

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

**CR-2018-001745**

IN THE MATTER OF BEAUFORT ASSET CLEARING SERVICES LIMITED (IN  
SPECIAL ADMINISTRATION)

and

IN THE MATTER OF THE INVESTMENT BANK SPECIAL ADMINISTRATION  
REGULATIONS 2011 AND THE INVESTMENT BANK SPECIAL  
ADMINISTRATION (ENGLAND AND WALES) RULES 2011

**DISTRIBUTION PLAN  
DATED 27 JULY 2018**

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# 1 Definitions

In this document:

<b>Accepted Client Assets Claim</b>	means a Client Assets Claim that has been accepted by the Administrators following a review of the Company's books and records and any other relevant information available to the Administrators, or by order of the Court.
<b>Account</b>	means an account maintained by the Company in respect of Client Assets.
<b>Account Holder</b>	means a holder of an Account.
<b>Administration Claim</b>	means any claim, pursuant to the Insolvency Act, the Regulations or otherwise, against the Administrators or the Released Third Parties where such claim arises from actions taken (or failure to take action) by any such person on or after the Administration Date in connection with the return of Client Assets, other than for an act or omission in implementing this Distribution Plan.
<b>Administration Date</b>	means 1 March 2018.
<b>Administrators</b>	means Russell Downs, Douglas Nigel Rackham and Dan Yoram Schwarzmann of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, in their capacities as joint administrators of the Company (acting as agents for the Company without personal liability), and any administrator appointed to the Company within the Special Administration in addition to, or to replace one or more of, the foregoing appointees or their replacements.
<b>Advisers</b>	means: (a) Linklaters LLP; and (b) any other professional advisers to the Administrators.
<b>Asserted Claim Statement</b>	a statement prepared by the Administrators for each Claimant with an Asserted Client Assets Claim: (a) made available on the Portal or, to the extent requested by any Claimant, sent by the Administrators to that person by post; (b) setting out relevant information relating to the Claimant's Asserted Client Assets Claim; (c) updated in accordance with this Distribution Plan; and (d) an example of which is set out in Schedule 2 ( <i>Example Asserted Claim Statement</i> ).
<b>Asserted Client Assets</b>	means assets which a Claimant asserts are Client Assets held for that Claimant, but which have not been determined by the Administrators to be such (whether on the ground that the Company is the beneficial owner of the assets, the Company

	does not hold the relevant assets for the Claimant, or otherwise).
<b>Asserted Client Assets Claim</b>	means a Client Assets Claim in respect of Asserted Client Assets.
<b>BSL</b>	Beaufort Securities Limited (in administration) a company incorporated in England and Wales (registered number 02693942) with its registered office at 63 St. Mary Axe, London EC3A 8AA, England acting by its joint administrators (acting as agents for BSL without personal liability).
<b>Business Day</b>	means any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday in any part of England and Wales under or by virtue of the Banking and Financial Dealings Act 1971.
<b>Cash Option</b>	shall have the meaning given to it in Clause 17.1.5.
<b>CASS</b>	means the Client Assets Sourcebook (as amended from time to time).
<b>Claim Form</b>	means the claim form made available by the Administrators to the extent requested by any person (either electronically or by post).
<b>Claimant</b>	<p>means a person who has submitted a Client Assets Claim and, where appropriate, Potential Claimants and Late Claimants, and where:</p> <p>(a) a Client Assets Claim is submitted in respect of Client Assets held in an Account with more than one Account Holder, a reference to "Claimant" (in singular form) shall mean all of the Account Holders in respect of that Account; and</p> <p>(b) Client Asset Claims are submitted by a person who is an Account Holder in respect of more than one Account, that person shall be a separate "Claimant" in respect of each of those Accounts.</p>
<b>Claimant Options Form</b>	means the form that shall be made available to Claimants on the Portal (or, to the extent requested by any person, sent by the Administrators to that person by post), other than each FSCS Protected Transfer Claimant, an example of which is set out in Schedule 3 ( <i>Example Claimant Options Form</i> ).
<b>Claimant's Liabilities</b>	shall have the meaning given to it in Clause 7.3.
<b>Claimant's Share of Costs</b>	means for each Claimant who has an Accepted Client Assets Claim, an amount equal to GBP 10,000 at the Effective Date, subject to (a) any reduction at any time thereafter in accordance with Clause 13.2 and Clause 17.7 and (b) Clause 17.8.

Rule 4

<b>Claimant's Share of Costs Recalculation Date</b>	means the last Business Day of each Plan Quarter, or such other date as determined by the Administrators in their absolute discretion (acting reasonably).
<b>Client</b>	means a person for whom the Company has undertaken to receive or hold Client Assets (whether or not on trust and whether or not that undertaking has been complied with).
<b>Client Assets</b>	means assets which the Company has undertaken to hold for a Client (whether or not on trust and whether or not the undertaking has been complied with) within the meaning of section 232(4) of the Banking Act 2009, but, for the purpose of this Distribution Plan, does not include Client Money.
<b>Client Assets Claim</b>	means a claim to Client Assets within the meaning of Regulation 11(1) which is identified in a Claim Form or otherwise submitted to the Administrators in accordance with Rules 139 or 140.
<b>Client Assets Claim Statement</b>	means a statement prepared by the Administrators for each Claimant and each Potential Claimant: <ul style="list-style-type: none"> <li>(a) made available on the Portal or, to the extent requested by any Claimant, sent by the Administrators to that person by post;</li> <li>(b) setting out relevant information relating to Client Assets as described in this Distribution Plan;</li> <li>(c) updated in accordance with this Distribution Plan; and</li> <li>(d) an example of which is set out in Schedule 1 (<i>Example Client Assets Claim Statement</i>).</li> </ul>
<b>Client Assets Sourcebook</b>	means the Client Assets Sourcebook published by the FCA as part of the FCA Handbook.
<b>Client Identification Code</b>	means the individual client identifier which has been provided to each Client by the Company.
<b>Client Money</b>	means money of any currency: <ul style="list-style-type: none"> <li>(a) that the Company has received or holds for, or on behalf of, a client in the course of, or in connection with, its MiFID business (MiFID business bearing the meaning attributed to it by the FCA Handbook); or</li> <li>(b) that, in the course of carrying on designated investment business that is not MiFID business, the Company holds for a client; or</li> <li>(c) that the Company has received or holds for, or on behalf of, a client in the course of, or in connection with, its stocks and shares ISA business; or</li> <li>(d) that the Company has received or holds for, or on behalf of, a client in the course of, or in connection with, its innovative finance ISA business; or</li> </ul>

Regulation 2

Regulation 10B(13) / Banking Act 2009, s.232(4)

Rule 139

CASS

	<p>(e) that the Company has received or holds for, or on behalf of, a client in the course of, or in connection with, its lifetime ISA business; or</p> <p>(f) that the Company treats as client money in accordance with the FCA's client money rules contained in, insofar as relevant, CASS 7.10 to 7.19.</p>
<b>Client Money Distribution Entitlement</b>	means a Claimant's entitlement to receive a distribution of Client Money held by the Company calculated in accordance with CASS 7A.2.5R (being, in summary, a distribution calculated by reference to its rateable entitlement to Client Money held by the Company), after deducting such Claimant's <i>pro rata</i> proportion of the costs properly attributable to the distribution of the same in accordance with CASS 7.17.2R.
<b>Client Money Option</b>	shall have the meaning given to it in Clause 17.1.6.
<b>Client Omnibus Account</b>	means an account held by the Company, or another institution in the name of the Company, made up of multiple Accounts of Clients of the Company.
<b>COMP</b>	means the Compensation sourcebook of the FCA Handbook.
<b>Company</b>	means Beaufort Asset Clearing Services Limited (in special administration), a company incorporated in England and Wales (registered number 06637499) with its registered office at 63 St. Mary Axe, London EC3A 8AA, England, acting by the Administrators (acting as agents for the Company without personal liability).
<b>Contingency Value</b>	shall have the meaning given to it in Clause 7.11.
<b>Corporate Action</b>	means any corporate action, including (without limitation) dividends, share conversions, schemes of arrangement and exercised rights in respect of warrants, rights issues or open offers.
<b>Corporate Actions Assets</b>	shall have the meaning given to it in Clause 12.1.
<b>Costs</b>	means the costs and expenses falling within Rule 135, excluding the costs and expenses associated with the return of Client Money held by the Company as at the Administrators' appointment.
<b>Costs Allocation Value</b>	<p>means:</p> <p>(a) the value of the Securities making up a Client's Client Assets Claim (together with any Corporate Actions Assets) as determined by reference to a reputable source used by the Company for valuing or reporting in respect of those Securities; or</p> <p>(b) if this is not practicable, the value of the Securities making up a Client's Client Assets Claim (together with any Corporate Actions Assets) as determined by the</p>

Rule 135

	Administrators which reflects, in the Administrators' opinion, a fair and reasonable price for those Securities, as at the Effective Date.
<b>Costs Options</b>	shall have the meaning given to it in Clause 17.1.
<b>Costs Reserve Rebate</b>	shall have the meaning given to it in Clause 14.2.
<b>Costs Shortfall</b>	shall have the meaning given to it in Clause 18.1.1.
<b>Court</b>	means the High Court of Justice in England and Wales or, in respect of any appeal therefrom, the relevant appellate court.
<b>Creditors' Committee</b>	means the creditors' committee established pursuant to the Rules, the initial members of which are: Allen Challenger, Clive Brook, Robin Binks, Carl Memmott (represented by Nick Moser) and Midland Fundco Limited (represented by Robert Lee), each of whom was elected by the Clients of the Company at the initial meeting of creditors and Clients held on 10 May 2018.
<b>CV</b>	shall have the meaning given to it in Clause 7.12.
<b>Dispute Value</b>	shall have the meaning given to it in Clause 7.11.2.
<b>Distribution</b>	means an Unencumbered Distribution, an Encumbered Distribution or a Further Encumbered Distribution, as relevant, excluding, for the avoidance of doubt, a Transfer.
<b>Distribution Option</b>	shall have the meaning given to it in Clause 16.1.
<b>Distribution Plan</b>	means this distribution plan pursuant to Part 5 of the Rules in its present form or subject to any modifications, additions or conditions made or imposed by the Court under Rule 146(5) or by the Administrators under Rule 147(5) or Clause 23 ( <i>Modification</i> ).
<b>Distribution Selection Date</b>	means a Business Day no later than 3 Business Days prior to each Distribution.
<b>DV</b>	shall have the meaning given to it in Clause 7.12.
<b>Effective Date</b>	means the date and time at which the sealed order of the Court approving this Distribution Plan with or without modification has been received by the Administrators.
<b>Electronically Held Securities</b>	means Securities held electronically in a dematerialised format, including Securities held either through a depository or a custodian.
<b>Electronically Held Securities Return Procedure</b>	means the procedure for the return of Client Assets which are classified as Electronically Held Securities, as more particularly set out at Part A of Schedule 4 ( <i>Return Procedure</i> ), or such other procedure agreed between the Administrators and the relevant Claimant.



<b>Encumbered Client Assets</b>	means Client Assets over which the Company or any third party (including BSL) exerts a Security Interest.
<b>Encumbered Distribution</b>	shall have the meaning given to it in Clause 7.1.
<b>FCA</b>	means the Financial Conduct Authority.
<b>Financial Contracts</b>	means a bilateral or multilateral contract entered into with the Company before it entered Special Administration, relating to transactions or positions of a financial nature, including contracts for the delivery or custody of Client Assets (but not including contracts which are purely administrative or contracts for services). For the avoidance of doubt, Financial Contracts include the Company's and BSL's standard terms and conditions.
<b>FSCS</b>	means the Financial Services Compensation Scheme.
<b>FSCS Option</b>	shall have the meaning given to it in Clause 17.1.4.
<b>FSCS Protected Claimant</b>	means a Claimant in respect of whom the FSCS has confirmed to the Administrators: <ul style="list-style-type: none"> <li>(a) has a claim for compensation from the FSCS; and</li> <li>(b) the FSCS will pay such compensation to the Administrators for the benefit of that Claimant,</li> </ul> in each case pursuant to the terms of COMP of the FCA Handbook.
<b>FSCS Protected Transfer Claimant</b>	means an FSCS Protected Claimant with an Accepted Client Assets Claim to Transfer Client Assets which: <ul style="list-style-type: none"> <li>(a) are not Encumbered Client Assets; and</li> <li>(b) are the subject of a Transfer in accordance with Clause 5 (<i>Transfer Client Assets</i>).</li> </ul>
<b>Further Encumbered Distribution</b>	shall have the meaning given to it in Clause 7.14.2.
<b>Hard Bar Date</b>	means the date set out in the Hard Bar Date Notice.
<b>Hard Bar Date Notice</b>	means a notice in the form required pursuant to Regulation 12B(13) which specifies the Hard Bar Date and includes a statement that, after the end of the Hard Bar Date, the Administrators: <ul style="list-style-type: none"> <li>(a) may dispose of Client Assets still held by the Company after the Administrators have returned Client Assets to Claimants having Accepted Client Assets Claims; and</li> <li>(b) may, consequently, be unable to meet any further Client Assets Claims.</li> </ul>
<b>Insolvency Act</b>	means the Insolvency Act 1986.
<b>Late Claim</b>	shall have the meaning given to it in Clause 20.1.

