed poll dated 24 September 2014 and the nominee agreement dated 1 May 2014 between CTCN, CTC and Castle Trust Capital Management Limited;
"Overseas Shareholders"	Scheme Shareholders who are resident outside the United Kingdom or Jersey or who are citizens or residents of countries other than the United Kingdom or Jersey;
"PCC"	Castle Trust PCC, a protected cell company registered in Jersey with registered number 108697;
"Portal"	a secure online facility made available to the Scheme Shareholders and which is accessible via the Website;
"PRA"	the United Kingdom's Prudential Regulatory Authority;
"Proxy Deadline"	5:00pm on the date which is two Business Days before the Court Meeting;
"Proxy Form"	a proxy form substantially in the form as set out in Appendix 1 (<i>Proxy Form</i>);
"Registrar of Companies"	the Registrar of Companies in Jersey;
"Released Claims"	any and all further Liability or claims under the Housa Scheme Documents or otherwise in connection with the Scheme Shares as more specifically outlined in clause 4 of the scheme of arrangement document itself at Part IV (<i>the Scheme of Arrangement</i>) of this Document;
"Restricted Jurisdiction"	if applicable, any jurisdiction where local laws or regulations may result, in the reasonable opinion of the Castle Trust Directors, in a significant risk of civil, regulatory or criminal exposure if information concerning the Scheme is sent or made available to Scheme Shareholders in that jurisdiction;
"Scheme" or "Scheme of Arrangement"	the members' scheme of arrangement in respect of the Scheme Companies under Article 125 of the Companies Law in its present form or with or subject to any modifications, additions or conditions that the Court may require or approve and that are consented to by the Scheme Companies;
"Scheme Companies"	means PCC and the Cell;

"Scheme Consideration"	the Structured Deposits, the interests in Housa Accounts and all other rights conferred on the Scheme Shareholders under the Scheme;
"Scheme Document" or "this document"	this document dated 9 April 2020;
"Scheme Effective Time"	means the date which is 5 Business Days after the granting of the Full Banking Licence by CTC;
"Scheme Shareholder"	a holder of Scheme Shares appearing on the register of members of Housa from time to time;
"Scheme Shares"	the outstanding redeemable preference shares in the capital of Housa in issue at the date of the Scheme Document or, to the extent applicable, prior to or at the Scheme Effective Time;
"Structured Deposit"	a structured deposit in a Housa Account (for which purposes the term "structured deposit" has the meaning given to it in the FCA Handbook);
"subsidiary", "subsidiary undertaking", "associated undertaking", "holding company undertaking", "undertaking"	have the meanings ascribed to them under the UK Companies Act 2006;
"TISE"	means The International Stock Exchange;
"TISE Listing Sponsor"	means JTC Listing Services Limited acting in its capacity as listing sponsor in respect of the listings of Scheme Shares on the Official List of TISE;
"TISEA"	means The International Stock Exchange Authority Limited
"Trustee"	means JTC Trustees Limited as trustees of The Housing Foundation Charitable Trust
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"UK Companies Act"	the UK Companies Act 2006, as amended;
"Voting Record Time"	5:00pm on the day which is two Business Days prior to the date of the Court Meeting or any adjournment thereof (as the case may be); and
"Written Resolution"	means the written special resolution of the Cell for the purposes of amending the Cell Articles in connection with the Scheme.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom. All the times referred to in this document are London times unless otherwise stated. References to the singular include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender. A reference to "**includes**" shall mean "includes without limitation", and references to "**including**" and any other similar term shall be

interpreted accordingly. All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

Part IX
NOTICE OF COURT MEETING

IN THE ROYAL COURT OF JERSEY
SAMEDI DIVISION

File No. 2020/066

IN THE MATTER OF CASTLE TRUST GROWTH HOUSA PC
And
IN THE MATTER OF CASTLE TRUST PCC
and
IN THE MATTER OF THE COMPANIES (JERSEY) LAW 1991, as amended

NOTICE IS HEREBY GIVEN that, by an Act of Court dated 6 April 2020 made in the above matters, the Court has directed a meeting (the "**Court Meeting**") to be convened of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme of Arrangement, as defined below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Article 125 of the Companies (Jersey) Law 1991, as amended (the "**Companies Law**") between Castle Trust Growth Housa PC (the "**Cell**"), Castle Trust PCC and the holders of the Scheme Shares (the "**Scheme of Arrangement**"), and that the Court Meeting will be held by telephone and webcast, which Scheme Shareholders may virtually attend on 21 May 2020 at 12:00pm London time and which all holders of Scheme Shares are requested to attend, either in person (by virtual means) or by proxy.

