

Reyker Securities Plc (in special administration) (“Reyker”)

Post-Administration Corporate Actions Policy

15 January 2020

The Joint Special Administrators of Reyker are required to follow a prescribed statutory process to return Custody Assets to Clients. This process will take a number of months to complete. We are aware that in this period Clients may need to instruct the Special Administrators to undertake limited key actions in order to protect and maximise the value of the Custody Assets held.

The Joint Special Administrators will be pleased to work with all Clients to try to ensure their needs and requirements are met during this process.

This document outlines Reyker’s policy in respect of post administration corporate actions that require some form of action or instruction by Clients (“non-mandatory corporate actions”), where the period for the making of such a decision ends before the relevant assets are returned by Reyker (acting by the Special Administrators) to the Client or another broker. Its terms may differ from those operated by Reyker prior to the commencement of the special administration.

This policy applies to all applicable Client Custody Assets not yet returned to Clients.

If you believe your Client Custody Assets may be subject to a post administration non-mandatory corporate action requiring a decision to be made or instruction given by you, which you would like to exercise with Reyker’s assistance, you should notify Reyker (acting by the Special Administrators) as soon as possible.

Please note that the Special Administrators and Reyker (acting by the Special Administrators) do not and will not provide any legal, tax, financial or other professional advice to Clients of Reyker. Clients are solely responsible for the decisions they make in respect of non-mandatory corporate actions and the Special Administrators strongly recommend that Clients take advice from their own professional advisers before taking any action or giving any instruction in relation to non-mandatory corporate actions.

This policy does not apply to post administration corporate actions not requiring any form of decision by Clients (“mandatory corporate actions”).

Post administration mandatory corporate actions, such as dividends, are being applied to Clients’ accounts and will be included in Client statements (listed as post pooling receipts) issued in due

Smith & Williamson LLP

The affairs, business and property of Reyker Securities Plc (‘the Company’) are being managed by the Joint Special Administrators Mark Ford, Adam Henry Stephens, and Henry Shinnerson Smith & Williamson LLP. They act as agents of the Company and without personal liability. Mark Ford, Adam Henry Stephens, and Henry Shinnerson are licensed as insolvency practitioners in the UK by the Institute of Chartered Accountants in England and Wales. Reyker Securities Plc is incorporated in England and Wales under the Companies Act 2006 with registered number 01747595. The Company is authorised and regulated by the Financial Conduct Authority with FRN 115308. LSE No: 780. The Fair Processing Notice in relation to the General Data Protection Regulation can be accessed at www.smithandwilliamson.com/rmsgdpr. Should you wish to be supplied with a hard copy, free of charge, please contact Smith & Williamson’s offices.

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course by Reyker (acting by the Special Administrators). These monies are received into client bank accounts opened for this purpose and are reconciled separately from the Client Money Pool.

The treatment of receipts from mandatory corporate actions (including conversions or redemptions which may result in a change in the nature of a Client Custody Asset) will be subject to a separate policy to be issued by the Special Administrators.

The Special Administrators have consulted with the FCA and FSCS in determining this policy.

Introduction

Reyker (acting by the Special Administrators) is following a statutory process in order to return Client Custody Assets as soon as possible. This will include a Distribution Plan approved by Court which it is currently proposed will form part of a transfer of all or part of the business of Reyker.

Reyker (acting by the Special Administrators) is conscious that, due to the special administration of Reyker, Clients are currently unable to access their investment portfolios as would normally be the case and that this includes an inability to deal with any post-administration non-mandatory corporate actions.

Insofar as it is reasonably practical and in line with the duties of Reyker (acting by the Special Administrators) to do so, Reyker will continue to assist Clients in exercising their rights in respect of non-mandatory corporate actions arising post administration and prior to the return of Client Custody Assets to Clients.

However, there are certain issues (outlined below) that will limit the action that Reyker (acting by the Special Administrators) is able to take in this regard.