Rule 144(6)

Rule 4

Regulation  
12B(13)

<b>Late Claimant</b>	shall have the meaning given to it in Clause 20.1.
<b>Liability</b>	shall have the meaning attributed to it by Rule 333, which, in summary, means a liability to pay money or money's worth, including any liability under an enactment, any liability for breach of trust, any liability in contract, tort or bailment, and any liability arising out of an obligation to make restitution; it being immaterial for these purposes whether the liability is present or future, whether it is certain or contingent, or whether its amount is fixed or liquidated, or is capable of being ascertained by fixed rules or as a matter of opinion.
<b>Liquidation Option</b>	shall have the meaning given to it in Clause 19.1.4.
<b>Long Stop Date</b>	means the date two months after the date on which the Administrators send a Long Stop Date Notice.
<b>Long Stop Date Notice</b>	means a notice stating that the Administrators have determined, acting reasonably, that they have achieved Objective 1 to the extent reasonably practicable.
<b>Market Price</b>	means: <ul style="list-style-type: none"> <li>(a) the value of the Securities on the day in question as determined by a reputable source used by the Company, immediately prior to the Company entering Special Administration, for valuing or reporting in respect of those Securities; or</li> <li>(b) if this is not practicable, the value of those Securities on the day in question as determined by the Administrators which reflects, in the Administrators' opinion, a fair and reasonable price for those Securities.</li> </ul>
<b>Net Assets Claim</b>	shall have the meaning given to it in Clause 7.2.
<b>Nominated Broker</b>	means any person that the Administrators notify as being a Nominated Broker pursuant to Clause 5.3.2.
<b>Non-Returnable Client Assets</b>	means Client Assets which: <ul style="list-style-type: none"> <li>(a) are Not-Held Client Assets; and</li> <li>(b) the Administrators determine in their absolute discretion (acting reasonably) cannot be the subject of a Transfer or Distribution for any legal or practical reason.</li> </ul>
<b>Not-Held Client Asset</b>	means Client Assets which are not under the Administrators' control.
<b>Objectives</b>	means, pursuant to Regulation 10, the following objectives: <ul style="list-style-type: none"> <li>(a) "Objective 1" is for the Administrators to ensure the return of Client Assets or Client Money as soon as is reasonably practicable;</li> </ul>

Regulation  
12(9)

Regulation  
10(1)

	<p>(b) “<b>Objective 2</b>” is for the Administrators to ensure timely engagement with market infrastructure bodies and the Bank of England, the Treasury, the FCA and the Prudential Regulation Authority pursuant to Regulation 13; and</p> <p>(c) “<b>Objective 3</b>” is for the Administrators to either rescue the Company as a going concern or wind it up in the best interests of the creditors.</p>
<b>Physically Held Certificates</b>	means certificates held by the Company in respect of certificated registered Securities registered in the name of Clients.
<b>Physically Held Certificates Return Procedure</b>	means the procedure for the return of Client Assets which are classified as Physically Held Certificates, as more particularly set out at Part C, Schedule 4 ( <i>Return Procedure</i> ), or such other procedure agreed between the Administrators and the relevant Claimant.
<b>Physically Held Securities</b>	means Securities which are not Electronically Held Securities (being those held in physical form in the name of, or on behalf of, the Company).
<b>Physically Held Securities Return Procedure</b>	means the procedure for the return of Client Assets which are classified as Physically Held Securities, as more particularly set out at Part B, Schedule 4 ( <i>Return Procedure</i> ), or such other procedure agreed between the Administrators and the relevant Claimant.
<b>Plan Quarter</b>	means each three-calendar month period beginning on the Effective Date.
<b>Portal</b>	means a secure online facility made available to Claimants and Potential Claimants on the Website and which can be accessed directly at the following address: <a href="https://dm.pwc.com/BeaufortClientClaims">https://dm.pwc.com/BeaufortClientClaims</a> .
<b>Potential Claimants</b>	means those claimants identified by the Administrators after the Soft Bar Date in accordance with Rule 143 as, in summary, being eligible to make a claim under Regulation 11(1) in respect of certain Client Assets.
<b>Proceeding</b>	shall have the meaning given to it in Clause 25.1.2 ( <i>Governing Law and Jurisdiction</i> ).
<b>Proposed Transfer Date</b>	shall have the meaning given to it in Clause 5.3.4.
<b>Reconciliation Shortfall</b>	means a shortfall in the amount available for distribution of Securities of a Particular Description held by the Company as Client Assets in a Client Omnibus Account within the meaning of Regulation 12(1), excluding (for the avoidance of doubt) any Costs Shortfall.

Rule 143

Regulation  
12

<b>Regulations</b>	means the Investment Bank Special Administration Regulations 2011, as amended and supplemented by the Investment Bank (Amendment of Definition) and Special Administration (Amendment) Regulations 2017 (SI 2017/443).
<b>Released Third Parties</b>	means: <ul style="list-style-type: none"> <li>(a) the Administrators' firm;</li> <li>(b) the Advisers;</li> <li>(c) in respect of paragraphs (a) and (b) above, their respective members, partners, directors, officers, employees and any of their respective agents, professional advisers or their employees.</li> </ul>
<b>Restraint Orders</b>	means any restraint order issued by a competent court prohibiting the disposal of one or more Client Assets.
<b>Return Procedure</b>	means, in relation to a Distribution, any of the following procedures for the return of Client Assets to Claimants: <ul style="list-style-type: none"> <li>(a) the Electronically Held Securities Return Procedure;</li> <li>(b) the Physically Held Securities Return Procedure;</li> <li>(c) the Physically Held Certificates Return Procedure; and</li> <li>(d) any other procedure to return Client Assets that is agreed between the Administrators and a Claimant.</li> </ul>
<b>Rules</b>	means the Investment Bank Special Administration (England and Wales) Rules 2011.
<b>Securities</b>	means financial instruments as defined in regulation 3 of the Financial Collateral Arrangements (No. 2) Regulations 2003.
<b>Securities of a Particular Description</b>	means Securities issued by the same issuer which are of the same class of shares or stock; or in the case of Securities other than shares or stock, which are of the same currency and denomination and treated as forming part of the same issue.
<b>Security Holder</b>	shall have the meaning given to it in Clause 7.5.
<b>Security Interest</b>	means any legal or equitable interest or any other right in security (other than a Title Transfer Financial Collateral Arrangement) created or otherwise arising by way of security, including: <ul style="list-style-type: none"> <li>(a) a pledge;</li> <li>(b) a mortgage;</li> <li>(c) a power of sale (including, for the avoidance of doubt, that arising pursuant to Clause 20 of the Company's and BSL's standard terms and conditions);</li> <li>(d) a fixed charge;</li> <li>(e) a charge created as a floating charge; or</li> <li>(f) a lien,</li> </ul>

Rule 2

Regulation  
12(9)

Rule 2

	<p>in respect of a liability:</p> <p>(a) owed by a Claimant to the Company in respect of Financial Contracts (including, for the avoidance of doubt, the Company's standard terms and conditions); or</p> <p>(b) owed by a Claimant to a third party (including, for the avoidance of doubt, Liabilities owed to BSL pursuant to BSL's standard terms and conditions).</p>
<b>Shortfall Claim</b>	means a Claimant's claim against the unsecured estate of the Company in respect of a Reconciliation Shortfall (as borne <i>pro rata</i> by each Claimant under Regulation 12(2)), a Costs Shortfall or otherwise.
<b>Soft Bar Date</b>	means 8 June 2018.
<b>Special Administration</b>	means the special administration of the Company within the meaning of Regulation 3, commenced by Order of Mr M H Rosen QC sitting as a Deputy Judge of the High Court dated 1 March 2018.
<b>Sterling, pound, GBP or £</b>	means pounds sterling, being the lawful currency of the United Kingdom for the time being.
<b>Tainted Client Assets</b>	means Client Assets which are the subject of Restraint Orders or which the Administrators (acting reasonably) conclude may be tainted due to association with any actual or alleged criminal conduct.
<b>Title Transfer Financial Collateral Arrangement</b>	shall have the meaning set out in regulation 3 of the Financial Collateral (No 2) Regulations 2003.
<b>Transfer</b>	means a transfer of Client Assets in accordance with Regulation 10B and Clause 5 ( <i>Transfer Client Assets</i> ).
<b>Transfer Client Assets</b>	<p>means Client Assets which are, at any given time, identified by the Administrators in the Company's books and records as potentially subject to a Transfer and which are not, at the relevant Transfer Selection Date:</p> <p>(a) Tainted Client Assets; or</p> <p>(b) Non-Returnable Client Assets.</p>
<b>Transfer Conditions</b>	shall have the meaning given to it in Clause 5.4.1.
<b>Transfer Cut-off Date</b>	shall have the meaning given to it in Clause 5.4.1.
<b>Transfer Selection Date</b>	shall have the meaning given to it in Clause 5.3.
<b>Unencumbered Client Assets</b>	means Client Assets in respect of which neither the Company nor, to the Company's knowledge, any third party (including BSL) exerts a Security Interest.

Regulation 3

<b>Unencumbered Distribution</b>	shall have the meaning given to it in Clause 6.1.
<b>Website</b>	means <a href="https://www.pwc.co.uk/beaufort">https://www.pwc.co.uk/beaufort</a> .

## 2 Interpretation

In this document:

- 2.1** terms defined in the Regulations and Rules have the same meaning in this Distribution Plan, unless given a different meaning in this Distribution Plan;
- 2.2** references to a “**person**” include an individual, body corporate (wherever incorporated), unincorporated association, trust or partnership (whether or not having separate legal personality), government, state or agency of a state, or two or more of the foregoing;
- 2.3** references to a clause or schedule are to a clause or schedule of this document, and references to this document include the schedules;
- 2.4** the headings in this document, together with any italicised words below the headings, do not affect its construction or interpretation;
- 2.5** references to a statute or a statutory provision include references to such statute or statutory provision as amended or re-enacted whether before or after the date of this document and include all subordinate legislation made under the relevant statute whether before or after the date of this document save where that amendment, re-enactment or subordinate legislation is made after the date of this document and would extend or increase the liability of any party under this document;
- 2.6** references to writing will be deemed to include any modes of reproducing words in a legible or non-transitory form;
- 2.7** references to a “Column” are to a column in each Claimant’s Client Assets Claim Statement;
- 2.8** the singular includes the plural and vice versa and any gender includes any other gender; and
- 2.9** if any obligation is due to be performed under the terms of this document on a date other than a Business Day, the relevant obligation shall be due to be performed on the next Business Day.

## 3 Application, Effectiveness and Hard Bar Date

### 3.1 Application of this Distribution Plan

This Distribution Plan applies to all Client Assets as at the commencement of the Special Administration and to Client Money and assets received by the Company after the commencement of the Special Administration which are referable to and/or derive from such Client Assets, whether as Corporate Actions Assets or otherwise, except any Client Assets which are returned to any Claimant outside of this Distribution Plan with the permission of the Court. For the avoidance of doubt, Client Money received by the Company after the commencement of the Special Administration will still be distributed pursuant to and in accordance with Chapter 7A of the Client Assets Sourcebook.

### 3.2 Effective Date

This Distribution Plan shall become effective on, and have effect from, the Effective Date.

### 3.3 Client Assets Claim Statement

#### 3.3.1 Claims to or in respect of:

- (i) Unencumbered Client Assets;
- (ii) Encumbered Client Assets; and
- (iii) Asserted Client Assets,

are particularised in table form in each Claimant's Client Assets Claim Statement and/or each Claimant's Asserted Claim Statement (as applicable). A Claimant will be able to identify the assets which it has claimed by reviewing its Client Assets Claim Statement and/or Asserted Claim Statement (as applicable). The assets which appear in each Claimant's Client Assets Claim Statement and/or each Claimant's Asserted Claim Statement (as applicable) will be dealt with as set out at Clauses 5 to 12 below. As defined in Clause 1 above, Unencumbered Client Assets are those over which neither the Company nor, to the Company's knowledge, any third party (including BSL) exerts any Security Interest within the meaning of Rule 144.

### 3.4 Hard Bar Date

#### 3.4.1 On any date following the Effective Date, the Administrators shall be entitled and have the option to:

- (i) make an application to the Court under Regulation 12B(3) to approve the setting of a final date for the submission of claims to the beneficial ownership or other form of ownership of Client Assets or claims of persons in relation to a Security Interest asserted over, or other entitlement to, Client Assets, which date shall be the Hard Bar Date and which shall be no earlier than 1 March 2019; and
- (ii) upon the approval of the Court given on such an application, send a Hard Bar Date Notice.

Regulation  
12B

## 4 Reconciliation Shortfall

#### 4.1 To the extent that the Administrators determine that there is a Reconciliation Shortfall under Regulation 12(1) and the Reconciliation Shortfall remains unremedied, the Reconciliation Shortfall shall, pursuant to Regulation 12(2), be borne *pro rata* by all Clients of the Company for whom the Company holds Securities of that Particular Description in proportion to their Accepted Client Assets Claims against those Securities.

Regulation  
12(2)

Regulation  
12(6)

#### 4.2 A Claimant's Shortfall Claim resulting from a Reconciliation Shortfall shall rank as a claim against the unsecured estate of the Company pursuant to Regulation 12(7), provided that the amount of any such Shortfall Claim shall be reduced or discharged if and to the extent that the Claimant's *pro rata* allocation of such Reconciliation Shortfall (or any part thereof) forms part of the determination of a Claimant's Net Assets Claim pursuant to Clauses 7.2 and 7.3.

Regulation  
12(7)

- 4.3** The value of a Claimant's Shortfall Claim resulting from a Reconciliation Shortfall shall be based on the Market Price for those Securities to which the Reconciliation Shortfall relates on the Administration Date.

Regulation  
12(8)

- 4.4** A Claimant's Shortfall Claim resulting from a Reconciliation Shortfall shall, subject to Clause 4.2, automatically be deemed to have been submitted as a proof of debt under Rule 152 as an unsecured claim, without the need for the Claimant to take any further action.

## **5 Transfer Client Assets**

*Please refer to your Client Assets Claim Statement when reading this Clause 5. References to a "Column" in this Clause 5 are to a Column in each Claimant's Client Assets Claim Statement.*

Regulation  
10B

- 5.1** Transfer Client Assets may, subject to Clauses 5.5 and 5.6 below, be the subject of a Transfer in accordance with this Clause 5.

- 5.2** The Administrators shall be entitled to execute one or more Transfers of Transfer Client Assets to one or more Nominated Brokers, by taking the steps identified in Clauses 5.3 and 5.4.

