

Claim No. CR-2018-005805

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF
ENGLAND AND WALES
COMPANIES COURT

BETWEEN:

BANK OF BARODA
and
BANK OF BARODA (UK) LIMITED

SCHEME
pursuant to Part VII of the Financial Services
and Markets Act 2000 under which part of the
business of the UK branch of Bank of Baroda
is to be transferred to Bank of Baroda (UK) Limited

CONTENTS

CLAUSE	PAGE
1. INTRODUCTION	2
2. INTERPRETATION	3
3. TRANSFER	15
4. TRANSFER OF ASSETS	15
5. TRANSFER OF LIABILITIES	15
6. GENERAL TRANSFER PROVISIONS	16
7. SPECIFIC PROVISIONS IN RESPECT OF THE TRANSFERRING BUSINESS	16
8. SPECIFIC PROVISIONS IN RESPECT OF THE LEASES	22
9. EFFECT OF THE TRANSFER	23
10. CONTINUITY OF PROCEEDINGS	24
11. DECLARATION OF TRUST	24
12. EVIDENCE: BOOKS AND DOCUMENTS	25
13. ACCESS TO RECORDS	25
14. DATA PROTECTION	26
15. EFFECTIVE DATE	27
16. FURTHER ASSURANCE	27
17. INDEMNITIES	27
18. COSTS AND EXPENSES	27
19. MODIFICATION OF THIS SCHEME	27
20. THIRD PARTY RIGHTS	28
21. EVIDENCE OF TRANSFER	28
22. GOVERNING LAW	28

PART A: INTRODUCTION

1. INTRODUCTION

- 1.1 Bank of Baroda (the "**Transferor**") is incorporated in India and is a banking company under Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and has its head office at Mandvi, Baroda 390006 , India and Corporate Office at Baroda Corporate Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051, India. The Transferor is registered as an overseas company with the registrar of companies (England and Wales) with company number FC006564. The Transferor is authorised and regulated in India by the Reserve Bank of India. The Transferor is regulated in the UK by the PRA (as defined below) and the FCA (as defined below). The Transferor's UK branch is registered with the registrar of companies (England and Wales) with branch number BR002014 (the "**UK Branch**"). Bank of Baroda is not a building society or credit union and the Scheme does not involve a ring-fencing transfer scheme (and therefore the transfer is not an "excluded scheme" under section 106(1) (c) and section 106(3) (a) FSMA). Further, the Scheme is not a compromise or arrangement to which Part 27 of the Companies Act 2006 would apply (Section 106(1) (c) and section 106(3) (b)).
- 1.2 Bank of Baroda (UK) Limited (the "**Transferee**") is a private limited company incorporated in England and Wales on 20 June 2017 with company number 10826803 whose registered office is at 32 City Road, London, EC1Y 2BD.
- 1.3 As at the date of the Scheme, all of the ordinary shares issued by the Transferee are legally and beneficially owned by the Transferor. The issued share capital of the Transferee as at 1 February 2018 comprised £5,000,000 of ordinary share capital divided into 5,000,000 ordinary shares of £1 each. In addition, further capital resources of £135,000,000 will be provided by the Transferor before the Effective Date (as defined below).
- 1.4 The business carried on by the UK Branch includes the accepting of deposits, as defined in FSMA (as defined below) and the Regulated Activities Order (as defined below).
- 1.5 Each of the Transferee and the Transferor have Part 4A permission, as defined in section 55A of FSMA, to accept deposits specified in Chapter II of Part II of the Regulated Activities Order.
- 1.6 It is proposed that, subject to and in accordance with (i) Part VII of and Schedule 12 to FSMA and (ii) the Regulations (as defined below), the Transferring Business (as defined below) shall by the Order (as defined below) be transferred from the Transferor to the Transferee with effect from the Effective Date and shall be dealt with in accordance with this Scheme after the Effective Date.
- 1.7 This Scheme is structured as follows:
 - (a) Part B of this Scheme contains general interpretation provisions relating to this Scheme;
 - (b) Part C of this Scheme relates to the transfer of the Transferring Business from the Transferor to the Transferee; and
 - (c) Part D of this Scheme contains general provisions relating to this Scheme.

PART B: INTERPRETATION

2. INTERPRETATION

2.1 In this Scheme, unless the context otherwise requires, the words and expressions shall have the meanings given to them below:

"Account" means a bank account held by a Customer into which deposits can be paid or which can otherwise have a credit balance in favour of the account holder, whether or not that account is named as a deposit account, a current account or a savings account and whether or not that account also includes an overdraft or other facility or has a credit or debit balance (including any individual savings accounts) held with the Transferor as at the Effective Date;

"Affiliate" means in relation to any party, any subsidiary from time to time;

"Ancillary Loan Documents" means ancillary documents relating to Transferring Loans, including without limitation: property valuations; reports; legal opinions; collateral warranties; telebanking indemnities; back-up indemnities for bank guarantees; insurance policies and interests noted on insurance policies; solicitors' undertakings; certificates of title; reports on title; duty of care letters; indemnity insurance; building contracts and assignments of architect's certificates; highway agreements; managing agents' agreements; Land Registry and tax forms; confidentiality agreements; documents appointing receivers, administrators and liquidators; local authority searches; Land Registry searches; bankruptcy and land charge searches and application forms;

"Ancillary Rights and Claims" in relation to a Transferring Loan, means all claims, suits, causes of action, rights (whether current and future, existing and arising, or independent and dependent to establish, alter, or terminate legal relationships, including the termination right in connection with the Transferring Loan) and any other right of the Transferor, whether known or unknown, against any borrower under such Transferring Loan, or any of their respective affiliates, agents, representatives, contractors, advisors, or any other person but only to the extent that they are based upon, arise out of or relate to the Transferring Loans held by the Transferor in its capacity as lender, including all claims (in contract or in tort), suits, causes of action, and any other right of the Transferor against any auditor, legal, tax, financial or other professional advisor, or other person arising under or in connection with the applicable documents in respect of any Transferring Loans;

"BTL Mortgage Loan" means any buy-to-let Loan (excluding any Commercial Mortgage Loan) held and secured by a Mortgage on property held by the Transferor which remains unsatisfied or outstanding as at the Effective Date and any offer for any such loan made by the Transferor which is outstanding at the Effective Date;

"Business Information" means all information (in whatever form, physical or electronic) to the extent held by the Transferor in relation to the Transferring Business at the Effective Date;

"Business Intellectual Property" means Intellectual Property owned by the Transferor which relates to the Transferring Business;

"Business Guarantee" means a guarantee given by a third party to the Transferor in connection with a Business Loan or Business Overdraft entered into by a Customer;

"Business Loan" means any Loan (except a Business Overdraft or a BTL Mortgage Loan or a Commercial Mortgage Loan) provided by the Transferor in respect of which the borrower is categorised as at the Effective Date as a business or commercial borrower by the Transferor which remains unsatisfied or outstanding as at the Effective Date and any offer for any such Loan made by the Transferor which is outstanding at the Effective Date;

"Business Loan Security" means any Loan Related Security in relation to a Business Loan or a Business Overdraft, including but not limited to:

(a) a Charge over Deposits;

- (b) a Business Guarantee; and
- (c) a Charge over Property;

"Business Overdraft" means any overdraft facility provided by the Transferor in respect of which the borrower is categorised as at the Effective Date as a business or commercial borrower by the Transferor which remains unsatisfied or outstanding as at the Effective Date and any offer for any such loan or overdraft made by the Transferor which is outstanding at the Effective Date;

"Business Records" means all books, documents and records of the Transferor to the extent they contain Business Information;

"Charge over Deposits" means a charge taken by the Transferor over the deposits of a Customer or its guarantor in connection with a Business Loan or Business Overdraft entered into by that Customer;

"Charge over Property" means a charge taken by the Transferor over the deposits of a Customer or its guarantor held in the UK property in connection with a Business Loan or Business Overdraft entered into by that Customer;

"Commercial Mortgage Loan" means any loan held and secured by a Mortgage on property by the Transferor in respect of which the borrower is categorised as at the Effective Date as a commercial borrower and held by the Transferor, which remains unsatisfied or outstanding as at the Effective Date and any offer for any such loan made by the Transferor which is outstanding at the Effective Date;

"Corporate Loan" means any bilateral lending facility or facilities under which the Transferor is or has agreed to become a lender which is outstanding at the Effective Date (including any sub-participation agreement entered into by the Transferor in relation to any bilateral or syndicated lending facility with a lender under any such facility);