Copies of the Scheme of Arrangement and of the Explanatory Statement required to be published pursuant to Article 126 of the Companies Law are incorporated in the document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by poll and will be conducted by dial-in vote.

Details and instructions on attending and voting at the Court Meeting can be found in the Scheme of Arrangement and Explanatory Statement to which this notice forms part.

By the said Act of Court, the Court has appointed Martin Bischoff to act as Chairman of the Court Meeting and has directed the Chairman to report the result thereof to the Court.

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

Dated 9 April 2020

Carey Olsen Jersey LLP
47 Esplanade
St. Helier
Jersey JE1 0BD

Advocates and Solicitors for the Company

Notes

Definitions used in these notes shall have the same meanings as in the explanatory statement and related scheme documents, to which this Notice forms part.

- 1 A member entitled to attend and vote at the Court Meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend and vote at the Court Meeting and any adjournment(s) thereof. A member may appoint more than one proxy in relation to the Court Meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him. A proxy need not be a member of the Cell.
- 2 The appointment of a proxy does not preclude a member from subsequently attending and voting at the Court Meeting, or any adjournment thereof, in person if he so wishes and is entitled to do so.
- 3 Each Scheme Shareholder should submit their duly completed Proxy Form so as to be received by the Scheme Companies no later than the Proxy Deadline, being 5:00pm (London time) on 19 May 2020. Hard copy Proxy Forms not so received may be handed to the Chairman at the Court Meeting.
- 4 Electronic Proxy Forms can be submitted via the Portal. Scheme Shareholders who wish to appoint the Chairman as their proxy and instruct the Chairman to vote on their behalf at the Court Meeting should complete and submit their Proxy Forms by the 5:00pm on 19 May 2020. The completion and submission of a Proxy Form electronically via the Portal will constitute an electronic signature of such Proxy Form and therefore does not require signature or submission of a hard copy Proxy Form.
- 5 Each Scheme Shareholder has been supplied with a hard copy Proxy Form by post as an accompaniment to the copy of this document sent to them by post. If so required, however, Scheme Shareholders may request a replacement hard copy Proxy Form by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk.
- 6 Where a Scheme Shareholder has submitted a Proxy Form via the Portal appointing the Chairman as their proxy, it is not necessary for that Scheme Shareholder also to submit a hard copy Proxy Form.
- 7 All Scheme Shareholders who have not submitted a Proxy Form via the Portal (whether because they wish to appoint a person other than the Chairman as their proxy or otherwise) may complete and sign a hard copy Proxy Form in accordance with the instructions set out therein and return it by pre-paid first-class post (using the envelope provided with this Explanatory Statement) or air mail with delivery receipt to Civica Election Services, London N81 1ER.
- 8 Hard copy Proxy Forms may also be handed to the Chairman at the Court Meeting
- 9 Beneficial Shareholders are entitled to instruct the Nominee as to how they wish to vote in respect of all of the Scheme Shares that they beneficially hold at the Court Meeting. Beneficial Shareholders may attend and speak, but not vote, at the Court Meeting.
- 10 A Beneficial Shareholder may instruct the Nominee by contacting telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk. Beneficial Shareholders must instruct the Nominee as how they wish the Nominee to vote in respect of the Scheme Shares to which they are beneficially entitled by the Voting Record Time.
- 11 Only those Scheme Shareholders registered in the register of members of the Cell as at close of business at 5:00pm on 19 May 2020 or, in the event that the Court Meeting is adjourned, in such register at close of business on the date which is two Business Days before the date set for the adjourned meeting, shall be entitled to attend or vote at the Court Meeting in respect of the number of

Scheme Shares registered in their names at the relevant time. Changes to entries after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.

- 12 In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person or by proxy, at the Court Meeting, but if more than one such joint holder shall tender a vote the vote of the person named first in the register of members of the Cell shall be accepted to the exclusion of the other joint holder(s).
- 13 Any corporation which is a member can appoint a corporate representative who may exercise on its behalf all of its powers as a member.