- 5.3** On a Business Day (the "**Transfer Selection Date**") at least 15 Business Days prior to a proposed Transfer (subject to any subsequent update by the Administrators to reflect any Corporate Actions Assets received after such date), the Administrators shall update the Client Assets Claim Statement of each Claimant which has an Accepted Client Assets Claim to Transfer Client Assets which have not been returned pursuant to a previous Transfer (if any) to include:

**5.3.1** which Client Assets have been determined by the Administrators, in their absolute discretion, to be Transfer Client Assets for the relevant proposed Transfer, detailing the type of Client Asset set out in the Columns entitled "ISIN Sec Code" and "Security Description", in the amount set out in the Column entitled "Quantity", less any Reconciliation Shortfall in the Column entitled "Shortfall Amount";

**5.3.2** the identity of the relevant Nominated Broker;

**5.3.3** confirmation that subject to satisfaction of the Transfer Conditions, such Transfer Client Assets (or, in the case of Transfer Client Assets that are Encumbered Client Assets, an amount of such Transfer Client Assets representing the applicable Net Assets Claim) will form part of the proposed Transfer; and

**5.3.4** the date the proposed Transfer is intended to take effect as specified in the Client Assets Claim Statement (the "**Proposed Transfer Date**").

- 5.4** Each Transfer will be effected by the Administrators:

**5.4.1** subject to the following conditions (the "**Transfer Conditions**") being satisfied:

- (i) the Claimant Options Form having been returned by the Claimant;
- (ii) all steps under the Claimant Options Form having been complied with;
- (iii) the Claimant's Share of Costs (or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value) having been paid; and



- (iv) any Security Interest over the Claimant's Client Assets having been discharged and any formalities for the removal or discharge of the Security Interest complied with,

in each case no later than 5 Business Days prior to the Proposed Transfer Date (the "**Transfer Cut-off Date**"), provided that each FSCS Protected Claimant shall not be required to satisfy Transfer Conditions (i) to (iii) above only insofar as the Claimant's Share of Costs is concerned; and

- 5.4.2 on terms and conditions and subject to transfer documentation acceptable to the Administrators in their absolute discretion, provided that such transfer documentation shall in all cases:

Regulation  
10C(3)(a)

- (i) include such contractual provision as the Administrators think necessary to ensure that Clients whose Client Assets are to be returned by a Transfer will be able to exercise their rights in relation to the assets as soon as reasonably practicable after the Transfer; and
- (ii) comply with the restrictions on partial property transfers prescribed by Regulations 10C to 10G. In particular, in the case of a Transfer which is a partial property transfer, the relevant transfer documentation shall include such provision as the Administrators think appropriate in connection with a reverse transfer within the meaning of Regulation 10C(3).

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

- 5.6 In the event that:

- 5.6.1 any Transfer Client Assets have not been the subject of a Transfer in accordance with this Clause 5; or

- 5.6.2 prior to the relevant Transfer Cut-off Date a Claimant notifies the Administrators in writing that it does not want its Client Assets to be the subject of a proposed Transfer, such Client Assets will cease to be Transfer Client Assets and will be dealt with in accordance with the provisions in Clauses 6 to 12 below that thereupon become applicable.

## 6 Distribution of Unencumbered Client Assets

*Please refer to your Client Assets Claim Statement when reading this Clause 6. References to a "Column" in this Clause 6 are to a Column in each Claimant's Client Assets Claim Statement. This Clause shall only apply in circumstances where your Client Assets are not the subject of a Transfer.*

Rule  
144(2)(b)

- 6.1 This Clause 6 shall apply to any Unencumbered Client Assets which are the subject of an Accepted Client Assets Claim on a Distribution Selection Date in a Claimant's Client Assets Claim Statement. Such Unencumbered Client Assets will (unless they are Transfer Client Assets, Non-Returnable Client Assets or Tainted Client Assets), subject to Clause 4.1, be returned as follows:

- 6.1.1 to the Claimant identified by the Client Identification Code set out in the Client Assets Claim Statement;
- 6.1.2 for the type of Client Asset set out in the Columns entitled "ISIN Sec Code" and "Security Description", in the amount set out in the Column entitled "Quantity", less any Reconciliation Shortfall in the Column entitled "Shortfall amount";
- 6.1.3 in accordance with the Return Procedure set out in the Column entitled "Return Procedure"; and
- 6.1.4 as soon as is reasonably practicable subject to:
  - (i) the Claimant's Share of Costs (or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value) having been paid;
  - (ii) the Claimant Options Form having been returned by the Claimant; and
  - (iii) all steps under the Claimant Options Form having been complied with,
 (an "**Unencumbered Distribution**").

## 7 Distribution of Encumbered Client Assets

*Please refer to your Client Assets Claim Statement when reading this Clause 7. References to a "Column" in this Clause 7 are to a Column in each Claimant's Client Assets Claim Statement. This Clause shall only apply in circumstances where your Client Assets are not the subject of a Transfer.*

Rule  
144(2)(c)

- 7.1 This Clause 7 shall apply to any Encumbered Client Assets which are the subject of an Accepted Client Assets Claim on a Distribution Selection Date in a Claimant's Client Assets Claim Statement. Such Encumbered Client Assets will, unless they are Transfer Client Assets, Non-Returnable Client Assets or Tainted Client Assets and subject to Clause 4.1, be returned in an amount equal to the applicable Net Assets Claim (as defined in Clause 7.2 and subject to Clause 7.5 below) as follows:

- 7.1.1 to the Claimant identified by the Client Identification Code set out in the Client Assets Claim Statement;
- 7.1.2 for the type of Client Assets set out in the Columns entitled "ISIN Sec Code" and "Security Description", in the amount set out in the Column entitled "Quantity", less any Reconciliation Shortfall in the Column entitled "Shortfall amount";
- 7.1.3 in accordance with the Return Procedure set out in the Column entitled "Return Procedure"; and
- 7.1.4 as soon as is reasonably practicable subject to:
  - (i) the Claimant Options Form having been returned by the Claimant;
  - (ii) all steps under the Claimant Options Form having been complied with;
  - (iii) the Claimant's Share of Costs (or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value) having been paid; and
  - (iv) the Security Interest over the Claimant's Client Assets having been discharged and any formalities for the removal or discharge of the Security Interest complied with,

(an “**Encumbered Distribution**”).

**7.2** A Claimant’s “**Net Assets Claim**” will be:

**7.2.1** in the case of a Claimant who has, in a Claimant Options Form, elected to pay to the Administrators the amount required to discharge that Claimant’s Liabilities under Clause 17.1.4 (*Cash Option*) or Clause 17.1.5 (*Client Money Option*), and thereby discharges such Liabilities in full, the Encumbered Client Assets in respect of which it has an Accepted Client Asset Claim; or

**7.2.2** in the case of a Claimant who has, in a Claimant Options Form, instructed the Administrators under Clause 17.1.7 (*Liquidation Option*) to liquidate some, or all, of the Claimant’s Encumbered Client Assets which are the subject of an Accepted Client Assets Claim and pay the proceeds to the Company or (as applicable) the relevant third party that holds a relevant Security Interest in order to discharge that Claimant’s Liabilities, the Encumbered Client Assets in respect of which the Claimant has an Accepted Client Asset Claim *minus* the Encumbered Client Assets liquidated by the Administrators in order to realise a sum equal to the Claimant’s Liabilities (without prejudice to the Claimant’s rights, if any, pursuant to Clause 17.4),

in either case, the amount of the Claimant’s Liabilities being as determined in accordance with Clause 7.3.

**7.3** The “**Claimant’s Liabilities**” will be:

**7.3.1** Liabilities owed to any third party who asserts a Security Interest over the Encumbered Client Assets claimed by the Claimant as set out in the Column entitled “Liabilities owed to 3<sup>rd</sup> party”; *plus*

**7.3.2** the greater of (a) zero and (b) the sum of:

- (i) any Liabilities owed by the Claimant to the Company in respect of Financial Contracts as set out in the Column entitled “Liabilities owed to Company”, *minus*
- (ii) any Liabilities owed by the Company to the Claimant in respect of Financial Contracts as set out in the Column entitled “Liabilities owed by the Company”, expressed as a positive number, plus any Shortfall Claim arising as a result of any Reconciliation Shortfall as set out in the Column entitled “Shortfall amount”, expressed as a positive number.

Rule  
144(2)(C)(i)

**7.4** If and to the extent that any Liability in respect of Financial Contracts is brought into account for the purposes of the calculation in Clause 7.3.2, such Liability shall (for all purposes) be reduced and discharged to that extent. In that event:

Rule  
144(2)(C)(ii)

**7.4.1** if (a) the calculation in Clause 7.3.2 yields a sum greater than zero (the “**Company’s balance**”), and (b) in a case where Clause 7.2.2 applies and the Encumbered Client Assets liquidated by the Administrators under Clause 7.2.2 realise a sum which is less than the amount of the Company’s balance, all the Company’s rights and remedies to seek payment of the balance from the relevant Claimant are expressly preserved; and

Rule  
144(2)(C)(iii)

**7.4.2** any such Liability which is owed by the Company to the Claimant in respect of Financial Contracts which is not brought into account, or not brought into account in whole, for the purposes of the calculation in Clause 7.3.2, shall not be reduced or

discharged by this Clause 7.4 to the extent that it is not thereby taken into account under Clause 7.3.2. The Claimant shall automatically be deemed to have submitted a proof of debt under Rule 152 in respect of any such Liability (or part thereof), without the need for the Claimant to take any further action.

- 7.5** If a Claimant is dissatisfied with the Administrators' determination in relation to their Claimant's Liabilities, the Claimant may apply to the Court for the decision to be varied, and any such application must be made within 21 days of the Claimant receiving the Administrators' determination.
- 7.6** The 21-day time period provided for in Clause 7.5 above may be extended with the consent of the Administrators or by the Court.
- 7.7** Upon an application in accordance with Clause 7.5 above, the Court shall fix a venue for the application to be heard and the Claimant shall deliver notice of the venue to the Administrators. The Court shall, thereafter, determine the extent (if any) to which the amount of the Claimant's Liabilities shall be varied.
- 7.8** The Claimant shall personally pay the costs of any application under Clause 7.5 (which shall not be payable as an expense of the Special Administration or as part of the Costs), subject to any contrary order of the Court or agreement of the Administrators.
- 7.9** If, by the date of the Long Stop Date Notice, a Claimant with an Accepted Client Assets Claim to Encumbered Client Assets has not provided the Administrators with instructions in accordance with Clause 15 (*Claimant Options Form*) in relation to those Encumbered Client Assets, a person (including the Company) (a "**Security Holder**") with a Security Interest over Securities held on behalf of a particular Claimant shall be entitled to participate in Distributions and/or Shortfall Claims in respect of those Securities to the extent of their entitlement as against that Claimant, provided that prior to any Distribution the Administrators shall be entitled to liquidate the number of the Claimant's Encumbered Client Assets which are required to discharge the Claimant's Share of Costs.
- 7.10** Security Holders shall not, at any time, be entitled to claim in aggregate in excess of the Distribution which the Claimant would have been entitled to if there had been no Client Assets Claim by the Security Holder(s). In particular, if a Reconciliation Shortfall has occurred under Clause 4.1 causing a particular Claimant to bear a *pro rata* allocation of the Reconciliation Shortfall under Clause 4.2, the rights of any relevant Security Holder in respect of the resultant Distribution shall be limited accordingly (but this shall not affect the right of the Security Holder in respect of that Claimant's resulting Shortfall Claim).

Rule 160

### Calculation of Liabilities

- 7.11** If the Liabilities referred to at Clauses 7.3.2(i) or 7.3.2(ii) of the Distribution Plan are:

- 7.11.1** contingent, the Administrators shall calculate the "**Contingency Value**" of the Liabilities on the basis of their determination as to the likelihood of the relevant contingency occurring and the quantum of the Liabilities should the contingency occur, insofar as necessary taking into account any legal or other professional advice received by them. The Administrators shall take the same approach to calculating a Contingency Value: (i) whether the Liability is payable to, or by, the Company; and (ii) as they would take when valuing contingent liabilities for the purposes of Rule 160(1) (i.e. when dealing with the proofs of debt lodged by general unsecured creditors); and/or

Rule 160

- 7.11.2 disputed, the Administrators shall calculate the **"Dispute Value"** of the Liabilities on the basis of their determination as to the correct resolution of the dispute, insofar as necessary taking into account any legal or other professional advice received by them.
- 7.12 Where a Contingency Value and/or Dispute Value has been determined under Clause 7.11, each Claimant's Client Assets Claim Statement shall identify any such value by indicating the letters **"CV"** (for a Contingency Value) or **"DV"** (for a Dispute Value) next to the relevant amount in, as applicable, the Columns entitled "Liabilities owed by the Company", "Liabilities owed to Company" or "Liabilities owed to 3<sup>rd</sup> party".
- 7.13 On any date prior to the Long Stop Date, the Administrators may revise their determination of a Contingency Value or a Dispute Value if, by reference to any change of circumstances or to information becoming available to the Administrators, the Administrators think it appropriate to do so. The relevant Claimant shall be informed of the Administrators' revision to any Contingency Value or Dispute Value.
- 7.14 If a Distribution has already been made and the Administrators subsequently revise a Contingency Value or a Dispute Value in accordance with Clause 7.13, where the revision:
- 7.14.1 decreases the Net Assets Claim, the Administrators shall be entitled to receive from the Claimant a payment equal to such decrease; or
- 7.14.2 increases the Net Assets Claim, the Administrators shall either (a) insofar as is practicable at that time as determined in their absolute discretion, make a further distribution to the relevant Claimant (a **"Further Encumbered Distribution"**) or otherwise (b) make a payment to the Claimant equal to such increase. An increase in a Net Assets Claim on this basis shall not disrupt any Client Assets that have already been returned to any other person, who shall acquire and retain good title to them.