"Costs" means losses, liabilities, damages, costs (including reasonable legal costs, experts' and consultants' fees), charges and expenses (including taxation), in each case of any nature whatsoever;

"Court" means the High Court of England and Wales;

"Customer" means a customer of the Transferring Business, as at the Effective Date, which either alone or jointly with others has entered into a Customer Agreement (including any borrower under a Corporate Loan or counterparty to any sub participation agreement in respect of any Corporate Loan);

"Customer Agreement" means a contract with any Customer under which the Transferor has agreed to provide products or services through the UK Branch in respect of the Transferring Business, including any Loan Agreement in respect of a Transferring Loan and any terms and conditions of any Transferring Account;

"Data Controller" has the meaning given under section 1 of the DPA and Article 4 of the GDPR, as applicable; or any other successor legislation;

"Data Protection Legislation" means (i) unless and until the GDPR is no longer directly effective, the GDPR and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and (ii) any successor legislation to the GDPR or the DPA and any other applicable similar laws and regulations which exist to protect the privacy rights of individuals, including those enacted in the country in which the Transferee is established;

"DPA" means the Data Protection Act 1998;

"Effective Date" means the time and date on which this Scheme becomes effective in accordance with section 15 of this Scheme;

"Encumbrance" means:

- (a) any claim, charge, mortgage, pledge, lien, assignment in security, restriction, option, equitable right, power of sale, pledge, hypothecation, retention of title, including:
 - (i) any indemnity, guarantee, letter of credit, letter of comfort, letter of support, insurance, warranty, representation or other assurance;
 - (ii) any fixed or floating charge, standard security, right of set off or netting arrangement; and
 - (iii) any Mortgage;
- (b) any inter creditor agreement, subordination agreement, postponement agreement or other ranking agreement in relation to the rights and/or obligations of any person or security interest;
- (c) any equalisation agreement, standstill agreement or similar agreement or arrangement;
- (d) any third party right or interest, whether legal or equitable, including in any real or personal property;
- (e) any option, restriction, right of first refusal, right of pre-emption or other type of preferential arrangement (including title transfer and retention agreements) having a similar effect; and
- (f) any agreement, arrangement or obligation to create any of the foregoing,

to which the Transferor, or as applicable, the Transferee is subject;

"Equipment, Fixtures and Furniture" means the equipment, fixtures and furniture utilised by the UK Branch and located at any Property;

"Excluded Assets" means the assets of the Transferor subsisting at the Effective Date which are not to be transferred to the Transferee pursuant to this Scheme, including:

- (a) all contracts of employment between the Transferor and its employees, including any rights and entitlements under those contracts (including pension rights), and any claims arising under those contracts;
- (b) all policies and contracts of assurance, insurance or as to credit risk at any time effected and maintained by the Transferor in relation to the Transferring Business and in force at the Effective Date and any arrangements between the Transferor and any other person in connection with such policies and contracts (except for policies and contracts which specifically relate to an arrangement with a Customer in relation to the Business or are an Ancillary Loan Document);
- (c) the Business Intellectual Property;
- (d) all IP Licences;
- (e) all Information Technology;
- (f) all Corporate Loans which are not Transferring Corporate Loans;
- (g) all Loans which are not Transferring Loans;
- (h) any rights, interests or powers arising in relation to any Accounts which are not Transferring Accounts;
- (i) all other assets or property which are not used wholly or mainly in the Transferring Business; and
- (j) any asset or property of the Transferor to the extent that it relates to the Excluded Business or any part of the Transferor Group except for the Transferring Business;

"Excluded Business" means the Excluded Assets and the Excluded Liabilities and any business other than the Transferring Business which is carried on by the Transferor;

"Excluded Liabilities" means the Liabilities of the Transferor subsisting at the Effective Date which are not to be transferred to the Transferee pursuant to this Scheme, including:

- (a) any Liability of the Transferor to the extent that it relates to the Excluded Business or any part of the Transferor Group except for the Transferring Business;
- (b) any Liability (including fines or penalties) imposed on the Transferor by any government or regulatory authority relating to any act or omission of the Transferor or any of its agents, suppliers, contractors or employees;
- (c) any Mis-selling Liability;
- (d) any contract of employment (to the extent it includes any Liability) between the Transferor and any of its employees (including pension rights);
- (e) any Accounts which are not Transferring Accounts; and
- (f) any Liability of the Transferor to Tax attributable to the Transferring Business or to the transfer of the Transferring Business pursuant to this Scheme;

"FCA" means the Financial Conduct Authority (or its successor authorities);

"FSMA" means the Financial Services and Markets Act 2000 (as amended);

"GDPR" means the General Data Protection Regulation (EU) 2016/679;

"HMRC" means Her Majesty's Revenue and Customs (or its successor authorities);

"Information Technology" means all equipment and software owned and/or licensed by the Transferor for the digital storage, retrieval and/or transmission of Business Information;

"Intellectual Property" means patents (including any rights in any unpatented inventions (whether patentable or not)), trademarks, rights in designs, rights in trade and business names, trade secrets, logos, domain names, copyrights (including rights in computer software), database rights, topography rights (whether or not any of these is registered and including applications for registration of any such thing), Know How and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world, whether existing now or in the future and all amendments, renewals, extensions and right to claim priority from, any of the foregoing;

"IP Licences" means all agreements, arrangements or understandings (in each case, whether or not written) pursuant to which the Transferor uses or has the right to use any Intellectual Property, IT, or confidential, secret or proprietary information, in the Transferring Business;

"Know How" means all know-how, trade secrets and confidential information, in any form (including paper, electronically stored data, magnetic media, film and microfilm) including without limitation financial and technical information, formulae, reports, project reports, financial models, customer analysis, information on the working or design of any product, process, invention, improvement or development, instruction and training manuals, information on strategy, market forecasts, lists or particulars of Customers and suppliers, sales targets, sales statistics, prices, discounts, margins, tenders, business development and planning reports and any information derived from any of them;

"Landlord" means the counterparty to the Lease or their successors in title being the party entitled to the immediate reversion to the relevant Lease;

"Land Registry" means, as the case may be, the Land Registry of England and Wales, the Land Registry of Scotland or the General Register of Sasines in Scotland, Land and Property Services of Northern Ireland (as applicable) or such other governmental department, authority

or other official body from time to time responsible for registering title to property within the relevant jurisdiction;

"Lease" means the lease and every document varying or supplemental or collateral to it and every licence or consent granted under it, under which each of the Properties is held and a reference to "Leases" means a reference to each Lease;

"Liability" includes (without limitation) any debt, liability, duty or obligation of any kind or description (whether derived from contract, common law, statute or otherwise, whether present or future, actual or contingent, ascertained or unascertained or disputed, direct or indirect, accrued or unaccrued, liquidated or unliquidated, financial or non-financial), including all Costs and expenses relating thereto;

"Loan" means any monies lent by the Transferor on or before the Effective Date to a Customer and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all further advances) due or owing to the Transferor with respect to that loan or, as the context may require, a Customer's obligations in respect of the same but excluding loans that have been fully redeemed prior to the Effective Date;

"Loan Agreement" means an agreement between the Transferor (or any of its predecessors) and a Customer or Customers and/or its or their guarantors relating to a Loan, including but not limited to loans entered into on the Transferor's standard terms, and including agreements relating to the Transferring Loans, together with any overdraft facilities or other ancillary facilities entered into under or in connection with the relevant Loan;

"Loan Related Securities" means in relation to a Loan, the Mortgage (if any), any other Right in Security and all other documents and things (including letters of credit, bank guarantees and performance bonds) which may constitute all or part of the security for the payment of all sums due in respect of that Loan including but not limited to security arrangements entered into between the Transferor and the relevant Customer and/or its guarantor on standard or other terms, including (where applicable) the following arrangements:

- (a) the Commercial Mortgage Loans; and
- (b) each Business Loan Security;

"Mis-selling Liability" means any Liability imposed by a regulatory authority relating to the marketing or sale of any Customer Agreement or any other product or service to customers by the Transferor or any agent, supplier, contractor or employee on its behalf, including any failure by the Transferor to comply with rules, regulations and industry practice relating to the marketing and sale of such products and services;

"Mortgage" means a first or subsequent fixed charge by way of legal or equitable mortgage or charge over property (or by way of standard security in Scotland);

"New Business" means any application made by a person to the Transferor, whether or not accepted by the Transferor, and any offer or invitation made by the Transferor to a person, in each case made prior to the Effective Date, which may result in the execution after the Effective Date of what would, had the relevant agreement been executed prior to the Effective Date, be an agreement for a Transferring Account or a Transferring Loan;