Part X
WRITTEN RESOLUTION

WRITTEN SPECIAL RESOLUTION OF CASTLE TRUST GROWTH HOUSA PC

We, the undersigned, being all the members of the Cell entitled to vote at general meetings of the Cell as at the date when the following resolutions (the "**Resolutions**") are deemed passed, **HEREBY RESOLVE** that the following Resolutions be and are hereby approved as special resolutions of the Cell, such Resolutions being deemed to be passed when this instrument (or the last of several instruments) is last signed, to take effect on the Scheme Effective Time (as defined in the Scheme, as defined below):

SPECIAL RESOLUTIONS

THAT:

1. for the purpose of giving effect to the scheme of arrangement dated [•] 2020 (the "**Scheme**") between the Cell, Castle Trust PCC and the holders of the Scheme Shares (as defined in the Scheme), a print of which is attached to and forms a part of these Special Resolutions, the directors of the Cell (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
2. in order to give effect to the Scheme, the Articles of Association of the Cell be amended such that new Article 46 is inserted that reads as follows:

Article 46. Scheme of Arrangement

46.1 - In this Article 46, the Scheme means the scheme of arrangement dated [•] between the Cell and the Scheme Shareholders (as defined in the Scheme) under Article 125 of the Companies Law in its original form or with or subject to any modification, addition or condition approved or imposed by the Royal Court of Jersey and (saves as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article 46.

46.2.- Notwithstanding any other provision of these Articles and in order to give effect to the Scheme, the directors of the Cell may at the Scheme Effective Time take all steps necessary (whether in respect of the Cell or on behalf of any other person (as agreed or otherwise) to redeem the relevant Scheme Shares in issue held by that Scheme Shareholder of the Cell in exchange for the holders of such shares receiving the Scheme Consideration.

.....

Authorised signatory
For and on behalf of JTC Trustees Limited
as trustees of The Housing Foundation
Charitable Trust

Dated: [] 2020

Notes

These Resolutions may be signed as one instrument or as several instruments in like form each signed by or on behalf of one or more members. Each instrument must be forwarded to the Secretary for filing with the minutes of meetings of the members of the Cell.

**APPENDIX 1
PROXY FORM**

FORM OF PROXY

GENERAL INSTRUCTIONS

This Form of Proxy is to be used by the Scheme Shareholders for the purposes of voting at a court meeting (the “**Scheme Meeting**”) to consider the proposed scheme of arrangement between Castle Trust PC and Castle Trust Growth Housa PC (the “**Companies**”) and the Scheme Shareholders (the “**Scheme**”).

Terms used in this document which are not otherwise defined in this document have the same meanings as are given to them in the scheme circular provided to the Scheme Shareholders in connection the Scheme (the “**Scheme Document**”).

The Scheme Meeting shall be held at the time and date set out in the Scheme Document (or such other time, date or venue notified to Scheme Shareholders by the Companies in accordance with the Scheme Document).

The Court has convened meetings of Scheme Shareholders to vote on the Scheme to begin at the time and date set out in the Scheme Document.

Before completing this Form of Proxy please also read the guidance notes on page 3.

Please fill in this form using black ink.

THIS IS A FORM OF PROXY FOR USE BY SCHEME SHAREHOLDERS AT THE SCHEME MEETING.

IN BLOCK CAPITALS PLEASE

I/We,

(Name)

of

(Address)

being a Scheme Shareholder of Castle Trust Growth Housa PC HEREBY APPOINT:

the chairman of the Scheme Meeting OR (see note 2):

(Name of proxy)

of

(Address of proxy)

as my/our proxy to act for me/us at the Scheme Meeting for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme referred to in the Notice summoning the Scheme Meeting, and at the Scheme Meeting, or any adjournment thereof, to vote for me/us and in my/our name for the Scheme or against the Scheme (in its present form or with, subject to, any modification, addition or condition approved or imposed by the Court) as hereinafter indicated.

CERTIFICATION BY SCHEME SHAREHOLDER

By returning this form of proxy, I/we hereby certify that I/we:

1. am/are a Scheme Shareholder as at the date hereof and the shares in Castle Trust Growth Housa PC held by me/us as a Scheme Shareholder are accurately set out below;
2. have full power and authority to complete this form of proxy with respect to the shares held by me/us as a Scheme Shareholder; and
3. authorise each Company to take all steps that it considers in its sole discretion to be necessary or desirable to verify the information specified below in respect of the shares held by me/us as a Scheme Shareholder in relation to Castle Trust Growth Housa PC for all purposes that are related, directly or indirectly, to the Scheme.