## 8 Potential Claimants

- 8.1 Where a Potential Claimant, who has been notified under Rule 143(2) that the Administrators believe it would have been eligible to submit a claim under Regulation 11(1), has failed to respond to that notice within the prescribed time, the Administrators will (subject to the terms of this Distribution Plan):
- 8.1.1 make provision for Client Assets to be returned (by Transfer or Distribution) to the Potential Claimant according to the information available to the Administrators in respect of the amount of Client Assets held for the Potential Claimant by the Company; or, as the case may be,
- 8.1.2 take into account any Security Interest that, according to the information available to the Administrators, the Potential Claimant is entitled to assert over certain Client Assets held by the Company.
- 8.2 Accordingly, amongst other things:
- 8.2.1 the Administrators have prepared or will prepare Client Assets Claim Statements for Potential Claimants, who have failed to respond to a notice under Rule 143(2), on the basis that such Client Assets will be the subject of a Transfer or Distribution according to the information available to the Administrators in respect of the amount

Rule 144(4)

of Client Assets held for such Potential Claimants by the Company; and, as the case may be,

**8.2.2** in respect of Encumbered Client Assets, the relevant Client Assets Claim Statement:

- (i) in the case of a Potential Claimant eligible to submit a claim under Regulation 11(1)(a), will, according to the information available to the Administrators:
  - (a) take into account any Security Interest that a third party exerts over the relevant Client Assets by withholding from the Encumbered Distribution an amount of Encumbered Client Assets which has a value equal (or as close to equal as is possible) to the third party's secured claim against the Potential Claimant; and
  - (b) set out the number of Securities which the Administrators are withholding from an Encumbered Distribution to meet any such Security Interest, unless and until such Security Interest is otherwise discharged; and
- (ii) in the case of a Potential Claimant eligible to submit a claim under Regulation 11(1)(b), will, according to the information available to the Administrators:
  - (a) take into account the Security Interest that the Potential Claimant asserts over, or other entitlement it may have to, the relevant Client Assets, by withholding from the Encumbered Distribution an amount of Encumbered Client Assets which has a value equal (or as close to equal as is possible) to the Potential Claimant's secured claim against the person who has submitted a claim and is entitled to the relevant Client Assets under Regulation 11(1)(a); and
  - (b) set out the number of Securities which the Administrators are withholding from an Encumbered Distribution to meet any such Security Interest, unless and until such Security Interest is otherwise discharged,

in each case in accordance with Clause 7 (*Distribution of Encumbered Client Assets*).

**8.3** If, by the Long Stop Date, the Administrators still hold Client Assets for Potential Claimants, the Administrators (subject to the terms of this Distribution Plan):

- 8.3.1** will not be obliged to return such Client Assets pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan in respect of such Client Assets;
- 8.3.2** will be entitled to liquidate such Client Assets and return the proceeds (if any) to the Claimant, after deducting the relevant Claimant's Share of Costs of such liquidation, *pro rata* allocation of any Reconciliation Shortfall and/or costs of discharging any Security Interest; and/or
- 8.3.3** provided that a Hard Bar Date has occurred and the Administrators determine that, having taken all reasonable measures to identify and contact the Claimant, they are not able to return such proceeds to the Claimant, transfer such amount of the proceeds to the Company's own bank accounts for the benefit of the general estate of the Company.

## 9 Asserted Client Assets

*Please refer to your Asserted Claim Statement when reading this Clause 9.*

- 9.1** Any Asserted Client Assets will be set out in the Asserted Claim Statement made available to each Claimant with an Asserted Client Assets Claim. Asserted Claim Statements will be provided to enable relevant Claimants to identify that as at the Effective Date, their claims in respect of Asserted Client Assets have been received but have not been accepted.
- 9.2** The details of Asserted Client Assets set out in each relevant Claimant's Asserted Claim Statement have been included for information purposes only.
- 9.3** In circumstances where the Administrators do not accept a Claimant's Asserted Client Assets Claim (in whole or in part), the Administrators may reject such Asserted Client Assets Claim (in whole or in part) and, in that event, shall provide the Claimant with a statement in writing of the Administrators' reasons for doing so as soon as reasonably practicable thereafter.
- 9.4** If a Claimant is dissatisfied with the Administrators' decision in relation to the Asserted Client Assets Claim, the Claimant may apply to the Court for the decision to be reversed or varied. Any such application must be made within 21 days of the Claimant receiving the statement of reasons delivered in accordance with Clause 9.3.
- 9.5** The 21 day time period provided for in Clause 9.4 above may be extended with the consent of the Administrators or by the Court.
- 9.6** Upon an application in accordance with Clause 9.4 above, the Court shall fix a venue for the application to be heard and the Claimant shall deliver notice of the venue to the Administrators. The Court shall, thereafter, determine the extent (if any) to which the Asserted Client Asset is a Client Asset.
- 9.7** Unless the Administrators agree or the Court orders otherwise, the applicant's costs of such application shall be paid by the Claimant and are not payable as an expense of the Special Administration or as part of the Costs.
- 9.8** Where there is an ongoing dispute between, or which involves, Claimants' entitlements to certain Client Assets, including by virtue of an Asserted Client Assets Claim, the Administrators shall not be obliged to make a Transfer or Distribution of such Client Assets (or any part of them) pursuant to this Distribution Plan:
- 9.8.1** unless and until any such dispute is resolved (without prejudice to any resolution pursuant to this Clause 9) by an agreement being drawn up between the parties in dispute; or
- 9.8.2** at all, where the Securities that are the subject of the dispute are lodged with the Court,
- and, if the Administrators pursue either course of action, their obligations in respect of Objective 1 with regard to these Client Assets shall be deemed to be discharged.
- 9.9** Subject to Clause 9.8.2 and Clauses 10 (*Non-Returnable Client Assets*), 11 (*Tainted Client Assets*) and 12 (*Corporate Actions*), if the Administrators' determination in relation to the status of Asserted Client Assets is later reversed or varied by the Administrators themselves or by the Court, then:

Regulation  
12(6)

**9.9.1** such Client Assets as are then determined to be held for the relevant Claimant will either be:

- (i) returned by a Transfer in accordance with the procedure for Transfer Client Assets above as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value); or
- (ii) returned by a Distribution in accordance with the procedure for Unencumbered Client Assets or Encumbered Client Assets above, as appropriate, as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value).

**9.10** The Administrators will not be obliged to take any further action with respect to Asserted Client Assets pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan in that respect:

**9.10.1** where court proceedings in respect of the relevant Asserted Client Assets Claim have been commenced pursuant to Clause 9.4, as from the earlier of the date (if any) on which:

- (i) it has been finally determined by a court that the Asserted Client Assets are not Client Assets and all rights to appeal have been exhausted (including by virtue of a failure to appeal or final refusal to allow an appeal to proceed); or
- (ii) any such proceedings are abandoned, or

**9.10.2** where no court proceedings in respect of the relevant Asserted Client Assets Claim have been commenced by the date 21 days after the Claimant receives the statement of reasons delivered in accordance with Clause 9.3.

## **10 Non-Returnable Client Assets**

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

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

**10.2.1** returned by a Transfer in accordance with the procedure for Transfer Client Assets above as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value); or

**10.2.2** returned by a Distribution in accordance with the procedure for Unencumbered Client Assets or Encumbered Client Assets above, as appropriate, as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value).

**10.3** If an Accepted Client Assets Claim is to a Non-Returnable Client Asset which remains a Non-Returnable Client Asset, the Claimant may, at any time, elect to:



- 10.3.1** notify the Administrators in writing that it releases the Company from any obligation to return the Non-Returnable Client Asset to the Claimant if it ever comes under the Administrators' control; in which event
  - 10.3.2** a Shortfall Claim shall automatically be deemed to have been submitted as a proof of debt under Rule 152 as an unsecured claim, without the need for the Claimant to take any further action.
- 10.4** If and to the extent any Non-Returnable Client Assets remain Non-Returnable Client Assets by the Long Stop Date:
  - 10.4.1** the Administrators will not be obliged to take any further action with respect to such Non-Returnable Client Assets pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan in that respect. For the avoidance of doubt, this will not affect any rights of the relevant Clients to the Non-Returnable Client Assets otherwise than pursuant to and as affected by this Distribution Plan; and
  - 10.4.2** a Shortfall Claim shall automatically be deemed to have been submitted as a proof of debt under Rule 152 as an unsecured claim, without the need for the Claimant to take any further action.

## **11 Tainted Client Assets**

- 11.1** If and to the extent that an Accepted Client Assets Claim is to a Tainted Client Asset, the Claimant will not be entitled to a Distribution or Transfer, unless and until such Tainted Client Asset ceases to be a Tainted Client Asset.
- 11.2** Where any Tainted Client Asset ceases to be a Tainted Client Asset:
  - 11.2.1** the relevant Client Asset will either be:
    - (i) returned by a Transfer in accordance with the procedure for Transfer Client Assets above as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value); or
    - (ii) returned by a Distribution in accordance with the procedure for Unencumbered Client Assets or Encumbered Client Assets above, as appropriate, as soon as is reasonably practicable thereafter (subject to the discharge of the Claimant's Share of Costs or, as applicable pursuant to Clause 17.7, the Claimant's Costs Allocation Value).
- 11.3** If and to the extent that any Tainted Client Assets remain Tainted Client Assets by the Long Stop Date, the Administrators will not be obliged to Transfer or make a Distribution of such Tainted Client Assets pursuant to this Distribution Plan and will be released from any obligations pursuant to this Distribution Plan in respect of the relevant Tainted Client Assets. For the avoidance of doubt, this will not affect any rights of the relevant Clients to the Tainted Client Assets otherwise than pursuant to and as affected by this Distribution Plan.
- 11.4** Nothing in this Distribution Plan shall prevent the Administrators from taking any actions in relation to any Tainted Client Assets which they are required to take by law, regulation or any order of a competent court.

## 12 Corporate Actions Assets

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

**12.1.1** Client Money or Securities being received by the Company; and/or

**12.1.2** a change in the nature of the Relevant Asset (for example as a result of a stock split, exchange and/or merger and acquisition activity),

(“**Corporate Actions Assets**”) then, subject to Clause 10 (*Non-Returnable Client Assets*) if the Client Assets Claim in respect of the Relevant Asset is, or in due course becomes, an Accepted Client Assets Claim, any Corporate Actions Assets shall be subject to a Transfer or a Distribution in accordance with the regime which governs, or would have governed, the return of the Relevant Assets and such Transfer or Distribution shall (subject to Clause 3.1) be subject to the terms of this Distribution Plan.

## 13 Costs Allocation

**13.1** Pursuant to Rule 137, the Costs (as determined and estimated by the Administrators as at the Effective Date) shall be borne by each Claimant with an Accepted Client Assets Claim on the basis that each such Claimant shall be required to settle its Claimant’s Share of Costs (or, as applicable pursuant to Clause 17.7, its Costs Allocation Value) by one or more of the methods of settlement set out in this Distribution Plan.

Rule 135

Rule 137

**13.2** On any Claimant’s Share of Costs Recalculation Date, the Administrators will make a determination as to whether each Claimant’s Share of Costs is to be reduced as a result of:

**13.2.1** Non-Returnable Client Assets ceasing to be Non-Returnable Client Assets;

**13.2.2** additional Claimants being determined to have Accepted Client Assets Claims;

**13.2.3** the aggregate contribution towards Costs by all Claimants being greater than prudently estimated by the Administrators, such that the Administrators determine, in their absolute discretion, that each Claimant’s Share of Costs ought to be reduced accordingly; and/or

**13.2.4** the amount of Costs as at that date being determined and estimated by the Administrators to be less than the sum previously determined and estimated by them.

**13.3** If there is a reduction of each Claimant’s Share of Costs as a result of a determination pursuant to Clause 13.2:

**13.3.1** the Administrators shall notify such reduction to each Claimant whose Costs Allocation Value is greater than the Claimant’s Share of Costs;

**13.3.2** the Administrators shall calculate and pay any Costs Reserve Rebate due in respect of any Claimant’s Share of Costs or Costs Allocation Value that has already been settled in accordance with Clause 14 (*Costs Reserve Rebates*); and

**13.3.3** each Claimant’s entitlement to a Shortfall Claim pursuant to Clause 18 (*Costs Shortfalls*) shall be reduced by a corresponding amount.

**13.4** Where the FSCS pays the Claimant’s Share of Costs or any part of them on behalf of an FSCS Protected Claimant, the FSCS shall be treated as a “Claimant” for the purposes of this Clause 13 and the FSCS shall immediately and automatically be subrogated to all of the

rights and claims of that FSCS Protected Claimant against the Company and any third party involved in, or connected with, the matters giving rise to that FSCS Protected Claimant's claim for compensation from the FSCS in accordance with COMP 7.3.

## **14 Costs Reserve Rebates**

**14.1** Any Claimant which has already settled its Claimant's Share of Costs shall be entitled to a rebate in an amount equal to the difference (if any) between:

**14.1.1** the amount of its Claimant's Share of Costs settled; *less*

**14.1.2** the reduced Claimant's Share of Costs determined in accordance with Clause 13.2.

**14.2** Any Claimant which has already settled its Costs Allocation Value in accordance with Clause 17.7 shall be entitled to a rebate in an amount equal to the difference (if any and if a positive amount) between:

**14.2.1** the amount of its Costs Allocation Value settled; *less*

**14.2.2** the reduced Claimant's Share of Costs determined in accordance with Clause 13.2, any rebate calculated in accordance with Clause 14.1 or this Clause 14.2 being a "**Costs Reserve Rebate**".

**14.3** Where the FSCS pays the Claimant's Share of Costs, the FSCS shall be treated as a "Claimant" for the purposes of this Clause 14.

**14.4** The Administrators shall make any payment in respect of a Costs Reserve Rebate as soon as practicable following the relevant Claimant's Share of Costs Recalculation Date.

## **15 Claimant Options Form**

**15.1** Following the Effective Date and at least 10 Business Days prior to any Transfer or Distribution, the Administrators shall make available to each Claimant (other than each FSCS Protected Transfer Claimant) who has an Accepted Client Assets Claim, a Claimant Options Form. An example of this form can be seen at Schedule 3 (*Example Claimant Options Form*).

**15.2** All Claimants (other than FSCS Protected Transfer Claimants) are required to complete, return and comply with all the steps under the Claimant Options Form in order to receive a Distribution or be the subject of a Transfer.

**15.3** If and for so long as a Claimant (other than an FSCS Protected Transfer Claimant) fails to give the Administrators the required instructions in relation to those of its Client Assets which are available for Distribution or Transfer in accordance with Clauses 16 (*Distribution Options*) and 17 (*Payment of Costs and discharge of Security Interests*), such Client Assets will not, subject to Clause 15.4, be eligible for a Distribution or a Transfer.