"Order" means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme and any order (including any subsequent order, which is ancillary thereto) in relation to this Scheme made by the Court pursuant to section 112 of FSMA;

"Personal Data" has the meaning given in section 1 of the DPA;

"Personal Loans" means any Loan (except a Personal Overdraft) provided by the Transferor in respect of which the borrower is categorised as at the Effective Date as an individual borrower by the Transferor which remains unsatisfied or outstanding as at the Effective Date

and any offer for any such Loan made by the Transferor which is outstanding at the Effective Date;

"Personal Overdrafts" means any overdraft facility provided by the Transferor in respect of which the borrower is categorised as at the Effective Date as an individual borrower which remains unsatisfied or outstanding as at the Effective Date and any offer for any such loan or overdraft made by the Transferor which is outstanding at the Effective Date;

"PRA" means the Prudential Regulation Authority (or its successor authorities);

"Proceedings" means any claim, counterclaim, complaint, petition, suit, appeal, proceeding or other legal process, whether intended to have interim or final legal effect in relation to its subject matter, before any court, governmental authority, regulatory authority, tribunal, arbitration panel, ombudsman or other body subsisting or empowered by law or regulation or by the provisions of an agreement which in each case relates solely to the Transferring Business, but excluding any Proceedings which relate solely to any of the Excluded Liabilities;

"Processing" has the meaning given to it under the DPA and includes both manual and automatic processing;

"Properties" means the leasehold properties at:

- (a) 128 Commercial Road, London E1 1NL;
- (b) 213 Kenton Road, Kenton, Middlesex HA3 0HD;
- (c) 39 Upper Tooting Road, London SW17 7TR;
- (d) 173/175 Soho Road, Birmingham B21 9SU;
- (e) 171 Ilford Lane, Ilford, Essex IG1 2RT;
- (f) 59A Belgrave Road, Leicester LE4 6AS;
- (g) 86 The Broadway, Southall, Middlesex; and
- (h) 2 Ealing Road, Wembley HA0 4TL;

"Regulated Activities Order" means the Financial Services and Market 2000 (Regulated Activities) Order 2001 (as amended);

"Regulations" means the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants Regulations) 2001 (as amended);

"Relevant Date" means the Effective Date or, in the case of any Residual Asset or Residual Liability, the applicable Subsequent Transfer Date;

"Remittance Service" means the services of remitting funds from UK to India provided by Transferor under the terms and conditions of certain of the Transferring Accounts;

"Residual Asset" means any assets or property of the Transferor, including any Right in Security in favour of the Transferor, which would be a Transferring Asset, but:

- (a) which the Court does not have jurisdiction to transfer;
- (b) which, despite having such jurisdiction, the Court determines not to transfer (at all, without the consent of a person other than the Transferor or Transferee or free of any Residual Asset Restriction);
- (c) which the Transferor and the Transferee agree in writing prior to the Effective Date would be more conveniently, or which pursuant to the terms of this Scheme is to be, transferred after the Effective Date (subject to consent from any applicable regulator);
- (d) its transfer, or the transfer of any part of it, pursuant to an order of the Court;

- (i) is not recognised by the laws of the jurisdiction in which such asset is situated or which govern such asset; or
 - (ii) will not be recognised or be effective or capable of enforcement under the laws of the jurisdiction in which such asset is situated or which govern such asset without further steps being taken;
- (e) the laws of a jurisdiction in which such asset is situated or which govern such asset or which are otherwise relevant to any Right in Security relating to such asset do not recognise the security trustee arrangement referred to in section 7.4(a), or under such laws these security trustee arrangements are not sufficient to provide in all material respects the same rights to the Transferor as security trustee, or the same benefits to the Transferee, as were available to the Transferor prior to the Effective Date; or
- (f) which the Transferee does not have the regulatory authorisation, permission or other consent which it needs to hold the Transferring Asset or to perform any related Customer Agreement; or
- (g) such asset cannot be transferred or vested in the Transferee (either at all or free of any Residual Asset Restriction) for any other reason, including any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash, earned or received from time to time after the Effective Date in respect of such asset, but excluding for the avoidance of doubt, the Excluded Assets;

"Residual Asset Restriction" means any third party right to acquire, or be offered the right to, or to offer to, acquire or procure the acquisition by some other person of, all or any part of an asset, being a third party right which directly or indirectly arises or is exercisable as a consequence of transfer pursuant to the Scheme being proposed or taking effect or the creation of a trust pursuant to the provisions of section 10.3 of this Scheme;

"Residual Liability" means any Liability of the Transferor which would be a Transferring Liability, but:

- (a) which relates to a Residual Asset and arises at any time before the Subsequent Transfer Date applicable to that Residual Asset;
- (b) which the Court does not have jurisdiction to transfer;
- (c) which despite having such jurisdiction, the Court determines not to transfer;
- (d) which the Transferor and the Transferee agree in writing prior to the Effective Date, would more conveniently be, or which pursuant to the terms of this Scheme is to be, transferred after the Effective Date (subject to consent from any applicable regulator); or
- (e) such Liability is subject to the law of a country or territory outside the UK and such law provides that further steps are required to be taken to effect the transfer of such Liability pursuant to such law;

"Right in Security" means:

- (a) any claim, charge, mortgage (including any Mortgage), pledge, lien, assignment in security, restriction, option, equitable right, power of sale, pledge, hypothecation, retention of title, including:
 - (i) any indemnity, guarantee, letter of credit, letter of comfort, letter of support, insurance, warranty, representation or other assurance; and
 - (ii) any fixed or floating charge, debenture, standard security, right of set off or netting arrangement;

- (b) any inter-creditor agreement, subordination agreement, postponement agreement or other ranking agreement in relation to the rights and/or obligations of any person or security interest;
 - (c) any equalisation agreement, standstill agreement or similar agreement or arrangement;
 - (d) any third party right or interest (including any Mortgage), whether legal or equitable, including in any real or personal property;
 - (e) any option, restriction, right of first refusal, right of pre-emption or other type of preferential arrangement (including title transfer and retention agreements) having a similar effect; and
 - (f) any agreement, arrangement or obligation to create any of the foregoing,
- of which the Transferor, or as applicable, the Transferee has the benefit;

"**Scheme**" means this Scheme in its original form or with, or subject to, any modification, addition or condition pursuant to section 16 of this Scheme;

"**Set Off Rights**" means all rights arising under, or in relation to, any Transferring Loan or Transferring Account providing for Liabilities or amounts owed or arising under any Transferring Loan or Transferring Account or credit or debit balances on account to be satisfied by way of set-off, combination or deduction against, or used as payment towards, Liabilities or amounts owed under any other Transferring Loan or Transferring Account;

"**Subsequent Transfer Date**" means, in relation to any Residual Asset or Residual Liability, each date after the Effective Date on which such Residual Asset or Residual Liability is or is to be transferred to the Transferee, namely in respect of any Residual Asset falling within paragraphs (a) or (b) of the definition of Residual Asset and, in relation to any Residual Liability falling within paragraphs (b) or (c) of the definition of Residual Liability, the date on which the requisite order or recognition to enable the same to be transferred to the Transferee upon the terms of this Scheme is:

- (a) obtained; or
- (b) no longer required;

and in respect of any Residual Asset falling within paragraph (c) of the definition of Residual Asset and of any Residual Liability which falls within paragraph (d) of the definition of Residual Liability, the date on which the Transferee and the Transferor agree that the transfer shall take effect or on which the Residual Asset or Residual Liability becomes capable of being transferred under the terms of this Scheme;

"**Tax**" means all forms of taxes, levies, imposts, contributions, duties and charges in the nature of taxation (including, for the avoidance of doubt, any liability under section 455 CTA 2010 and any national insurance contribution liabilities or deductions under PAYE in the United Kingdom and any equivalent or similar obligations elsewhere) and all withholdings or deductions in respect of them of any nature and whenever and wherever imposed including all related fines, penalties, charges and interest;

"**Transferee**" means Bank of Baroda (UK) Limited, a company incorporated in England and Wales with company number 10826803 whose registered office is at 32 City Road, London, EC1Y 2BD;

"**Transferee Group**" means the Transferee and its Affiliates from time to time, excluding the Transferor;

"**Transferor**" means Bank of Baroda;

"**Transferor Group**" means the Transferor and its Affiliates from time to time, excluding the Transferee and its Affiliates;

"Transferring Accounts" means the Accounts held with the UK Branch and all related debit cards in relation to those accounts, including without limitation:

- (a) the current accounts;
- (b) the savings accounts;
- (c) the fixed term deposits accounts;
- (d) the Baroda Smart Sweep accounts; and
- (e) Baroda Max accounts.