Conditions

Reyker (acting by the Special Administrators) will only be able to assist Clients in exercising non-mandatory post administration corporate actions expiring prior to the return of relevant assets where the below conditions are satisfied (or waived in the absolute discretion of the Special Administrators). **However, even where these conditions are met Reyker (acting by the Special Administrators) retains an absolute discretion as to whether to complete a non-mandatory corporate action or not and cannot guarantee that it will be in a position to complete requested corporate actions.**

1. Clients to identify the corporate action and provide instructions

Reyker (acting by the Special Administrators) is not in a position to notify Clients of any non-mandatory corporate actions arising in respect of their Client Custody Assets. Accordingly, Reyker (acting by the Special Administrators) will normally only consider acting in respect of a relevant non-mandatory corporate action insofar as the relevant Client notifies Reyker of it and provides any relevant instructions to Reyker.

Any such instructions will need to be provided to Reyker (acting by the Special Administrators) sufficiently in advance of when the relevant instructions are required to be given effect to, so that there is time to carry out the necessary steps and any requisite KYC checks.

2. Ownership of Client Custody Assets

Reyker (acting by the Special Administrators) must be satisfied in its absolute discretion that the Client claiming to be entitled to exercise the non-mandatory corporate action is the only

claimant in respect of the relevant Client Custody Asset(s) and no third party holds security over the Client Custody Asset.

The CASS reconciliation was completed in December 2019. However, notwithstanding the completion of the CASS reconciliation, should any uncertainty about ownership exist, Reyker (acting by the Special Administrators) will not be able to assist Clients to exercise non-mandatory corporate actions.

3. Client Custody Assets subject to actual or potential restrictions

Reyker (acting by the Special Administrators) will also need to be satisfied that the relevant Client Custody Assets are not subject to any restriction, or other issue, that may prevent them undertaking the requested corporate action.

4. Access to custodians and depositories

Reyker (acting by the Special Administrators) is working to gain access to custodian and depository systems where Client Custody Assets are held. Where we are unable to gain access to the relevant systems this may impact Reyker's ability to exercise corporate actions in the short term. However, we do not anticipate that this will prevent the return of Custody Assets in due course.

5. Transaction costs

Clients will need to pay to Reyker (acting by the Special Administrators) a transaction fee, reflecting the anticipated cost to the Special Administration of facilitating the exercise, by or on behalf of the Client, of the relevant option or election before any action can or will be taken by Reyker.

Please note that Reyker (acting by the Special Administrators) cannot guarantee that they will always be able to give effect to an instruction, even where the applicable transaction fee has been paid. In such circumstances the Special Administrators will consider whether the fee can be refunded.

The Financial Services Compensation Scheme ("FSCS") has confirmed that eligible Clients may receive compensation in respect of such fees paid by a Client.

6. ISA accounts

Where a Client's ISA account is fully subscribed and an allocation of funds are received from a corporate action, the Special Administrators reserve the right to allocate funds received to the Client's trading account.

Policy

Where the conditions set out above are satisfied and the post administration non-mandatory corporate action expires or is required to be actioned prior to any return of the relevant Client Custody Assets, the following policy will apply:

| Corporate Action | Policy | Fee |
|---|--|--|
| <p>Voting <i>A shareholder right to vote at a company general meeting or annual general meeting.</i></p> | <p>Reyker will endeavour to give effect to any instructions provided by Clients.</p> | <p>A fixed charge of £500 will apply per instruction. This fee must be received in advance of the corporate action being undertaken.</p> |
| <p>Schemes of arrangement <i>A shareholder right to vote on a formal arrangement at court between a company and its shareholders.</i></p> | | |
| <p>Recommended offers <i>A shareholder right to vote on takeover offers recommended by the company.</i></p> | <p>Reyker will endeavour to give effect to any instructions provided by Clients.</p> | <p>A fixed charge of £500 will apply per instruction. This fee must be received in advance of the corporate action being undertaken.</p> |
| <p>Contested offers <i>A shareholder right to vote on takeover offers contested by the company.</i></p> | | |
| <p>Optional conversions <i>The optional exchange of a convertible type of asset into another type of asset, usually at a pre-determined price on or before a pre-determined date.</i></p> | | |
| <p>Warrants <i>A warrant is a security that entitles the holder to buy the underlying stock of the issuing company at a fixed price, called the exercise price, until the expiry date.</i></p> | <p>Reyker will endeavour to exercise the warrant/rights on the relevant Client's behalf subject to being put in funds by the Client to cover the exercise price.</p> <p>Any securities consequently issued will be delivered by the issuer to Reyker where they will be held for the Client as Client Custody Assets and will in due course be distributed in accordance with the statutory process by the Special Administrators.</p> | <p>There will be a fee, payable in advance, which will be agreed between the Special Administrators and the Client prior to any action being taken, which will reflect the cost to the administration. The minimum fee will be £500.</p> |
| <p>Rights issue <i>An issue of Rights offered at a special price by a company to its existing shareholders in proportion to their holding of old shares.</i></p> <p><i>For each of these Rights received the client can take up their allocation of ordinary shares for a set price. If the client takes up their Rights' entitlement they turn from nil-paid to fully-paid and will be exchanged with cash for the ordinary share line at a set ratio.</i></p> <p><i>If the client does not take up the offer the Rights will lapse at a prescribed date and the client may be entitled to lapsed Rights proceeds. Clients also have the option to sell their Rights in the market.</i></p> | | |

| Corporate Action | Policy | Fee |
|--|--|--|
| <p>Open offers</p> <p><i>A secondary market offering, similar to a Rights issue. In an open offer a shareholder is given the opportunity to purchase stock at a price that is lower than the current market price. These entitlements are not tradeable and no proceeds are available upon lapsing.</i></p> | <p>Reyker will endeavour to exercise the warrant/rights on the relevant Client's behalf subject to being put in funds by the Client to cover the exercise price.</p> <p>Any securities consequently issued will be delivered by the issuer to Reyker where they will be held for the Client as Client Custody Assets and will in due course be distributed in accordance with the statutory process by the Special Administrators.</p> | <p>There will be a fee, payable in advance, which will be agreed between the Special Administrators and the Client prior to any action being taken, which will reflect the cost to the administration. The minimum fee will be £500.</p> |
| <p>Unlisted Securities</p> <p>The corporate action will replicate a standard instrument, even though the unlisted security may be classified as a non-standard asset and require a different form of notification.</p> <p>Notification is likely to be provided by either the corporate advisor, the Company Board of Directors or possibly, if the underlying investment is a fund, from the fund administrator.</p> | <p>Reyker will endeavour to exercise the corporate action on the relevant Client's behalf.</p> <p>Should any financial instrument consequently be issued, these will be held for the Client as Client Custody Assets and will in due course be distributed in accordance with the statutory process by the Special Administrators.</p> | <p>There will be a fee, payable in advance, which will be agreed between the Special Administrators and the client prior to any action being taken, which will reflect the cost to the administration. The minimum fee will be £500.</p> |
| <p>Other corporate actions</p> <p>Any other corporate actions not detailed above.</p> | | <p>The minimum fee will be £500.</p> |

Action you should take

If you would like to exercise any non-mandatory corporate actions expiring prior to the return of Client Custody Assets, please notify the Special Administrators as soon as possible of your proposed instructions, providing all relevant details, papers and clear written instructions, using the email or telephone details set out below:

- caelections@reyker.com
- 0800 048 9512



Corporate Action Request Form

| | |
|--|--|
| Client name: | |
| Account reference: | |
| Client address: | |
| Custody asset: | |
| Number of units held: | |
| ISIN / SEDOL: | |
| Details of corporate action (please also attach any relevant documentation): | |
| Signed by (name): | |
| Signature: | |

Office use only

| | | | |
|----------------------------|--|-------------------------------|--|
| <i>Funding required:</i> | | <i>AML required:</i> | |
| <i>Charge for CA:</i> | | <i>Evidence of ownership:</i> | |
| <i>FA review required:</i> | | <i>Approved:</i> | |