**15.4** If, by the Long Stop Date, (a) a Claimant with an Accepted Client Assets Claim (other than an FSCS Protected Transfer Claimant) has not provided the Administrators with instructions in accordance with Clause 15.1 and Clause 15.2 (*Claimant Options Form*), and (b) any Encumbered Client Assets which are the subject of the Accepted Client Assets Claim have not been returned by a Distribution to the Security Holder in accordance with Clause 7.9, the Administrators may, if they deem it appropriate, liquidate the Client Assets and return the proceeds (if any) of such liquidation to the Claimant, after deducting the relevant Claimant's

Share of Costs, *pro rata* allocation of any Reconciliation Shortfall and/or costs of discharging any Liability that is the subject of a Security Interest.

## **16 Distribution Options**

*This Clause shall only apply in circumstances where your Client Assets are not the subject of a Transfer.*

**16.1** By completing the Claimant Options Form and subject to Clauses 17 and 18, a Claimant may instruct the Administrators, in relation to those of its Client Assets which are available for Distribution following the discharge of the Claimant's Share of Costs, taking into account its *pro rata* allocation of any Reconciliation Shortfall and the discharge of any Claimant's Liabilities, to:

**16.1.1** move some, or all, of the Claimant's Client Assets to another custodian in an account in the name of that Claimant;

**16.1.2** liquidate some, or all, of the Claimant's Client Assets (excluding any Non-Returnable Client Assets) and pay the proceeds to the Claimant or any person to whom the Claimant shall direct in writing; and/or

**16.1.3** return Physically Held Securities directly to the Claimant or any person to whom the Claimant shall direct in writing,

(each, a "**Distribution Option**").

## **17 Payment of Costs and discharge of Security Interests**

**17.1** Before a Claimant who has an Accepted Client Assets Claim is entitled to receive a Distribution or be the subject of a Transfer:

**17.1.1** its Claimant's Share of Costs must be settled;

**17.1.2** the Claimant's Liabilities (if any) determined under Clause 7.3 above must be discharged; and

**17.1.3** where there is a Security Interest over the Claimant's Client Assets, such Security Interest must be discharged and any formalities for the removal or discharge of the Security Interest complied with,

in accordance with the following options (the "**Costs Options**"), provided that the FSCS will pay compensation to the Administrators in respect of the Claimant's Share of Costs of each FSCS Protected Claimant which the FSCS has determined (in accordance with COMP) is payable on behalf of the relevant FSCS Protected Claimant, without any such FSCS Protected Claimant being required to select a Costs Option in its Claimant Options Form:

**17.1.4** the "**FSCS Option**" whereby if the Claimant is an FSCS Protected Claimant, the FSCS shall pay the Claimant's Share of Costs by the FSCS exercising the Cash Option on such Claimant's behalf, provided that:

(i) the FSCS Option shall not be available to fund any payment required to discharge any Liabilities that are the subject of a Security Interest; and

(ii) where the FSCS pays the Claimant's Share of Costs or any part of them on behalf of an FSCS Protected Claimant, the FSCS shall be treated as a "Claimant" for the purposes of Clause 18.2 and the FSCS shall immediately

and automatically be subrogated to all of the rights and claims of that FSCS Protected Claimant against the Company and any third party involved in, or connected with, the matters giving rise to that FSCS Protected Claimant's claim for compensation from the FSCS in accordance with COMP 7.3;

17.1.5 the “**Cash Option**”, whereby the Claimant may pay to the Administrators:

- (i) the Claimant's Share of Costs; and
- (ii) where the Client Asset is an Encumbered Client Asset, the amount required to enable that Security Interest and the Claimant's Liabilities (if any) to be discharged,

in each case in Sterling by cheque (which must be received by the Administrators and clear at least 5 Business Days prior to the date of the Distribution or Transfer) or by bank transfer;

17.1.6 the “**Client Money Option**” whereby:

- (i) if the Client Asset is an Unencumbered Client Asset and the Claimant has a Client Money Distribution Entitlement, the Claimant may instruct the Administrators to use such portion of its Client Money Distribution Entitlement as necessary to discharge (in whole or in part) that Claimant's Share of Costs; or
- (ii) where the Client Asset is an Encumbered Client Asset and the Claimant has a Client Money Distribution Entitlement, the Claimant may instruct the Administrators to use such portion of its Client Money Distribution Entitlement as necessary to enable that Claimant's Share of Costs and any relevant Security Interest and/or that Claimant's Liabilities to be discharged (in each case in whole or in part); or

17.1.7 the “**Liquidation Option**”, whereby:

- (i) if the Client Asset is an Unencumbered Client Asset, the Claimant may instruct the Administrators to liquidate a sufficient amount and specific type of its Client Assets to enable that Claimant's Share of Costs to be discharged and to discharge the Claimant's Share of Costs out of the proceeds of such liquidation; and
- (ii) where the Client Asset is an Encumbered Client Asset, the Claimant may instruct the Administrators to:
  - (a) liquidate a sufficient number of a Claimant's Client Assets to enable that Claimant's Share of Costs and any relevant Security Interest and/or Claimant's Liabilities to be discharged and to discharge the Claimant's Share of Costs and that Security Interest and/or Claimant's Liabilities out of the proceeds of the liquidation; and
  - (b) where the Claimant also has other accounts with the Company that are in deficit or owes any other debts to the Company, liquidate a sufficient additional amount of a Claimant's Client Assets to enable that deficit or debt to be discharged and to discharge that deficit or debt out of the proceeds of the liquidation,

in each case in accordance with the requirements in Clause 17.5.

- 17.2** Where a Claimant has indicated through the Portal or by post that it wishes to benefit from the “FSCS Compensation Proposal” there set out (or fails by the date of the first Transfer to make an election either way in that respect), such Claimant shall be deemed to have selected the FSCS Option and, unless and until it provides the Administrators with a Claimant Options Form selecting an alternative Costs Option, the FSCS will pay compensation to the Administrators in respect of that Claimant’s Share of Costs which the FSCS has determined (in accordance with COMP) is payable on behalf of such Claimant.
- 17.3** In the event that a single Costs Option will not result in the discharge in full of a Claimant’s Share of Costs and/or any payment required to lift any Security Interest or discharge the Claimant’s Liabilities, a Claimant shall be entitled to choose more than one Costs Option, provided that:
- 17.3.1** the Claimant provides express instructions in the Claimant Options Form as to the ranking of their preferences as between the Costs Options; and
- 17.3.2** each Costs Option ranked by the Claimant shall, to the fullest extent practicable, be exhausted in full before a lower ranking Costs Option may be used to discharge any remainder of the Claimant’s Share of Costs and/or any payment required to discharge any Security Interest.
- 17.4** Where the Liquidation Option results in a cash surplus, that cash surplus shall be returned to the Claimant in question together with those of the Client Assets which are to be returned to it (if any).
- 17.5** Where the Liquidation Option is followed:
- 17.5.1** the Claimant shall, in its Claimant Options Form, either:
- (i) indicate that the Administrators may liquidate those of its Client Assets as the Administrators select (and at such time as they determine) in their absolute discretion; or
- (ii) provide express instructions as to (a) which of the Claimant’s Client Assets to liquidate and (b) the quantity of those Client Assets to liquidate (which shall be liquidated at such time as the Administrators determine);
- 17.5.2** if either (a) the express instructions provided by the Claimant do not enable the Administrators to discharge the Claimant’s Share of Costs, any relevant Security Interest and/or the Claimant’s Liabilities (as applicable) or are not acceptable to the Administrators for any other reason or (b) the Administrators have attempted, but have been unable, to obtain any express instructions from the Claimant following receipt of the Claimant’s Claimant Options Form, the Administrators shall in each case have absolute discretion to determine:
- (i) which of the Claimant’s Client Assets to liquidate;
- (ii) the quantity of those Client Assets to liquidate; and
- (iii) the time and date of that liquidation, which shall be at least 10 Business Days after the Administrators’ failed attempt to obtain the express instructions from the Claimant referred to in Clause 17.5.2,
- and where the Administrators have acted in good faith in liquidating all or part of a Claimant’s Client Assets, the Claimant shall not have any claim against the Administrators or the Company arising out of, or in connection with, the liquidation

of part or all of the Claimant's Client Assets to meet the Claimant's Share of Costs, any relevant Security Interest and/or Claimant's Liabilities (as applicable); and

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

17.6 The Administrators shall, as soon as reasonably practicable, notify each Claimant:

17.6.1 whose Claimant's Share of Costs cannot be paid in full by the FSCS Option (as determined by the FSCS in accordance with COMP); and

17.6.2 who also has Securities (together with any Corporate Actions Assets) which make up its Client Assets Claim which the Administrators reasonably believe are likely to have a value which is lower than its Claimant's Share of Costs, of its Costs Allocation Value.

17.7 In the event that a Claimant is notified of a Costs Allocation Value which is less than its Claimant's Share of Costs, such Claimant:

17.7.1 shall be entitled to settle and discharge only its Costs Allocation Value and not its Claimant's Share of Costs, wherever this Distribution Plan would otherwise require it to settle or discharge its Claimant's Share of Costs; or

17.7.2 may, subject to any other agreement with the Administrators as to Costs, elect in its Claimant Options Form to release the Company from any obligation to return the relevant Client Assets to the Claimant, and in such circumstances a Shortfall Claim shall automatically be deemed to have been submitted as a proof of debt under Rule 152 as an unsecured claim in an amount equal to that aggregate value so notified, without the need for the Claimant to take any further action.

17.8 A Claimant who has an Accepted Client Asset Claim to Physically Held Certificates shall not be required to pay a Claimant's Share of Costs for their return.

## 18 Costs Shortfalls

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

18.1.1 the shortfall in the amount of Client Assets to be returned to that Claimant attributable to the discharge of that Claimant's Share of Costs (a "**Costs Shortfall**") is to be treated as a debt owed to the Claimant by the Company arising before the Company entered into Special Administration; and

Rule 137(2)

18.1.2 the Shortfall Claim resulting from the Costs Shortfall shall automatically be deemed to have been submitted as a proof of debt under Rule 152, without the need for the Claimant to take any further action.

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

Rule 137(2)

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

Rule 137(2)

## **19 Assignment or Transfer**

No assignment or transfer of any rights or obligations under or in respect of any Client Assets Claim shall be recognised by the Administrators for the purpose of determining any entitlement under this Distribution Plan, save for assignments to or by the FSCS or where the FSCS is automatically subrogated to all or any part of the rights and claims of any FSCS Protected Claimant against the Company and any third party involved in, or connected with, the matters giving rise to that FSCS Protected Claimant's claim for compensation from the FSCS in accordance with COMP 7.3.

## **20 Treatment of Late Claimants**

- 20.1** Any Client Assets Claim submitted by a Claimant (a "**Late Claimant**") after any Distribution or Transfer has taken place must be correctly submitted in accordance with either Rule 139 or Rule 140 (a "**Late Claim**").

Regulation  
11(5)  
Regulation  
12B(7)

- 20.2** Subject to Clause 20.1, in circumstances where the Late Claim is an Accepted Client Assets Claim:

**20.2.1** if enough of those Client Assets (amounting to what the Late Claimant would, in accordance with the terms of this Distribution Plan, have received had it filed its Client Assets Claim prior to any Transfers or Distributions) are still available to be returned, they shall be returned to the Late Claimant as soon as reasonably practicable subject to (i) the Late Claimant returning its Claimant Options Form in accordance with Clause 15 (*Claimant Options Form*), and (ii) the Late Claimant paying its Claimant's Share of Costs (or, as applicable pursuant to Clause 17.7, its Costs Allocation Value) in accordance with Clauses 17 (*Payment of Costs and discharge of Security Interests*); but

**20.2.2** if not enough of those Client Assets (amounting to what the Late Claimant would, in accordance with the terms of this Distribution Plan, have received had it filed its Client Assets Claim prior to any Transfers or Distributions) are still available to be returned, then:

- (i) only such Client Assets as can be returned shall be returned to the Late Claimant, subject to (i) the Late Claimant returning its Claimant Options Form in accordance with Clause 15 (*Claimant Options Form*), (ii) the payment of the Claimant's Share of Costs (or, as applicable pursuant to Clause 17.7, its Costs Allocation Value) in accordance with Clauses 17 (*Payment of Costs and discharge of Security Interests*); but
- (ii) the Late Claimant shall automatically be deemed to have submitted a proof of debt under Rule 152 for the value of those Client Assets not returned without the need for the Claimant to take any further action.



**20.3** For the purposes of Clause 20.2, a Late Claim submitted after any Distribution Selection Date or any Transfer Cut-off Date (as applicable) shall be deemed to have been submitted after the Transfer or Distribution of the assets to which the relevant Distribution Selection Date or Transfer Cut-off Date (as applicable) relates.

**20.4** A Late Claim shall be treated in accordance with the procedure above at Clause 20.2 for Unencumbered Client Assets or Encumbered Client Assets, as appropriate. However, in no circumstances shall a Late Claim disrupt those Client Assets that have already been returned, and the Claimant to whom those Client Assets have been returned shall have acquired good title to those Client Assets as against the Late Claimant.

Regulation  
11(5)  
Regulation  
12B(8)

**20.5** The Company and Administrators will not be liable in respect of any breach of trust (whether as trustee or accessory) to any Claimant in respect of additional claims not reflected by any Distributions actually made where, prior to the relevant Distribution Selection Date, the Company and/or the Administrators did not have information available to them to support the existence of those additional claims.

## **21 Releases**

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

**21.1.1** releases and waives in favour of the Administrators and the Released Third Parties all its rights, entitlements and interest in any Administration Claims; and

**21.1.2** undertakes and agrees not to commence, voluntarily aid, or in any way prosecute against the Administrators or any Released Third Party (as applicable) in any jurisdiction whatsoever, any claim which seeks recovery or a determination in respect of or arising out of any Administration Claims.