"Transferring Assets" means the following assets and property which are owned or used exclusively by the UK Branch:

- (a) the rights, interests and powers of the Transferor arising under, or by virtue of:
 - (i) the Transferring Accounts;
 - (ii) the Transferring Loans;
 - (iii) the Loan Related Securities;
 - (iv) the Ancillary Loan Documents; and
 - (v) the Ancillary Rights and Claims;
 including legal and beneficial title to (i) to (v);
- (b) the benefit (subject to the burden) of the Customer Agreements;
- (c) the Business Records;
- (d) the Business Information;
- (e) the Transferor's legal and beneficial interest in the Properties;
- (f) the Equipment, Fixtures and Furniture; and
- (g) the benefit (so far as the same can be lawfully assigned or transferred to the Transferee) of any Proceedings to which the UK Branch is party;

but excluding:

- (1) the Excluded Assets; and
- (2) until the relevant Subsequent Transfer Date, each Residual Asset and the rights, benefits and powers of the Transferor relating to that Residual Asset;

"Transferring Business" means part of the banking business (including the deposit taking business) of the Transferor carried on by the UK Branch comprising:

- (1) the Transferring Assets; and
- (2) the Transferring Liabilities,

and including the acceptance of deposits from holders of the Transferring Accounts and the provision of the Transferring Loans (including the entering into of Loan Agreements, the taking of Loan Related Security and the entering into or obtaining of Ancillary Loan Documents and the holding of Loans and other assets and property and the holding of Liabilities by the UK Branch in relation to the above types of Loans), but excluding the Excluded Business.

"Transferring Liabilities" means the following Liabilities of the Transferor:

- (a) the Transferring Accounts;
- (b) all Liabilities of the Transferor arising under all other Transferring Assets; and
- (c) all other Liabilities of the Transferor arising under the Transferring Business,

but excluding:

- (1) the Excluded Liabilities; and
- (2) until the relevant Subsequent Transfer Date, each Residual Liability;

"Transferring Corporate Loans" means the Corporate Loans on a list maintained by the Transferor as at the Effective Date as loans which will transfer to the Transferee on the Effective Date, the counter-parties to which will be notified by the Transferor of the inclusion of such Corporate Loans on the list;

"Transferring Loans" means the following Loans provided to Customers by the Transferor:

- (a) the Personal Loans;
- (b) the Personal Overdrafts;
- (c) the Business Loans;
- (d) the Business Overdrafts;
- (e) the Transferring Mortgages;
- (f) the Transferring Corporate Loans;

"Transferring Mortgages" means the Mortgages created under or pursuant to:

- (a) the BTL Mortgage Loans; and
- (b) the Commercial Mortgage Loans;

"UK Branch" has the meaning set out in section 1.1 of this Scheme;

"VAT" means value added tax chargeable under the VATA and any similar, replacement or additional tax; and

"VATA" means the Value Added Tax Act 1994.

2.2 In this Scheme, unless the context requires otherwise:

- (a) **"account"** includes any contract or facility by virtue of which money or any unit of account is, or may be, deposited by any person;
- (b) **"assets and property"** means property, assets and rights of every description (whether present or future, actual or contingent), including without limitation: money; goods; things in action; legal and beneficial ownership in real and heritable property (including registered land); moveable and personal property situated in the United Kingdom or elsewhere; property held on trust or in a fiduciary capacity; securities; rights; benefits and powers of every description; any interest (whether legal, beneficial or otherwise) as proprietor, landlord, tenant, mortgagee, chargee, assignee or heritable creditor; the benefit (subject to the burden) of any contracts; Business Intellectual Property; Business Information, Business Records; customer data and information; and any interest in any of the foregoing;
- (c) **"contract"** includes any agreement, scheme, transaction, obligation, arrangement or understanding (whether unilateral or bilateral, whether conditional or unconditional, whether in writing or otherwise and whether or not governed by English law) and, without limiting the generality of the foregoing, includes any contract creating an account, deposit, loan, mortgage or similar relationship between the Transferor and any Customer;
- (d) the terms **"company"**, **"subsidiary"** and **"undertaking"** have the meanings set out in the Companies Act 2006, but, for the purposes of section 1159 of the Companies Act 2006, a company shall be treated as a member of another company if any shares in that other company are registered in the name of either:

- (i) a person by way of security (where the company has provided the security), or
- (ii) a person as nominee for the company;
- (e) "**document**" means, subject to section 12, anything in which information of any description is recorded (whether in physical, electronic or any other form);
- (f) "**enactment**" means any enactment in any general or local act or in any order, rule or regulation made under any act;
- (g) "**existing**" means existing, outstanding or in force immediately before the Effective Date;
- (h) "**indemnify**" or "**indemnifying**" any person "**against any loss**" in connection with or arising out of a given circumstance shall include indemnifying such person (on an After-Tax Basis, as defined in section 2.4 below) against reasonable actions, Costs, claims, demands, expenses and other liabilities which such person may incur or suffer from time to time in connection with or arising out of such circumstance, as the case may be;
- (i) "**including**", "**includes**" or "**in particular**" means including, includes or in particular without limitation; and
- (j) "**transfer**" includes (as the context may require) assign, assignation, assignment, dispose, disposal, convey or conveyance;

2.3 In this Scheme (unless the context requires otherwise), any reference:

- (a) to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate legislation as amended, replaced or re-enacted from time to time and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation;
- (b) to a gender includes all genders, the singular includes the plural (and vice versa), and persons includes individuals, bodies corporate, unincorporated associations, partnerships and authorities (whether or not any of them have a separate legal personality);
- (c) to a professional firm or company includes any firm or company effectively succeeding to the whole, or substantially the whole, of its practice or business;
- (d) to a time of day or date is to that time or date in the United Kingdom;
- (e) to writing or written includes any method of representing or reproducing words in a legible form;
- (f) to a section or schedule is to a section of or schedule to this Scheme;
- (g) to a part or paragraph is to a part or paragraph of a section of or a schedule to this Scheme;
- (h) within a schedule to a part is to a part of that schedule; and
- (i) within a part of a schedule to a paragraph is to a paragraph of that part of that schedule.

2.4 With regard to any indemnity or covenant to pay ("**Payment Obligation**") being given on an "**After-Tax Basis**", to the extent that the amount payable pursuant to such Payment Obligation ("**Payment**") is subject to a deduction or withholding required by Law in respect of Tax or is chargeable to any Tax in the hands of the recipient, such amount shall be increased so as to ensure that, after taking into account:

- (a) the amount of Tax required to be deducted or withheld from, and the Tax chargeable on, such amount (including on the increased amount); and
- (b) any Tax credit, repayment or other benefit which is available to the indemnified party or the recipient of the Payment solely as a result of the matter or thing giving rise to the Payment Obligation, receiving the Payment or the deduction or withholding in question,

the recipient of the Payment is in the same position as it would have been in if the matter or thing giving rise to the Payment Obligation had not occurred.

- 2.5 The contents list, headings and any descriptive notes are for ease of reference only and shall not affect the construction or interpretation of this Scheme.

PART C: THE TRANSFER

3. TRANSFER

On and with effect from the Effective Date, the Transferring Business shall be transferred to and vested in the Transferee in accordance with this Scheme.

4. TRANSFER OF ASSETS

4.1 Transferring Assets

On and with effect from the Effective Date, each Transferring Asset and all of the title, rights, benefits, powers, obligations and interests of the Transferor in such Transferring Asset shall, by the Order and without any further act or instrument, be transferred by the Transferor to and be vested in the Transferee and the Transferee shall succeed to such Transferring Asset as if in all respects the same person in law as the Transferee in accordance with the terms of this Scheme.

4.2 Residual Assets

On and with effect from each Subsequent Transfer Date, each Residual Asset to which such Subsequent Transfer Date applies and all of the title, rights, benefits, powers, obligations and interests of the Transferor in such Residual Asset shall by the Order and without any further act or instrument, be transferred by the Transferor to and be vested in the Transferee and the Transferee shall succeed to such Residual Asset as if in all respects the same person in law, in accordance with the terms of this Scheme.

4.3 Encumbrances and Rights in Security

Each Transferring Asset and each Residual Asset (as applicable) shall be transferred to, and vested in, the Transferee:

- (a) subject to all Encumbrances (if any) to which such Transferring Asset or Residual Asset is subject or which affects such Transferring Asset or Residual Asset; and
- (b) with the benefit of all Rights in Security (if any) (including any Loan Related Securities) related to, affecting, securing or connected with such Transferring Asset or Residual Asset.