VOTING INSTRUCTION

I/we have indicated with a “X” how I/we wish my/our proxy to vote on the resolution to be proposed at the Scheme Meeting. I/we further direct my/our proxy to vote as he/she thinks fit for me/us and on my/our behalf on any other matter which may properly come before the Scheme Meeting or any adjournment thereof.

Name of Scheme Shareholder: _____

<i>Please indicate how you wish your proxy to vote by inserting “X” in the appropriate box.</i>	For	Against	Proxy’s discretion (where the proxy is not the chairman)
To approve the scheme of arrangement between the Companies and the Scheme Shareholders and referred to in the Notice convening the Scheme Meeting (either with or without modification).			

Please indicate below the class and number of shares in Castle Trust Growth Housa PC in respect of which you are a Scheme Shareholder (see note 3) (only complete the left-hand box marked “Class and amount of shares as a Scheme Shareholder of Castle Trust Growth Housa PC”; the other box is for the Companies' administrative purposes).

Class and amount of shares held as a Scheme Shareholder of **Castle Trust Growth Housa PC**

Approved by chairman for voting purposes

Signature

Date

Name of Scheme Shareholder (please print)

Position/Capacity (where relevant)

Please mark this box if signing on behalf of a Scheme Shareholder under a power of attorney or other authority.

☐

Please make sure you submit the relevant authority with this form of proxy (see note 3).

EXPLANATORY NOTES

1. Scheme Shareholders entitled to attend, speak and vote at the Scheme Meeting may vote at the Scheme Meeting (using a method of voting specified in the Scheme Document) or they may appoint another person, whether a Scheme Shareholder or not, as their proxy to exercise all or any of their rights to attend, speak and vote at the Scheme Meeting (using a method of remote

attendance, communication and voting specified in the Scheme Document). Proxies may only be appointed using the procedures set out in the form of proxy and these explanatory notes.

2. The appointment of the chairman of the Scheme Meeting as proxy has been included for convenience. To appoint a person other than the chairman of the Scheme Meeting as your proxy, insert the full name and address in the spaces provided (in BLOCK CAPITALS), delete the words "the chairman of the Scheme Meeting OR". A proxy need not be a Scheme Shareholder. Completion of this form of proxy will not preclude you from attending, speaking and voting at the Scheme Meeting (or any adjournment thereof) in person, if you wish to do so.
3. A holder of a Scheme Share (as defined within the underlying Scheme Document) will be a Scheme Shareholder of Castle Trust Growth Housa PC.
4. If you are signing on behalf of a Scheme Shareholder under a power of attorney or other authority, you must submit the original power of attorney or other authority with this form of proxy. Such authority will be returned to you in due course.
5. It is requested that completed forms of proxy be returned as soon as possible, and in any event, so that they are received by 5.00 PM (London time) on the Proxy Deadline set out in the Scheme Document by the Companies by either:
 - a. submission via the secure online facility made available to Scheme Shareholders on the website at <https://www.castletrust.co.uk/scheme>; or
 - b. by post or courier to Civica Election Services, London N81 1ER.
6. This form must be signed and dated by the Scheme Shareholder or his/her attorney duly authorised in writing. Where a form of proxy has been signed on behalf of someone else, evidence of authority to sign, satisfactory to the chairman of the Scheme Meeting, must be delivered with this form of proxy. If the Scheme Shareholder is a company it may be executed under its common seal or signed on its behalf by a director or other person authorised to sign or in any other manner authorised by its constitution. The signatory should state his or her capacity on the form of proxy.
7. Any alteration to this form of proxy should be initialled by the person who signs it.
8. If you submit more than one valid form of proxy, but the instructions in the forms of proxy are not compatible with each other, the chairman shall have regard only to the form of proxy which was received last before the Proxy Deadline set out in the Scheme Document.
9. Further information and notes as to how you should complete this form of proxy are contained in the Scheme Document accompanying this form of proxy.
10. Entitlement to attend and vote at a Scheme Meeting or any adjournment thereof will be determined by reference to the Scheme Shareholders appearing on the register of members of Castle Trust Growth Housa PC at the Voting Record Time. For these purposes, changes to the Scheme Shareholders after such time will be disregarded.
11. Voting at the Scheme Meeting will be conducted in accordance with the method(s) set out in the Scheme Document.
12. The Court has appointed Martin Bischoff to act as chairman of the Scheme Meetings and has directed the chairman to report the result of the Scheme Meetings to the Court.
13. The Scheme will be subject to the subsequent sanction of the Court.