## **22 Notice**

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

Chapter 3,  
Part 11 of  
the Rules

## **23 Modification**

**23.1** The Administrators may make any additions or modifications to this Distribution Plan and/or the Client Assets Claim Statement before or after the Effective Date:

**23.1.1** which are of a minor, technical or administrative nature without the need for the Distribution Plan to be approved again by either the Court or the Creditors' Committee; or

**23.1.2** which:

- (i) are consistent with the pursuit by the Administrators of Objective 1;
- (ii) would not materially prejudice the interests of any Claimant or the FSCS; and
- (iii) have been approved by the Creditors' Committee,

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

**23.2** If the Administrators make any additions or modifications under Clause 23.1 above, the Administrators shall inform Claimants by posting:

**23.2.1** the Client Assets Claim Statement as so amended or modified on the Portal; and/or

**23.2.2** the Distribution Plan as so amended or modified on the Website.

## **24 Illegality and Severance**

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

## **25 Governing Law and Jurisdiction**

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

**25.1.1** this Distribution Plan and all matters (including any contractual or non-contractual obligation) arising from or connected with it shall be governed by, and construed in accordance with, the laws of England and Wales;

**25.1.2** subject to Clause 25.1.3, the courts of England have exclusive jurisdiction to decide and to settle any dispute or claim arising out of or in connection with this Distribution Plan ("**Proceedings**"); and

**25.1.3** this jurisdiction clause is for the benefit of the Company and the Administrators only and the Company and/or the Administrators will not be prevented from instigating Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Company and/or the Administrators may take concurrent Proceedings in any number of jurisdictions.

**Schedule 1**  
**Example Client Assets Claim Statement**

## Schedule 1: Example Client Assets Claim Statement



Date of statement:

Client Name:

Client ID:

Client Email:

Account Code(s):

### CLIENT ASSETS CLAIM STATEMENT

**Summary at 1 March 2018<sup>1</sup>**

#### Overview

This is your personalised Client Assets Claim Statement as referred to in the Distribution Plan approved by Order of the English High Court dated [X] 2018 (the “**DP**”). Set out immediately below is a summary of your Client Assets, Claimant Liabilities and Corporate Action Assets (as applicable) as at the date of this statement. There [is/are] also [a further/further] statement[s] enclosed confirming how your Client Assets are to be returned and what action (if any) you need to take before your Client Assets can be returned by Transfer and/or Distribution. You may receive further updated statements in due course.

If you are eligible for FSCS compensation, then your Share of Costs and Reconciliation Shortfall (if any) will be compensated up to the statutory cap of compensation of £50,000 per individual by the FSCS. The FSCS will not pay compensation to discharge your Security Interests.

**If you are eligible for FSCS compensation but have indicated to the Administrators that you do NOT wish to receive compensation through the administration then you will need to pay your Share of Costs before your Client Assets are returned.** If you have previously indicated that you do not wish to receive FSCS compensation through the administration but now want to do so, please contact us immediately on 0800 063 9283 (UK) or + 44 7293 0227 (Internationally) or [client.services@beaufortsecurities.com](mailto:client.services@beaufortsecurities.com).

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<sup>1</sup> A small number of trades were instructed prior to 1 March 2018 but settled after such date as a result of the actions of third parties. This statement reflects such trades, even though these settled after 1 March 2018.

Capitalised terms used in this Client Assets Claim Statement have the meaning given to them in the DP unless otherwise indicated.

Security Description <sup>2</sup>		Quantity <sup>3</sup>	Reconciliation Shortfall (Y/N) <sup>4</sup>	Shortfall amount <sup>5</sup>	Reconciled quantity <sup>6</sup>	Security Interests (Y/N) <sup>7</sup>	Share of Costs <sup>8</sup>
Asset Name	ISIN Sec Code						
Equity	XXXXX X	100	N	0	100	[Y/N]  [Claimant options form: completed and actioned] [Claimant options form: <b>completed</b> ]	[FSCS eligible: no further action required] [FSCS eligible: <b>action required<sup>11</sup></b> ]

<sup>2</sup> These columns confirm the particular type of assets that the Company undertook to hold for you.

<sup>3</sup> This column confirms the number of assets that the Company undertook to hold for you.

<sup>4</sup> This Column confirms whether the Company holds enough of the type of assets identified in this statement for all of the clients it has undertaken to hold such assets for. Where the Company does not hold enough of those assets for all clients, this is known as a “shortfall” and you should refer to Clause 4 of the DP.

<sup>5</sup> This column confirms your share of the “shortfall” which is to be deducted from your “quantity” number. If you are eligible for FSCS compensation and have not declined such compensation, then, subject to the statutory cap of £50,000, you will be compensated by the FSCS in respect of your share of the shortfall. Note that the Shortfall Amount shown on this overview page may increase (e.g. in circumstances where new claims in respect of the type of assets that the Company undertook to hold for you are received prior to your Client Assets being returned) or decrease (e.g. in circumstances where any asserted claims or disputes in respect of the type of assets that the Company undertook to hold for you are determined against the claimant thereby allowing the Administrators to release any reserved assets which caused a Reconciliation Shortfall).

<sup>6</sup> This is the number of assets that are to be returned to you (by way of Transfer or Distribution), subject to any increase or decrease in respect of Reconciliation Shortfalls as referred to immediately above in footnote 4 and applicable deductions arising out of any instructions provided by you in your Claimant Options Form in respect of any Security Interests and Share of Costs (as applicable).

<sup>7</sup> This column confirms whether your Client Assets are subject to Security Interests held by the Company or a third party (including BSL) and, if so, the action required in respect of your Security Interests.

<sup>8</sup> This column confirms the action required in respect of your Share of Costs.

<sup>11</sup> [You are eligible for FSCS compensation; however, you need to take further action before your assets can be returned (either by Transfer or Distribution). **Please contact us immediately at 0800 063 9283 (UK) or + 44 7293 0227 (Internationally) or client.services@beaufortsecurities.com.**]

						<b>but action required<sup>9</sup></b> [Claimant options form: <b>please complete your form and action<sup>10</sup></b> ]	[FSCS ineligible: no further action required] [FSCS ineligible: <b>action required<sup>12</sup></b> ]
Equity	Xxxxx	100	Y	(10)	90		
Bond	Xxxxx	100	N		100		

**Details of Security Interest<sup>13</sup>:** By setting out the Claimant Liabilities identified below, the Administrators have made a determination for the purposes of Clause 7.5 of the DP. If you are dissatisfied with this determination you may apply to the Court for the decision to be varied, and any such application must be made within 21 days of you receiving this determination.

Liabilities owed to 3rd Party <sup>14</sup>	Liabilities owed to Company <sup>15</sup>	Liabilities owed by the Company <sup>16</sup>	Claimant Liabilities <sup>17</sup>

<sup>9</sup> [You need to take action in accordance with the instructions given in your Claimant Options Form. **Please contact us immediately at 0800 063 9283 (UK) or + 44 7293 0227 (Internationally) or client.services@beaufortsecurities.com.**]

<sup>10</sup> [You need to complete your Claimant Options Form and take any required action. **Please complete the form (via the Portal or in hardcopy) and take action where necessary immediately.]**

<sup>12</sup> [You are ineligible for FSCS Compensation and must pay your Share of Costs (or Costs Allocation Value as applicable) via one of the methods identified in the Claimant Options Form. **Please complete this form (via the Portal or in hardcopy) and take any necessary action immediately.]**

<sup>13</sup> This table sets out the specific details regarding your Security Interests that must be discharged before your Client Assets can be returned. The FSCS will not pay compensation in respect of Security Interests. If you are dissatisfied with the Administrators' determination in relation to your Claimant's Liabilities, you may apply to the Court for the decision to be varied, and any such application must be made within 21 days of you receiving the Administrators' determination. See Clause 7.5 of the DP.

<sup>14</sup> This column confirms any sums owed by you to a third party. See Clause 7.3.1 of the DP.

<sup>15</sup> This column confirms any sums owed by you to the Company. See Clause 7.3.2(i) of the DP.

<sup>16</sup> This column confirms any sums owed by the Company to you. See Clause 7.3.2(ii) of the DP.

<sup>17</sup> This sum is calculated in accordance with Clause 7.3 of the DP and represents the sum that must be paid by you before your Client Assets can be returned. You will need to indicate in your Claimant Options Form how your Claimant Liabilities are to be paid. If you choose to pay your Claimant Liabilities (by way of cash or your client money entitlement), your Claimant Liabilities will not be deducted from your Client Assets. However, where you instruct the Administrators to liquidate some of your Client Assets to discharge your Claimant Liabilities this will reduce the quantity of Client Assets to be returned. See Clause 7.2 of the DP.

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**Corporate Action Assets<sup>18</sup>: from 1 March 2018 to date**

Relevant Asset(s) description <sup>19</sup>		Corporate Action description <sup>20</sup>	Corporate Action Asset change in Relevant Asset <sup>21</sup>		Corporate Action Asset Security received <sup>22</sup>		Quantity <sup>23</sup>	Corporate Action Assets Cash received <sup>24</sup>	Currency
Asset name	ISIN		Asset name	ISIN	Asset name	ISIN			
Equity	Xxxx	Split stock			-	-	-	-	-
Equity		Rights Issue	-	-	Equity	XXX	25	-	-
Equity		Dividend	-	-	-	-	-	1000	GBP

*Russell Downs, Douglas Nigel Rackham, and Dan Yoram Schwarzmann have been appointed as joint administrators by the High Court to manage the affairs, business and property of Beaufort Asset Clearing Services Limited. The Administrators act as agents of the company, without personal liability. All are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. The Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

*The Administrators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Administrators. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](https://www.pwc.co.uk) website or by contacting the Administrators.*

<sup>18</sup> See Clause 12 of the DP.

<sup>19</sup> These columns confirm the Relevant Asset(s) which have been subject to a Corporate Action following 1 March 2018 producing Corporate Action Assets.

<sup>20</sup> This column confirms the type of Corporate Action that has taken place in respect of your Relevant Asset.

<sup>21</sup> This column will contain information where the Corporate Action has caused a change in the nature of the Relevant Asset (for example as a result of a stock split, exchange and/or merger and acquisition activity).

<sup>22</sup> This column will contain information where the Corporate Action has resulted in Securities being received by the Company (e.g. a rights issue).

<sup>23</sup> Where the Corporate Action results in the Company receiving Securities, this column will confirm how many Securities are received.

<sup>24</sup> This column will contain information where the Corporate Action has resulted in cash being received by the Company (e.g. by dividend).



Date of statement:

Client name:

Client ID:

Client Email:

Account Code(s):

## CLIENT ASSETS CLAIM STATEMENT

**Summary at 1 March 2018<sup>25</sup>**

**Transfer Client Assets<sup>26</sup>**

**Nominated Broker:** [Name]

**Transfer Date:** [September 2018 at the earliest]

**Transfer Selection Date:** [September 2018 at the earliest]

**[Transfer Conditions Satisfied:** You have satisfied the Transfer Conditions and no further action is required from you. The Client Assets shown in the statement will be transferred to the Nominated Broker on the Transfer Date shown above.]

**[ACTION REQUIRED: You have not yet satisfied one or more of the Transfer Conditions and MUST take immediate action in order for the Client Assets shown in this statement to be transferred to the Nominated Broker by the Transfer Date.]**

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<sup>25</sup> A small number of trades were instructed prior to 1 March 2018 but settled after such date as a result of the actions of third parties. This statement reflects such trades, even though these settled after 1 March 2018.

<sup>26</sup> The Client Assets shown in this [part of your] statement have been determined to be Client Assets that are suitable to be transferred to the Nominated Broker on the Transfer Date subject to you satisfying the Transfer Conditions. See Clause 5 of the DP.



Security Description <sup>27</sup>		Quantity <sup>28</sup>	Reconciliation Shortfall (Y/N) <sup>29</sup>	Shortfall amount <sup>30</sup>	Reconciled quantity <sup>31</sup>	Security Interests (Y/N) <sup>32</sup>	Share of Costs <sup>33</sup>
Asset Name	ISIN Sec Code						
Equity	Xxxxx x	100	N	0	100	[Claimant options form: completed and actioned] [Claimant options form: <b>completed but action required<sup>34</sup></b> ] [Claimant options form: <b>please</b>	[FSCS eligible: no further action required] [FSCS eligible: <b>action required<sup>36</sup></b> ]

<sup>27</sup> These columns confirm the particular types of assets that the Company undertook to hold for you.

<sup>28</sup> This column confirms the number of assets that the Company undertook to hold for you.

<sup>29</sup> This Column confirms whether the Company holds enough of the type of assets identified in this statement for all of the clients that it has undertaken to hold such assets for. Where the Company does not hold enough of those assets for all clients, this is known as a “shortfall” and you should refer to Clause 4 of the DP.

<sup>30</sup> This column confirms your share of the “shortfall” which is to be deducted from your “quantity” number. See Clause 4 of the DP for further details. If you are FSCS eligible, the FSCS will, subject to the statutory cap of £50,000 per claimant, pay your compensation in respect of a Reconciliation Shortfall to BACSL who will transfer this compensation cash to the Nominated Broker to be held on your behalf along with the Client Assets indicated above. Note that the Shortfall Amount shown in the table above may, in due course, be reduced following the determination of any asserted claims or disputes in respect of the type of assets that the Company undertook to hold for you thereby allowing the Administrators to release any reserved assets which caused a Reconciliation Shortfall.

<sup>31</sup> This is the number of Client Assets that are to be transferred to the Nominated Broker on your behalf, subject to any applicable deductions arising out of any instructions provided by you in your Claimant Options Form in respect of any Security Interests and Share of Costs (as applicable).

<sup>32</sup> This column tells you whether and, if so in what amount, your Client Assets are subject to a Security Interests held by the Company or a third party (including BSL). This amount will need to be paid before your Client Assets can be transferred and you must complete and action (where applicable) your Claimant Options Form to do this. The FSCS will not pay compensation for Security Interests.

<sup>33</sup> This column confirms the status of any action required in respect of your Share of Costs.