4.4 Title to Transferring Assets and Residual Assets

The Transferee shall accept, without investigation or requisition, such title as the Transferor shall have at the Effective Date to the Transferring Assets and, at each Subsequent Transfer Date, to the Residual Assets transferred to it.

5. TRANSFER OF LIABILITIES

5.1 Transferring Liabilities

On and with effect from the Effective Date, each Transferring Liability shall, by the Order and without any further act or instrument be transferred by the Transferor to the Transferee and become a Liability of the Transferee and the Transferee shall succeed to such Transferring Liability as if in all respects it were the same person in law as the Transferor and such Transferring Liability shall cease to be a Liability of the Transferor, in accordance with the terms of this Scheme.

5.2 Residual Liabilities

On and with effect from each Subsequent Transfer Date, each Residual Liability to which such Subsequent Transfer Date applies shall, by the Order and without any further act or instrument be transferred by the Transferor to and become a Liability of the Transferee and the Transferee shall succeed to such Residual Liability as if in all respects it were the same person in law as the Transferor and such Residual Liability shall cease to be a Liability of the Transferor, in accordance with the terms of this Scheme.

5.3 Encumbrances and Rights in Security

Each Transferring Liability and each Residual Liability (as applicable) shall be transferred to, and vested in, the Transferee:

- (a) subject to all Encumbrances (if any) to which such Transferring Liability or Residual Liability is subject or which affects such Transferring Liability or Residual Liability; and
- (b) with the benefit of all Rights in Security (if any) (including any Loan Related Securities) related to, affecting, securing or connected with such Transferring Liability or Residual Liability.

6. GENERAL TRANSFER PROVISIONS

6.1 Transfer restrictions and capacity

The transfer of any Transferring Asset, Transferring Liability, Residual Asset or Residual Liability by the Transferor to the Transferee shall have effect notwithstanding any provision (whether express or implied) to the contrary in any contract or arrangement with any Customer, Landlord or any other person.

6.2 Capacity of Transferor

The transfer of any Transferring Asset, Transferring Liability, Residual Asset or Residual Liability by the Transferor to the Transferee shall have effect notwithstanding whether or not the Transferor would, other than pursuant to the terms of this Scheme, have capacity to effect the same.

6.3 Excluded Assets and Excluded Liabilities

This Scheme shall not operate to transfer or have the effect of transferring, or be construed to operate to transfer or have the effect of transferring, to the Transferee any of the Excluded Assets or Excluded Liabilities.

7. SPECIFIC PROVISIONS IN RESPECT OF THE TRANSFERRING BUSINESS

7.1 Customer Agreements – general

On and with effect from the Relevant Date:

- (a) the Transferee shall become entitled to all the assets and property of the Transferor whatsoever subsisting on the Relevant Date under or by virtue of the Customer Agreements;
- (b) the Liabilities and obligations of the Transferor to any person who is a Customer shall be transferred by the Transferor to the Transferee by the Order and without any further act or instrument and become the Liabilities and obligations of the Transferee, and the Transferor shall be released from any such Liability or obligation to such Customer;
- (c) each Customer shall in succession to and to the exclusion of any rights which that Customer may have had against the Transferor under a Customer Agreement, be entitled to the same rights against the Transferee as were available to that Customer against the Transferor under such Customer Agreement;
- (d) each Customer shall in substitution for any Liability or obligations which that Customer has to the Transferor under a Customer Agreement, be under the same Liability or obligation to the Transferee;
- (e) each Customer Agreement shall have effect as if:
 - (i) the contract had been made with the Transferee instead of the Transferor;

- (ii) for any reference (however worded and whether express or implied) to the Transferor there were substituted, in respect of anything falling to be done on or after the Relevant Date, a reference to the Transferee;
- (iii) any reference (however worded and whether express or implied) to the directors or to any director, officer or employee of the Transferor were, in respect of anything falling to be done on or after the Relevant Date, a reference to the directors of the Transferee or, as the case may require, to such director, officer or employee of the Transferee as the Transferee may appoint for that purpose or, in default of appointment, to the director, officer or employee of the Transferee who corresponds as nearly as may be to the first mentioned director, officer or employee; and
- (iv) any reference (however worded and whether express or implied) to the Transferor Group (or to any members, whether individually or collectively, of the Transferor Group) that were substituted in respect of anything after the Relevant Date, were a reference to the Transferee.

7.2 Rates of interest, exchange rates, fees and other discretions

On and with effect from the Relevant Date:

- (a) subject to paragraphs (b) to (d) below, in respect of any document or instrument (including any Customer Agreement and the terms of any Remittance Service) which:
 - (i) relates to the Transferring Business;
 - (ii) will continue to have effect after the Relevant Date; and
 - (iii) makes reference to a rate (including an interest rate or an exchange rate), charge, tariff or scale of fees or to terms and conditions published, determined or ascertained from time to time by the Transferor or any member of the Transferor Group,

the Transferee shall have the same rights under such document or instrument to publish, determine or ascertain, vary or amend rates, charges, tariffs, scales or fees terms or conditions, and any such rates, charges, tariffs, scales of fees, terms or conditions published, determined, ascertained, varied or amended by the Transferee after the Relevant Date shall apply in place of those which could have been published determined, ascertained, varied or amended by the Transferor;
- (b) every document incorporating the terms of a BTL Mortgage Loan or a Commercial Mortgage Loan shall be construed and have effect as if, for any reference to the standard variable rate of the Transferor, there were substituted a reference to the rate of interest that the Transferee is free to vary from time to time in accordance with the terms and conditions of the relevant BTL Mortgage Loan or Commercial Mortgage Loan and which it uses as the basis for setting interest rates which it charges respectively to all borrowers to whom BTL Mortgage Loans or to all borrowers to whom Commercial Mortgage Loans are made;
- (c) every document in relation to the Transferring Business (including documents incorporating the terms of a Transferring Loan) shall be construed and have effect as if, for any reference to the variable rate of the Transferor, there were substituted a reference to the variable rate of the Transferee that the Transferee is free to vary from time to time in accordance with the terms and conditions of the relevant Transferring Loan; and
- (d) any reference in a document (including any Customer Agreement and any terms of any Remittance Service) relating to the Transferring Business to the Transferor's cost of funds or spot rate of exchange (as applicable) shall after the Relevant Date be

deemed to be a reference to the Transferee or to the equivalent details or rates of the Transferee.

7.3 Rights in Security and Encumbrances

On and with effect from the Relevant Date, subject to section 7.4 of this Scheme:

- (a) any Right in Security (including any Loan Related Security) or Encumbrance in relation to the Transferring Business held by or vested in the Transferor or a nominee or agent of or trustee for the Transferor, or to which the Transferor is subject, immediately prior to the Relevant Date, shall be held by, vested in, or enforceable against the Transferee or, as applicable, that nominee or agent of or trustee for the Transferee as if the Transferee had the benefit of such Right in Security or was subject to such Encumbrance;
- (b) any Right in Security or Encumbrance referred to in paragraph (a) above shall be available to, and enforceable by or against, the Transferee with respect to any Liabilities (including any principal, interest, fees, charges or other sums) to which the Right in Security or Encumbrance relates whether arising before or after the Relevant Date;
- (c) in relation to any Right in Security or Encumbrance referred to in paragraph (a) above and any Liabilities thereby secured, the Transferee shall be entitled to the same rights, ranking and priorities and be subject to the same obligations and incidents as those to which the Transferor was entitled and to which the Transferor was subject immediately prior to the Relevant Date and all waivers, amendments, conditions, consents, deeds of substitution, deeds of release, ranking agreements and priority agreements relating to any such Right in Security or Encumbrance shall be enforceable and binding on the Transferee on and from the Relevant Date to the same extent to which the same would have been enforceable by and binding on the Transferor prior to the Relevant Date;

7.4 Security trustee

On and with effect from the Relevant Date:

- (a) subject to paragraph (b) below, if the transfer of any Right in Security (including any Loan Related Security) referred to in section 7.3(a) above pursuant to this Scheme is not recognised by the laws of the jurisdiction in which such Right in Security is situated, then section 7.3(a) above shall not apply and such Right in Security shall continue to be held by the Transferor or, as the case may be, by a nominee or agent of or trustee for the Transferor on terms that the Transferor or such nominee, agent or trustee shall have the right to enforce such Right in Security as security trustee on behalf of the Transferee in relation to any Liability of a Customer or other person transferred pursuant to this Scheme and any further Liabilities incurred by a Customer or any other person pursuant to contracts and arrangements transferred pursuant to this Scheme, including overdraft arrangements or revolving credit facilities; and
- (b) if:
 - (i) the laws of a jurisdiction in which an asset is situated, or which are otherwise relevant to any Right in Security (including any Loan Related Security) relating to such asset, do not recognise the security trustee arrangements under paragraph (a) above; or
 - (ii) under such laws, such security trustee arrangements are not sufficient to provide, in all material respects, the same rights to the Transferee as security trustee or the same benefits to the Transferee as were available to the Transferor before the Relevant Date,

the affected Right in Security (including any Loan Related Security) together with the underlying Transferring Loan and any Ancillary Loan Documents shall be treated as a Residual Asset.