<sup>34</sup> [You need to take action in accordance with the instructions given in your Claimant Options Form. **Please contact us immediately at 0800 063 9283 (UK) or + 44 7293 0227 (Internationally) or client.services@beaufortsecurities.com.**]

<sup>36</sup> [You are eligible for FSCS compensation; however, you need to take further action before your assets can be transferred. **Please contact us immediately at 0800 063 9283 (UK) or + 44 7293 0227 (Internationally) or client.services@beaufortsecurities.com.**]

						<b>complete your form and action<sup>35</sup></b>	[FSCS ineligible: no further action required] [FSCS ineligible: <b>action required<sup>37</sup></b> ]
Equity	Xxxxx x	100	Y	(10)	90		
Bond	Xxxxx x	100	N		100		

**[Details of Security Interest<sup>38</sup>: By setting out the Claimant Liabilities identified below, the Administrators have made a determination for the purposes of Clause 7.5 of the DP. If you are dissatisfied with this determination you may apply to the Court for the decision to be varied, and any such application must be made within 21 days of you receiving this determination.]**

<b>Liabilities owed to 3rd Party<sup>39</sup></b>	<b>Liabilities owed to Company<sup>40</sup></b>	<b>Liabilities owed by the Company<sup>41</sup></b>	<b>Total Claimant Liabilities<sup>42</sup></b>

<sup>35</sup> [You need to complete your Claimant Options Form and take any required action. **Please complete the form (via the Portal or in hardcopy) and take action where necessary immediately.]**

<sup>37</sup> [You are ineligible for FSCS Compensation and must pay your Share of Costs (or Costs Allocation Value as applicable) via one of the methods identified in the Claimant Options Form. **Please complete this form (via the Portal or in hardcopy) and take any necessary action immediately.]**

<sup>38</sup> This table sets out the specific detail of your Security Interests that must be discharged before your Client Assets can be Transferred. The FSCS will not pay compensation in respect of Security Interests. If you are dissatisfied with the Administrators' determination in relation to your Claimant's Liabilities, you may apply to the Court for the decision to be varied, and any such application must be made within 21 days of you receiving the Administrators' determination. See Clause 7.5 of the DP.

<sup>39</sup> This column confirms any sums owed by you to a third party. See Clause 7.3.1 of the DP.

<sup>40</sup> This column confirms any sums owed by you to the Company. See Clause 7.3.2(i) of the DP.

<sup>41</sup> This column confirms any sums owed by the Company to you. See Clause 7.3.2(ii) of the DP.

<sup>42</sup> This sum is calculated in accordance with Clause 7.3 of the DP and represents the sum that must be paid by you before your Client Assets can be Transferred. You will need to indicate in your Claimant Options Form how your Claimant Liabilities are to be paid. If you choose to pay your Claimant Liabilities (by way of cash or your client money entitlement), your Claimant Liabilities will not be deducted from your Client Assets. However, where you instruct the Administrators to liquidate some of your Client Assets to discharge your Claimant Liabilities this will reduce the quantity of Client Assets to be Transferred. See Clause 7.2 of the DP.

**Corporate Action Assets<sup>43</sup>: from 1 March 2018 to date**

Relevant Asset(s) description <sup>44</sup>		Corporate Action description <sup>45</sup>	Corporate Action Asset change in Relevant Asset <sup>46</sup>		Corporate Action Asset Security received <sup>47</sup>		Quantity <sup>48</sup>	Corporate Action Assets Cash received <sup>49</sup>	Currency
Asset name	ISIN		Asset name	ISIN	Asset name	ISIN			
Equity	Xxxx	Split stock			-	-	-	-	-
Equity		Rights Issue	-	-	Equity	XXX	25	-	-
Equity		Dividend	-	-	-	-	-	1000	GBP

*Russell Downs, Douglas Nigel Rackham, and Dan Yoram Schwarzmann have been appointed as joint administrators by the High Court to manage the affairs, business and property of Beaufort Asset Clearing Services Limited. The Administrators act as agents of the company, without personal liability. All are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. The Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

*The Administrators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Administrators. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](https://www.pwc.co.uk) website or by contacting the Administrators.*

<sup>43</sup> See Clause 12 of the DP.

<sup>44</sup> These columns confirm the Relevant Asset(s) which have been subject to a Corporate Action following 1 March 2018 producing Corporate Action Assets.

<sup>45</sup> This column confirms the type of Corporate Action that has taken place in respect of your Relevant Asset.

<sup>46</sup> This column will contain information where the Corporate Action has caused a change in the nature of the Relevant Asset (for example as a result of a stock split, exchange and/or merger and acquisition activity).

<sup>47</sup> This column will contain information where the Corporate Action has resulted in Securities being received by the Company (e.g. a rights issue).

<sup>48</sup> Where the Corporate Action results in the Company receiving Securities, this column will confirm how many Securities are received.

<sup>49</sup> This column will contain information where the Corporate Action has resulted in cash being received by the Company (e.g. by dividend).



Date of statement:

Client name:

Client ID:

Client Email:

Account Code(s):

## CLIENT ASSETS CLAIM STATEMENT

**Summary at 1 March 2018<sup>50</sup>**

**Client Assets to be distributed**

**Distribution Date:** [Date]

**Distribution Selection Date:** [Date]

[No further action is required from you. The Client Assets shown in the statement will be distributed on the Distribution Date in accordance with the instructions you have provided in your Claimant Options Form.]

**[ACTION REQUIRED: You MUST take immediate action in order for the Client Assets shown in this statement to be distributed.]**

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<sup>50</sup> A small number of trades were instructed prior to 1 March 2018 but settled after such date as a result of the actions of third parties. This statement reflects such trades, even though these settled after 1 March 2018.

Security Description <sup>51</sup>		Quantity <sup>52</sup>	Reconciliation Shortfall (Y/N) <sup>53</sup>	Shortfall amount <sup>54</sup>	Reconciled quantity <sup>55</sup>	Return Procedure <sup>56</sup>	Security Interests (Y/N) <sup>57</sup>	Share of Costs <sup>58</sup>
Asset Name	ISIN Sec Code							
Equity	Xxx	100	N		100	[The Electronically Held Securities Return Procedure] [The Physically Held Certificates Return Procedure] [The	[Claimant options form: completed and actioned] [Claimant options form: <b>completed but action required<sup>59</sup></b> ] [Claimant options form: <b>please complete your form and action<sup>60</sup></b> ]	[FSCS eligible: no further action required] [FSCS eligible: <b>action required<sup>61</sup></b> ]  [FSCS ineligible: no further action required]

<sup>51</sup> These columns confirm the particular types of assets that the Company undertook to hold for you.

<sup>52</sup> This column confirms the number of assets that the Company undertook to hold for you.

<sup>53</sup> This column confirms whether the Company holds enough of the type of assets identified in this statement for all of the clients that it has undertaken to hold such assets for. Where the Company does not hold enough of those assets for all clients, this is known as a “shortfall” and you should refer to Clause 4 of the DP.

<sup>54</sup> This column confirms your share of the “shortfall” which is to be deducted from your “quantity” number. See Clause 4 of the DP for further details. [If you are an FSCS Protected Claimant and subject to the statutory compensation cap of £50,000, [then you are able to claim compensation from the FSCS directly in respect of the shortfall amount].

Note that the Shortfall Amount shown in the table above may, in due course, be reduced following the determination of any asserted claims or disputes in respect of the type of assets that the Company undertook to hold for you thereby allowing the Administrators to release any reserved assets which caused a Reconciliation Shortfall.

<sup>55</sup> This is the number of Client Assets that are to be distributed, subject to any applicable deductions arising out of any instructions provided by you in your Claimant Options Form in respect of any Security Interests and Share of Costs (as applicable).

<sup>56</sup> This confirms the method in which your Client Assets will be returned by Distribution. See Schedule 4 of the DP.

<sup>57</sup> This column tells you whether and, if so in what amount, your Client Assets are subject to a Security Interests held by the Company or a third party (including BSL). This amount will need to be paid before your Client Assets can be distributed and you must complete and action (where applicable) your Claimant Options Form to do this. The FSCS will not pay compensation for Security Interests.

<sup>58</sup> This column confirms the status of any action required in respect of your Share of Costs.

<sup>59</sup> [You need to take action in accordance with the instructions given in your Claimant Options Form. **Please contact us immediately at 0800 063 9283 (UK) or + 44 7293 0227 (Internationally) or client.services@beaufortsecurities.com.**]

<sup>60</sup> [You need to complete your Claimant Options Form and take any required action. **Please complete the form (via the Portal or in hardcopy) and take action where necessary immediately.**]

<sup>61</sup> [You are eligible for FSCS compensation; however, you need to take further action before your assets can be distributed. **Please contact us immediately at 0800 063 9283 (UK) or + 44 7293 0227 (Internationally) or client.services@beaufortsecurities.com.**]

						Physically Held Securities Return Procedure] [Any other procedures as agreed]		[FSCS ineligible: <b>action required</b> <sup>62</sup> ]
Equity	Xxx	100	Y	(10)	90			
Bond	Xxx	100	N		100			

**[Details of Security Interest<sup>63</sup>: By setting out the Claimant Liabilities identified below, the Administrators have made a determination for the purposes of Clause 7.5 of the DP. If you are dissatisfied with this determination you may apply to the Court for the decision to be varied, and any such application must be made within 21 days of you receiving this determination.]]**

Liabilities owed to 3rd Party <sup>64</sup>	Liabilities owed to Company <sup>65</sup>	Liabilities owed by the Company <sup>66</sup>	Total Claimant Liabilities <sup>67</sup>

<sup>62</sup> [You are ineligible for FSCS Compensation and must pay your Share of Costs (or Costs Allocation Value as applicable) via one of the methods identified in the Claimant Options Form. **Please complete this form (via the Portal or in hardcopy) and take any necessary action immediately in order for your assets to be distributed.]**

<sup>63</sup> This table sets out the specific details regarding your Security Interests that must be discharged before your Client Assets can be Distributed. The FSCS will not pay compensation in respect of Security Interests. If you are dissatisfied with the Administrators' determination in relation to your Claimant's Liabilities, you may apply to the Court for the decision to be varied, and any such application must be made within 21 days of you receiving the Administrators' determination. See Clause 7.5 of the DP.

<sup>64</sup> This column confirms any sums owed by you to a third party. See Clause 7.3.1 of the DP.

<sup>65</sup> This column confirms any sums owed by you to the Company. See Clause 7.3.2(i) of the DP.

<sup>66</sup> This column confirms any sums owed by the Company to you. See Clause 7.3.2(ii) of the DP.

<sup>67</sup> This sum is calculated in accordance with Clause 7.3 of the DP and represents the sum that must be paid by you before your Client Assets can be Distributed. You will need to indicate in your Claimant Options Form as to how your Claimant Liabilities are to be paid. If you choose to pay your Claimant Liabilities (by way of cash or your client money entitlement), your Claimant Liabilities will not be deducted from your Client Assets. However, where you instruct the Administrators to liquidate some of your Client Assets to discharge your Claimant Liabilities this will reduce the quantity of Client Assets to be Distributed. See Clause 7.2 of the DP.

**Corporate Action Assets<sup>68</sup>: from 1 March 2018 to date**

Relevant Asset(s) description <sup>69</sup>		Corporate Action description <sup>70</sup>	Corporate Action Asset change in Relevant Asset <sup>71</sup>		Corporate Action Asset Security received <sup>72</sup>		Quantity <sup>73</sup>	Corporate Action Assets Cash received <sup>74</sup>	Currency
Asset name	ISIN		Asset name	ISIN	Asset name	ISIN			
Equity	Xxxx	Split stock			-	-	-	-	-
Equity		Rights Issue	-	-	Equity	XXX	25	-	-
Equity		Dividend	-	-	-	-	-	1000	GBP

*Russell Downs, Douglas Nigel Rackham, and Dan Yoram Schwarzmann have been appointed as joint administrators by the High Court to manage the affairs, business and property of Beaufort Asset Clearing Services Limited. The Administrators act as agents of the company, without personal liability. All are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. The Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

*The Administrators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Administrators. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](http://PwC.co.uk) website or by contacting the Administrators.*

<sup>68</sup> See Clause 12 of the DP.

<sup>69</sup> These columns confirm the Relevant Asset(s) which have been subject to a Corporate Action following 1 March 2018 producing Corporate Action Assets.

<sup>70</sup> This column confirms the type of Corporate Action that has taken place in respect of your Relevant Asset.

<sup>71</sup> This column will contain information where the Corporate Action has caused a change in the nature of the Relevant Asset (for example as a result of a stock split, exchange and/or merger and acquisition activity).

<sup>72</sup> This column will contain information where the Corporate Action has resulted in Securities being received by the Company (e.g. a rights issue).

<sup>73</sup> Where the Corporate Action results in the Company receiving Securities, this column will confirm how many Securities are received.

<sup>74</sup> This column will contain information where the Corporate Action has resulted in cash being received by the Company (e.g. by dividend).

**Schedule 2**  
**Example Asserted Claim Statement**



## Schedule 2: Example Asserted Claim Statement



Date of statement:

Client name:

Client ID:

Client Email:

Account Code:

### **ASSERTED CLAIM STATEMENT**

#### **Summary at 1 March 2018**

This is your Asserted Claim Statement as prescribed by the Distribution Plan which contains details of the assets which you assert are Client Assets held for you, but which have not been determined by the Administrators to be such (whether on the ground that the Company is the beneficial owner of the assets, the Company does not hold the relevant assets for the Claimant, or otherwise).

The Administrators will contact you further about these Asserted Assets. In the event that the Administrators decide that they will not accept your Asserted Client Assets Claim (in whole or in part), the Administrators will reject your Asserted Client Assets Claim (in whole or in part) pursuant to Clause 9.3 of the Distribution Plan and, in that event, shall provide you with a statement in writing of the Administrators' reasons for doing so as soon as reasonably practicable thereafter.

Capitalised terms used in this statement have the meaning given to them in the Distribution Plan unless indicated otherwise.

Security Description		Quantity
Asset Name	ISIN	
Equity	Xxxxxx	100
Equity	Xxxxxx	100
Bond	Xxxxxx	100

*Russell Downs, Douglas Nigel Rackham, and Dan Yoram Schwarzmann have been appointed as joint administrators by the High Court to manage the affairs, business and property of Beaufort Asset Clearing Services Limited. The Administrators act as agents of the company, without personal liability. All are licensed in the United Kingdom to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales. The Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

*The Administrators may act as Data Controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the Administrators. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the [PwC.co.uk](https://www.pwc.co.uk) website or by contacting the Administrators.*

### Schedule 3

#### Example Claimant Options Form

Please refer to Clause 15 of the Distribution Plan (the “DP”) and the Explanatory Statement (the “ES”) for further information in respect of this form.

This form has been made available to you because you **need to take action immediately** in order to have your Client Assets returned either by way of a Transfer or Distribution. If you fail to complete and action (where appropriate) the applicable part(s) of this form your Client Assets will not be able to be subject to a Transfer or a Distribution in accordance with any proposed Transfer or Distribution Date. It is therefore very important that you complete this form as soon as possible.

#### How to complete this form

This form has three sections and you may need to complete all or only some of the sections. Please refer to the guidance below and your Client Assets Statements in order to determine which sections of this form you ought to complete:

1. All Claimants should please complete section 1.
2. If your Client Assets Statement has confirmed that you have a Security Interest to discharge, then please also complete section 2.
3. If your Client Assets Statement has confirmed that your Client Assets are to be returned by a Distribution, then please also complete section 3.

If you have been notified that your Costs Allocation Value is less than your Share of Costs and you wish to abandon your Client Assets (and therefore not pay any costs), please complete section 1C of this form. No other sections of this form need to be completed if this option is selected.

If you have any questions, there is a team of people here to help you. Please contact us on 0800 063 9283 (UK) or +44 (0)20 7293 0227 (Internationally) or at [client.services@beaufortsecurities.com](mailto:client.services@beaufortsecurities.com).

## SECTION 1: SHARE OF COSTS

If you are not a Financial Services Compensation Scheme (“FSCS”) Protected Claimant then you must complete and action (where required) this section in order for your Client Assets to be subject to a Transfer or a Distribution. Please refer to Clause 17 of the DP and Paragraph 8 of the ES for further information.

Please select how you would like to pay for your Claimant’s Share of Costs from the following options:

Costs Payment Option	Select option by ticking below	Ranking where more than one option is selected (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> )
I will pay cash to BACSL (the “ <b>Cash Option</b> ” as defined in Clause 17.1.5 of the DP) (Please complete Part 1B below)		
Please use my Client Money Entitlement (the “ <b>Client Money Option</b> ” as defined in Clause 17.1.6 of the DP)		
Please liquidate some of my Client Assets (the “ <b>Liquidation Option</b> ” as defined in Clause 17.1.7 of the DP) (Please complete Part 1A below)		

If the use of a single costs payment option is insufficient to discharge your Claimant’s Share of Costs, you should choose more than one costs payment option and you should rank the options according to your preference. Each costs payment option must be exhausted in full before a further costs payment option can be used.

### SECTION 1A: Liquidation Option

Please refer to Clause 17.1.7 of the DP and Paragraph 8.13.3 of the ES for further information.

If you have elected to pay your Claimant’s Share of Costs via the Liquidation Option, please provide express instructions as to the type and amount of the Client Assets you would like liquidated by completing the table below. Alternatively, if you would prefer for the Administrators to liquidate your Client Assets at in their absolute discretion please indicate this by selecting the relevant box below.

If you have selected the liquidation option but fail to provide us with specific instructions as to the type and amount of your Client Assets to be liquidated then, after a failed attempt by the Administrators to obtain such instructions from you, the Administrators shall have absolute discretion to determine the type and amount of your Client Assets to be liquidated. It is therefore very important that you complete this Section in full should you wish to choose the Client Assets to be liquidated.

☐ Please liquidate my Client Assets in accordance with the instructions below

Client Asset Description	ISIN	Quantity
[•]	[•]	[•]

☐ *Please liquidate those of my Client Assets as you select (and at such time as you determine) in your absolute discretion*

#### **SECTION 1B: Cash Option**

**Please refer to Clause 17.1.5 of the DP and Paragraph 8.13.1 of the ES for further information.**

If you have elected to pay your Claimant's Share of Costs via the Cash Option, please pay the required amounts in GBP either via bank transfer or cheque using the details set out below.

##### Bank Transfer

Payee/Account Name	[•]
Sort Code	[•]
Account Number	[•]
Bank	[•]
SWIFT	[•]
IBAN	[•]
Reference Code	[Please provide your Client Identification Code]

##### Cheque

Please make cheques payable to "**Beaufort Asset Clearing Services Limited (in special administration)**" and reference your Client Identification Code on the back of the cheque. Please send any cheques to:

Beaufort Asset Clearing Services Limited (in special administration), 63 St. Mary Axe, London, EC3A 8AA

#### **SECTION 1C: Abandon My Client Assets**

**Please refer to Clause 17.7 and 17.7.2 of the DP and Paragraph 8.20.2 of the ES for further information.**

If you have been notified that the valuation of your Client Assets is less than your Claimant's Share of Costs, then you may elect to release BACSL from any obligation to return the relevant client assets securities to you in return for not paying your Claimant's Share of Costs (i.e. give up any rights to your client assets securities). If you wish to abandon your Client Assets and thereby not pay any costs, please indicate this below:

☐ *I elect to release BACSL from any obligation to return the relevant Client Assets securities to me in return for not paying my Claimant's Share of Costs*

## SECTION 2: PAYMENT OF SECURITY INTERESTS

If your Client Assets Claim Statement confirmed that you had a Security Interest to be discharged, you must complete and action this section before your Client Assets can be subject to a Transfer or a Distribution. Please refer to Clause 17 of the DP and Paragraph 7.5 of the ES for further information.

Please select how you would like to discharge the Security Interests over your Client Assets from the following options:

Security Interests Payment Option	Select option by ticking below	Ranking where more than one option is selected (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> )
I will pay cash to BACSL (Please complete Part 2B below)		
Please use my Client Money Entitlement		
Please liquidate some of my Client Assets (Please complete Part 2A below)		

If the use of a single security interests payment option is insufficient to discharge the relevant Security Interest(s), you should choose more than one security interests payment option and you should rank the options according to your preference. Each security interests payment option must be exhausted in full before a further security interests payment option can be used.

### SECTION 2A: Liquidation Option

Please refer to Clauses 17.1 and 17.1.7 of the DP and Paragraph 7.5.3 of the ES for further information.

If you have elected to pay your Security Interests via the Liquidation Option, please provide express instructions as to the type and amount of the Client Assets you would like liquidated by completing the table below. Alternatively, if you would prefer for the Administrators to liquidate your Client Assets at in their absolute discretion please indicate this by selecting the relevant box below.

If you have selected the liquidation option but fail to provide us with specific instructions as to the type and amount of your Client Assets to be liquidated then, after a failed attempt by the Administrators to obtain such instructions from you, the Administrators shall have absolute discretion to determine the type and amount of your Client Assets to be liquidated. It is therefore very important that you complete this section in full should you wish to choose the Client Assets to be liquidated.

☐ Please liquidate my Client Assets in accordance with the instructions below

Client Asset Description	ISIN	Quantity
[•]	[•]	[•]

☐ Please liquidate those of my Client Assets as you select (and at such time as you determine) in your absolute discretion

## SECTION 2B: Cash Option

Please refer to Clauses 17.1 and 17.1.5 of the DP and Paragraph 7.5.1 of the ES for further information.

If you have elected to pay your Security Interests via the Cash Option, please pay the required amounts in GBP either via bank transfer or cheque to the Administrators using the details set out below.

### Bank Transfer

Payee/Account Name	[•]
Sort Code	[•]
Account Number	[•]
Bank	[•]
SWIFT	[•]
IBAN	[•]
Reference Code	[Please provide your Client Identification Code]

### Cheque

Please make cheques payable to “**Beaufort Asset Clearing Services Limited (in special administration)**” and reference your Client Identification Code on the back of the cheque. Please send any cheques to:

Beaufort Asset Clearing Services Limited (in special administration), 63 St. Mary Axe, London, EC3A 8AA

### SECTION 3: DISTRIBUTION OPTIONS

Where your Client Assets Statement has confirmed that your Client Assets are to be subject to a Distribution you must complete this section of the form (as well as pay any Share of Costs and Security Interests where applicable) in order for your Client Assets to be returned. Please see Clause 16 of the DP and Paragraph 7.3 of the ES for further details.

**IMPORTANT NOTE:** You are solely responsible for any impact on applicable tax wrappers such as SIPPs and ISAs as a result of the Distribution Option you choose.

*Please select how you would like your Client Assets to be returned by a Distribution subject the payment of any Share of Costs and Security Interests.*

Distribution Option	Select option by ticking below	Details of Client Assets	Quantity
Move some or all of my Client Assets to another custodian in an account in my name			
Liquidate some, or all, of my Client Assets and pay the proceeds to me or any person I have nominated in writing			
Return Physically Held Securities directly to me or any person I have nominated in writing	<i>[This will automatically be selected where your Client Assets include Physically Held Securities]</i>		

If you would like all of your Client Assets returned by one Distribution Option only then you need only select one of the options above and you do not need to complete the “Details of Client Assets” and “Quantity” columns. Alternatively, where you select more than one Distribution Option, you will need to tell us which and how many Client Assets the Distribution Option applies to by completing the “Client Assets” and “Quantity” column.

#### SECTION 3A: Move Option

**Please refer to Clauses 16.1 and 16.1.1 of the DP and Paragraph 7.3.1 of the ES for further information.**

If you have selected to have some or all of your Client Assets moved to a custodian in an account in your name, please provide us with the details of the custodian for the transfer below.

Custodian Name [●]  
Account Number [●]  
Account Name [This should be an account in your name]  
Custodian Country Location [●]



Custodian BIC Address	[•]
Custodian CREST/Other ID	[•]
Custodian Sub Account Bank Name (where relevant – international markets/Non CREST)	[•]
Custodian Sub Account BIC Address (where relevant - international markets/Non CREST)	[•]

### SECTION 3B: Liquidation Option

**Please refer to Clauses 16.1 and 16.1.2 of the DP and Paragraph 7.3.2 of the ES for further information.**

If you have selected the Liquidation Option for some or all of your Client Assets, please confirm whether the proceeds are to be paid to you or a third party and provide the necessary details for payment.

☐ *Please pay the liquidation proceeds to me*

☐ *Please pay the liquidation proceeds to the individual/corporate identified below (you will be required to provide any “know your customer” information requested by BACSL to enable it to make such payment)*

Name	[•]
Address	[•]
Company (if applicable)	[•]
[Relationship to you]	[•]

☐ *Please pay the liquidation proceeds by cheque payable to:*

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☐ *Please pay the liquidation proceeds by BACS using the details below*

Payee/Account Name	[•]
Sort Code	[•]
Account Number	[•]
Bank	[•]
SWIFT	[•]
IBAN	[•]
Reference Code	[BACSL Distribution]

### **SECTION 3C: Physical Return**

**Please refer to Clauses 16.1 and 16.1.3 of the DP and Paragraph 7.3.3 of the ES for further information.**

If your Client Assets are physically held they will be returned by a Distribution in accordance with the Physically Held Securities Return Procedure. Please confirm who the Physically Held Securities should be returned to below.

☐ *Please return the Physically Held Securities to me at the address below*

☐ *Please return the Physically Held Securities to [my nominee] the individual/corporate at the address below*

Name [•]

Address [•]

### **Confirmation of Instructions**

By clicking “submit” or returning this form in hard copy you confirm that you instruct the Administrators as set out above in relation to your Client Assets.

## **Schedule 4**

### **Return Procedure**

#### **Part A - Electronically Held Securities Return Procedure**

- 1** If the Claimant's Client Assets are Electronically Held Securities, where the Claimant has elected for their Client Assets be moved to a new custodian in the Claimant Options Form, the Administrators will contact the Claimant requesting a signed copy of their new custodian's standard settlement instructions. This should include instructions for the delivery of securities, cash payment instructions and contact details for the Claimant's new custodian.
- 2** The Claimant must ensure that their Client Assets are being moved to an account in their name at their new custodian. Client Assets will not be moved to an account that is not in the Claimant's name.
- 3** The Claimant's new standard settlement instructions will be entered into the settlement system to be utilised by the Administrators for the return of Client Assets.
- 4** The Administrators will contact the Claimant to agree the details of the move and a trade and settlement date will be provided by the Administrators.
- 5** The new custodian of the Claimant will be contacted by the Administrators to agree the details of the move.
- 6** The Claimant must instruct their custodians and provide the custodians with details of the move including the trade and settlement date.
- 7** Instructions will be submitted to the custodians of the Company by the Administrators for the trade.
- 8** The Claimant will be notified by the Administrators if there are issues with the matching of the delivery instructions.
- 9** The Claimant will be notified by the Administrators of the settlement of the trade.

#### **Part B - Physically Held Securities Return Procedure**

- 1** If the Claimant's Client Assets are Physically Held Securities and the Claimant has elected to have its Client Assets returned directly to it in the Claimant Options Form, if not already done so, the Administrators will contact the Claimant requesting full beneficiary details to re-register the stock certificate into the name of the beneficiary. Details must include name and address.
- 2** The certificate can only be returned to the Claimant in the Claimant's own name or the nominee name of the Claimant's new custodian.
- 3** The nominee company must confirm that the Client Assets will be credited to an account in the Claimant's own name held with them.
- 4** Instructions will be submitted to the registrars to re-register the stock certificate into the requested beneficiary name.
- 5** Registrars will return the re-registered stock certificates to the Administrators.

- 6 The Administrators will return the stock certificate by post to the address specified by the Claimant. This must be the Claimant's own address or the address of the Claimant's new custodian.

**Part C - Physically Held Certificates Return Procedure**

- 1 If the Claimant's Client Assets are Physically Held Certificates and the Claimant has elected to have its Client Assets returned directly to it in the Claimant Options Form, if not already done so, the Administrators will contact the Claimant requesting full details to send the stock certificate to the relevant Claimant or the Claimant's new custodian. Details must include name and address.
- 2 The certificate can only be returned to the Claimant or the Claimant's new custodian.
- 3 The Administrators will return the stock certificate by post to the address specified by the Claimant. This must be the Claimant's own address or the address of the Claimant's new custodian.