7.5 Set Off Rights

Where, after the Relevant Date, the Transferor retains an asset or Liability in relation to a Customer and/or a guarantor of such Customer and, pursuant to this Scheme, the Transferee acquires an asset or Liability in relation to such Customer and/or guarantor of such Customer, then if, immediately before the Relevant Date, the Transferor or such Customer and/or guarantor of such Customer would have been entitled to exercise any Set Off Rights in relation to:

- (a) the Transferring Asset or Transferring Liability; or
- (b) the asset or Liability retained by the Transferor,

the Transferee (in the place of the Transferor in respect of the Transferred Asset or Transferred Liability), the Transferor (in relation to the retained asset or Liability) or the Customer and/or guarantor of such Customer (as the case may be) shall, after the Relevant Date, be entitled to exercise the same Set Off Rights as were available to the Transferor or the Customer and/or guarantor of such Customer before the Relevant Date. In each case, the maximum amount which may be set off pursuant to this section shall be established by reference to the balances of the respective assets and Liabilities as at the Relevant Date.

7.6 Corporate Loans – Tax Confirmations

Where the Transferor is a party to a Transferring Loan and the terms of the relevant Loan Agreement, Loan Related Security or related documentation (including in the form of any "transfer certificate", "assignment agreement" or any other provision with substantially similar effect in connection with such Transferring Loan) provide that, on a person becoming party to such Loan Agreement as lender pursuant to the terms of such Loan Agreement or related documentation (including pursuant to any transfer or novation provisions), such person is to provide any confirmation, representation, warranty or indication in connection with any Tax matter (each, a "**Tax Confirmation**"), the Transferee shall be deemed to have provided such a Tax Confirmation, provided that:

- (a) where alternative forms of Tax Confirmation are envisaged in connection with such Transferring Loan, the Transferee shall be deemed to have provided such Tax Confirmation as is appropriate in the circumstances taking into account the status of the Transferee for relevant Tax purposes; and
- (b) the Transferee shall not be deemed by this section 7.6 to have provided any Tax Confirmation which is not accurate and true as regards the Transferee.

7.7 Continuity of accounts, instructions and payments

On and with effect from the Relevant Date:

- (a) each Transferring Account and Transferring Loan shall, at and with effect from the Relevant Date, become an account between the Transferee and the relevant Customer and shall be subject to the same terms and conditions and incidents as immediately before the Relevant Date and shall be deemed for all purposes to be a single continuing account, loan, facility or mortgage (as applicable);
- (b) any existing instruction, order, standing order, direction, direct debit, mandate, power of attorney, authority, indemnity, undertaking, declaration or consent given to or by the Transferor in respect of the Transferring Business (whether in writing or not and whether or not in relation to an account) shall have effect, on and from the Relevant Date, as if given to or, as the case may be, by the Transferee;

- (c) in respect of the Transferring Business, any negotiable instrument, cheque, warrant, draft, letter of credit or order for payment of money drawn on or by, or given to, or accepted or endorsed by, the Transferor, or payable at any place of business of the Transferor, whether so drawn, given, accepted, endorsed or payable before, on or after the Relevant Date, shall have the same effect, as if it had been drawn on or by, or given to, or accepted or endorsed by the Transferee or, as the case may be, as if the place of business at which it is payable were a place of business of the Transferee;
- (d) all payments attributable or referable to the Transferring Business (including the Transferring Accounts and the Transferring Loans) shall be payable to the Transferee and shall be receivable by the Transferee; and
- (e) as regards any Customer Agreement under which interest, principal or other sums attributable or referable to that Customer Agreement are payable:
 - (i) to the extent that interest, principal or other sums were payable by the Transferor immediately prior to the Relevant Date, such interest, principal or other sums shall be payable by the Transferee;
 - (ii) to the extent that interest, principal or other sums were payable to the Transferor immediately prior to the Relevant Date, such interest, principal or other sums shall be payable to the Transferee; and
 - (iii) the Transferor shall account to the Transferee for any interest or principal or other sums to the extent that the same are received by the Transferor.

7.8 Offers and invitations to treat

In relation to any offer or invitation to treat made to or by the Transferor by the Relevant Date in respect of New Business:

- (a) such offer or invitation to treat shall be construed and have effect as an offer or invitation to treat made to or by the Transferee;
- (b) any document forming part of any such offer or invitation which would, when completed, be addressed to or from or otherwise make reference to the Transferor shall, with effect from the Relevant Date, be deemed to be addressed to or make reference to the Transferee and shall be construed accordingly; and
- (c) if any person accepts any such offer or invitation to treat which involves any document securing the payment or discharge of any Liability which would, when completed, on its face be in favour of the Transferor, such security shall, with effect from the Relevant Date, be construed as having been made in favour of the Transferee and registered in favour of the Transferee and any public registry (including the relevant Land Registry) shall act accordingly.

7.9 Notices and documents

- (a) The Transferor shall promptly on request give to the Transferee any payments, notices, correspondence, information or enquiries in relation to the Transferring Business which belong to the Transferee.
- (b) Any document, claim or demand addressed before or after the Relevant Date to or by the Transferor pursuant to an existing contract or arrangement to be transferred pursuant to this Scheme shall, with effect from the Relevant Date, be deemed to have been addressed to or by the Transferee.

7.10 Rights and remedies

On and with effect from the Relevant Date:

- (a) where by virtue of this Scheme any contract, assets and property, or Liability, of the Transferor become a contract, assets and property, or a Liability, of the Transferee, the Transferee shall, at and from the Relevant Date, have the same rights, powers and remedies (and in particular the same rights and powers as to taking or resisting Proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing such assets and property, or Liability, as if it had at all times been assets and property, or a Liability, of the Transferee;
- (b) any right of action in relation to any contract, asset or Liability transferred pursuant to this Scheme and any remedy available in consequence thereof (including without limitation pursuant to any Ancillary Loan Document) in relation to the Transferring Business which:
 - (i) accrues, arises or becomes enforceable or available before the Relevant Date by or against the Transferor in relation to the Transferring Business; or
 - (ii) would, in the absence of a transfer pursuant to the Order, accrue, arise or become enforceable or available by or against the Transferor after the Relevant Date in relation to the Transferring Business,
 may be enforced or availed by or against the Transferee;
- (c) the Transferee shall be entitled to rely on and to enforce any consent, waiver, representation, statement or estoppel given or made to the Transferor by a person in relation to the Transferring Business before the Relevant Date as though such consent, waiver, representation, statement or estoppel had been given or made to the Transferee and to the same extent that the Transferor would have been able to rely on or to enforce the same; and
- (d) any judgement or award obtained by or against the Transferor in respect of the Transferring Business and not fully satisfied before the Relevant Date shall at that time, to the extent to which it was enforceable by or against the Transferor immediately prior to the Relevant Date, become enforceable by or against the Transferee (to the exclusion of the Transferor).

7.11 Assets held by the Transferor as trustee, custodian or fiduciary

With effect from the Relevant Date, any contract or asset, including:

- (a) any legal or beneficial title arising pursuant to any trust; and
- (b) any rights or Liabilities pursuant to any custody arrangement,

in relation to the Transferring Business which is transferred to and vested in the Transferee by the Order and which was held by the Transferor (whether alone or jointly with others) as a trustee, custodian or in a similar fiduciary capacity shall be held by the Transferee (whether alone or jointly with others, as the case may be) in the capacity of trustee, custodian or in a similar fiduciary capacity (as the case may be) subject to the rights, powers and duties previously applicable to the relevant trust, custody or other fiduciary arrangement in question.

7.12 Rights and obligations as bailee

With effect on and from the Relevant Date, the custody of any document or record, goods or other thing held by the Transferor as bailee in relation to any part of the Transferring Business shall pass to the Transferee and the rights and obligations under any contract of bailment relating to any such document or record, goods or thing shall on that day become rights and obligations of the Transferee.

7.13 Confidentiality

Subject to section 14 of this Scheme, with effect from the Relevant Date:

- (a) the Transferee shall, in relation to the Business, owe to any person the same duties of confidentiality and privacy as those which the Transferor owed in relation to the Transferring Business immediately prior to the Relevant Date;
- (b) where in relation to the Transferring Business, the Transferor has a right to share information within the Transferor Group, the Transferee shall, with effect from the Relevant Date, be so entitled to share information within the Transferor Group and the Transferee Group; and
- (c) where the Transferor has no right to share information within the Transferor Group, then notwithstanding any provision to the contrary in any contract or arrangement with any Customer or any other person, the Transferee may, after the Relevant Date, share any information over which it owes such a duty of confidentiality and privacy with any member of the Transferor Group (provided that such information shall be shared solely for regulatory, accounting and reporting purposes or, where necessary, for the purpose of the Transferor providing services to the Transferee in accordance with any service level agreement from time to time in force or where required to give effect to the terms of this Scheme or the Business Transfer Agreement).

8. SPECIFIC PROVISIONS IN RESPECT OF THE LEASES

8.1 On and with effect from the Relevant Date:

- (a) the Transferee shall become entitled to all rights and interests whatsoever subsisting on the Relevant Date under or by virtue of the Leases;
- (b) the Liabilities and obligations of the Transferor to any Landlord pursuant to the relevant Lease shall be transferred by the Transferor to the Transferee by the Order and without any further act or instrument and become the Liabilities and obligations of the Transferee. The Transferor shall immediately be released from any such Liability or obligation to the relevant Landlord;
- (c) each Landlord shall in substitution for any rights which such Landlord may have had against the Transferor under a Lease, be entitled to identical rights as against the Transferee as were available to the Landlord against the Transferor under such Lease;
- (d) each Landlord shall in substitution for any Liability or obligations which that Landlord has against the Transferor under a Lease, be under the same Liability or obligation to the Transferee;
- (e) each Lease shall have effect as if:
 - (i) the legal and beneficial interest in the Lease was now vested in the Transferee
 - (ii) for any reference (however worded and whether express or implied) to the Transferor there were substituted, in respect of anything falling to be done on or after the Relevant Date, a reference to the Transferee;
 - (iii) any reference (however worded and whether express or implied) to the directors officers or employee of the Transferor were, in respect of anything falling to be done on or after the Relevant Date, a reference to the directors of the Transferee or, as the case may require, to such director, officer or employee of the Transferee as the Transferee may appoint for that purpose or, in default of appointment, to the director, officer or employee of the Transferee who corresponds as nearly as may be to the first mentioned director, officer or employee; and
 - (iv) any reference (however worded and whether express or implied) to the Transferor Group (or to any members, whether individually or collectively, of

the Transferor Group) that were substituted in respect of anything after the Relevant Date, were a reference to the Transferee.

8.2 For the avoidance of doubt nothing in this Order is deemed to operate as a surrender and regrant of any of the Leases

9. EFFECT OF THE TRANSFER

The transfer and vesting of any Transferring Asset (or Residual Asset) or Transferring Liability (or Residual Liability) shall not:

- (a) invalidate, discharge or result in the termination of any agreement, instrument, trust deed, indenture, Customer Agreement, Encumbrance, Right in Security, Loan Related Security, Ancillary Loan Document, Lease, right, interest, benefit, power, obligation, title or other thing;
- (b) require any registration, re-registration or filing or any amendment to any existing registration or filing (whether at the Land Registry, Companies House or otherwise) in respect of any agreement, instrument, trust deed, indenture, Customer Agreement, Encumbrance, Right in Security, Loan Related Security, Ancillary Loan Document, Lease, right, interest, benefit, power, obligation or title;
- (c) constitute a breach of or default, event of default, potential event of default, termination event, mandatory prepayment event, enforcement event, perfection event or other similar event or condition (however described) under, or allow any person to terminate, any agreement, Transferring Loan, instrument, trust deed, indenture, Customer Agreement, Encumbrance, Right in Security, Loan Related Security, Ancillary Loan Document, Lease, right, interest, benefit, power, obligation or title;
- (d) constitute a breach of any representation, obligation or duty, whether in contract, tort, equity or otherwise;
- (e) have the effect of:
 - (i) rendering any Transferring Loan immediately repayable;
 - (ii) fixing or otherwise changing the rate of interest that applies to any Transferring Loan; or
 - (iii) changing the frequency or amount of interest or other payments to the Transferee under the terms of any Transferring Loan,
 and any provision of any Transferring Loan that has, or might be construed as having, such effect shall be disregarded accordingly;
- (f) require any person to perform any new or additional obligation or to take any new or additional step or action, including the giving of any notice, the obtaining of any consent, approval or determination, the accession to any agreement, the payment of any fee, cost, expense, interest or other amount, the granting of any new or additional Encumbrance or Right in Security or the transfer of any asset or property;
- (g) entitle or require any person to exercise any right or remedy, to reduce, suspend, delay, alter or discharge its rights or obligations, to accelerate, terminate, suspend, delay, alter or discharge the performance of any rights or obligations or otherwise to vary, amend, disclaim, repudiate or terminate any agreement, instrument or Encumbrance or Right in Security;
- (h) save as otherwise provided in this Scheme, confer any greater or lesser rights, interests or benefits, or impose any greater or lesser obligations, on any party to any contract to which the Transferor is a party when that greater or lesser obligation would not otherwise have been imposed;
- (i) affect the enforceability, priority or ranking of any Encumbrance or Right in Security; or

- (j) enable any person to bring a claim, whether in contract, tort, equity or otherwise in relation to any Transferring Asset (or Residual Asset) or any Transferring Liability (or Residual Liability).

10. CONTINUITY OF PROCEEDINGS

- 10.1 On and with effect from the Effective Date any Proceedings relating to any part of the Transferring Business (including the Transferring Assets and the Transferring Liabilities) which have been issued, served, are pending, current, threatened or otherwise, by or on behalf of or against the Transferor shall be continued or made by or against the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off and any other rights which would have been available to the Transferor in relation to the relevant part(s) of such Proceedings.
- 10.2 On and with effect from the Subsequent Transfer Date applicable thereto any Proceedings relating to the Transferring Business which have been issued, served, are pending, current, threatened or otherwise, by or against the Transferor to the extent that they relate to Residual Assets or Residual Liabilities shall be continued or made by or against the Transferee and the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off and any other rights which would have been available to the Transferor in relation to the relevant part(s) of such Proceedings. Until the Subsequent Transfer Date, the relevant proceedings or applications shall be continued by or against the Transferor in accordance with the instructions of the Transferee.
- 10.3 Any judgment, settlement, order or award obtained by or against the Transferor which relates to any part of the Transferring Business which is not fully satisfied before the Effective Date or in relation to the Residual Assets or Residual Liabilities the Subsequent Transfer Date, shall on that date and to the extent to which it was enforceable by or against the Transferor immediately prior to such date, become enforceable by or against the Transferee.

11. DECLARATION OF TRUST

11.1 If:

- (a) any asset of the Transferor attributable to the Transferring Business (including any Transferring Asset) is not delivered, conveyed, transferred, licensed, assigned or novated to and vested in the Transferee by this Scheme on the Effective Date by reason of such asset being a Residual Asset or for any other reason; or
- (b) any Residual Asset is not delivered, conveyed, transferred, licensed, assigned or novated to and vested in the Transferee by this Scheme on the Subsequent Transfer Date applicable thereto,

then the Transferor shall, on and from the Effective Date until the Subsequent Transfer Date or the date of disposal by the Transferor of such Residual Asset:

- (i) be deemed to hold any asset referred to in sections 11.1(a) and 11.1(b) of this Scheme, together with any proceeds of sale or income or other right accrued or return arising in respect of such asset, on trust for the Transferee; and
- (ii) to the extent permissible by law or the terms on which such assets are held, the Transferor must use all reasonable efforts to ensure, at its cost, that the Transferee is entitled to the benefit or use of such asset, to receive any income deriving from such asset and to have the right to enforce any Proceeding relating to such asset and the Transferor must perform all of the Transferee's obligations if such asset is a contract (except to the extent that those obligations are Excluded Liabilities),

except where:

- (1) the entry into, or creation of, such an arrangement would itself be outside the jurisdiction of the Court; or
- (2) the entry into, or creation of such an arrangement would cause a breach of, or default under, any Customer Agreement or would give rise to any right of acceleration of any obligation or any right of termination.

11.2 On and from the Effective Date, the Transferor shall be subject, in respect of any assets and property referred to in section 11.1 of this Scheme to the directions of the Transferee until:

- (a) the relevant assets and property are transferred to or otherwise vested in the Transferee; or
- (b) the relevant assets and property are disposed of (whereupon the Transferor shall account to the Transferee for the proceeds of sale of such assets or property),

and the Transferee shall have authority to act as the attorney of the Transferor in respect of such assets and property for all such purposes.

11.3 On and from the Effective Date, the Transferor shall hold all assets and property which is or comes into its possession which relates to or is derived from the Transferring Business, any Transferring Asset or any Residual Asset on trust for the Transferee and as directed by the Transferee and these assets and property shall be treated as Transferring Assets.

12. EVIDENCE: BOOKS AND DOCUMENTS

12.1 All books and other documents which would, before the Relevant Date, have been evidence in respect of any matter for or against the Transferor in relation to the Transferring Business, the Residual Assets or the Residual Liabilities at the Relevant Date, shall be admissible in evidence in respect of the same matter for or against the Transferee after the Relevant Date.

12.2 On and from the Relevant Date, the Bankers' Books Evidence Act 1879 shall apply to any books of the Transferor in relation to the Transferring Business, the Residual Assets or the Residual Liabilities transferred to, and vested in, the Transferee by virtue of this Scheme, and to entries made in those books before the Relevant Date, as if such books were the books of the Transferee.

12.3 For the purposes of section 4 of the Bankers' Books Evidence Act 1879, books in relation to the Transferring Business, the Residual Assets or the Residual Liabilities so transferred to, and vested in, the Transferee shall be deemed to have been the ordinary books of the Transferee at the time of the making of any entry therein which purports to have been made before the Relevant Date, and any such entry shall be deemed to have been made in the usual and ordinary course of business.

12.4 In this section 12, "**books**" shall be construed in accordance with section 9 of the Bankers' Books Evidence Act 1879 and "**documents**" has the same meaning as in section 13 of the Civil Evidence Act 1995.

13. ACCESS TO RECORDS

Subject to the same being treated as confidential information and being kept confidential by the persons provided access under this section 13 of this Scheme, the Transferee shall allow the Transferor and any persons authorised by the Transferor to have access on reasonable written notice to the Business Records, statutory records and VAT records save to the extent that the Transferee is prevented from doing so by any obligation in law (including, without limitation, any obligation as to confidentiality), regulation, or order of the Court or any competent judicial, governmental, regulatory or supervisory body.

14. DATA PROTECTION

- 14.1 In this section, terms shall be construed in accordance with the definitions in the applicable Data Protection Legislation.
- 14.2 With effect from the Effective Date:
- (a) in respect of all Personal Data comprised in the Transferring Business in respect of which the Transferor was the Data Controller immediately before the Effective Date (the transferring Personal Data), the Transferee shall become the Data Controller and shall be deemed to have been the Data Controller at all material times when it was Processed; and the Transferee shall succeed to all rights, liabilities and obligations of the Transferor as Data Controller;
 - (b) any information made available to, or consent obtained or request or other notice received from, any data subject by or on behalf of the Transferor in respect of the transferring Personal Data will be deemed to have been made available, obtained or received by the Transferee; and
 - (c) any reference to the Transferor in any such information, consent, request or other notice will be deemed to include a reference to the Transferee and any reference to the Transferor Group will be deemed to include a reference to the Transferee Group.
- 14.3 The Transferee must:
- (a) comply with all relevant provisions of applicable laws, regulations, regulatory requirements and the Data Protection Legislation in relation to the Processing of Personal Data; and
 - (b) not do, or cause or permit to be done, anything in relation to the information provided to you which may result in a breach by us of any applicable laws, regulations, regulatory requirements or the Data Protection Legislation.
- 14.4 The Transferee must provide a notice to the Customers in compliance with Article 14 of the GDPR or provide such a notice to all Customers as is required under application Data Protection Legislation.
- 14.5 With effect from the Effective Date, the Transferee will pay any fees and maintain any registrations in accordance with applicable Data Protection Legislation.

PART D: GENERAL PROVISIONS**15. EFFECTIVE DATE**

15.1 This Scheme will become effective at 00:01 on 1 December 2018 or on such other time and date as the Transferor and the Transferee may agree (being a date and time falling after the making of the Order).

15.2 Unless this Scheme shall have become effective on or before the date falling three months after the date upon which the Court makes the Order, or such later date, if any, as the Court may allow, the same shall lapse.

16. FURTHER ASSURANCE

16.1 Each of the Transferor and the Transferee shall (at its own cost) execute and deliver such further documents (including assignments or novations, as appropriate) and perform such further acts as may be required by law or as may be necessary or desirable by the other party to effect this Scheme or perfect the transfer to and vesting in the Transferee of the Transferring Assets, the Transferring Liabilities, the Residual Assets and the Residual Liabilities in accordance with the terms of this Scheme.

16.2 If any Transferring Asset (including, for these purposes, any Residual Asset under paragraph (e) of the definition of Residual Asset) or Transferring Liability (including, for these purposes, any Residual Liability under paragraph (e) of the definition of Residual Liability) is governed by the law of any country or territory outside the United Kingdom, the Transferor shall provide all reasonable assistance to the Transferee for securing the transfer of such Transferring Asset or Transferring Liability to ensure that it is fully effective under the law of that country or territory.

17. INDEMNITIES

17.1 Except:

- (a) as otherwise agreed between the Transferor and the Transferee; or
- (b) to the extent that the Transferor recovers any Liabilities under any applicable insurance policy and does not pay the proceeds to the Transferee,

on and from the Effective Date, the Transferee shall discharge on the Transferor's behalf or indemnify the Transferor against all Liabilities and claims arising in respect of all Transferring Liabilities (but excluding all Excluded Liabilities) which are payable by the Transferor.

17.2 Except:

- (a) as otherwise agreed between the Transferor and the Transferee; or
- (b) to the extent that the Transferee recovers any Liabilities under any applicable insurance policy and does not pay the proceeds to the Transferor,

on and from the Effective Date, the Transferor shall discharge on the Transferee's behalf or indemnify the Transferee against all Liabilities and claims arising in respect of all Excluded Liabilities which are payable by the Transferee.

18. COSTS AND EXPENSES

Except as otherwise agreed in writing, the Transferor and the Transferee shall bear their own Costs and expenses in relation to the preparation and carrying into effect of this Scheme, whether before or after the Effective Date., and none of the Costs and expenses in relation to the preparation and carrying into effect of this Scheme will be passed on to the customers of either the Transferor or the Transferee

19. MODIFICATION OF THIS SCHEME

19.1 The Transferor and the Transferee may at any time prior to the sanction of this Scheme by the Court consent, for and on behalf of the persons bound hereby and all other persons

concerned, to any modification of, or addition to, this Scheme or to any further condition or provision affecting the same which the Court may approve or impose.

19.2 At any time after the sanction of this Scheme by the Court, and except as provided for in section 19 of this Scheme, any amendment to this Scheme must receive the consent of the Court. The PRA and FCA shall have the right to be heard by the Court in relation to any proposed amendment to this Scheme pursuant to this section 110 of FSMA which sets out that the PRA and FCA are entitled to be heard by the Court in relation to the Scheme generally. If such consent is granted, the Transferor and the Transferee may amend the terms of this Scheme in accordance with such consent.

19.3 At any time after the sanction of this Scheme, in the case of any minor to the terms of this Scheme, or any amendment to correct any manifest error in its terms, the amendment may be made without the consent of the Court provided that the PRA and FCA shall have been notified of the proposed amendment and no objection is received by the Transferor or the Transferee from the PRA or FCA.

20. **THIRD PARTY RIGHTS**

A person who is not a party to this Scheme may not enforce any term of this Scheme and has no right under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of this Scheme.

21. **EVIDENCE OF TRANSFER**

21.1 The production of a copy of the Order with any modifications made under section 16 of this Scheme, for all purposes shall be evidence of the transfer to, and vesting in, the Transferee of the Transferring Business in accordance with the Order and the provisions of this Scheme.

21.2 In order to enable the Transferee to complete any title to any property or interest in land transferred to, and vested in it by virtue of this Scheme and, without prejudice to sections 3 to 12 inclusive and 16.1 of this Scheme, by notice of title or otherwise, or to deduce title, this Scheme and/or the Order, with any modifications made under section 19 of this Scheme, together with any document ancillary thereto (including a certificate of any officer or employee of the Transferee identifying the relevant property or interest in land) shall be deemed to be, and may be used as, a general disposition, conveyance or as the case may be, assignment, of such property or interest in favour of the Transferee.

22. **GOVERNING LAW**

This Scheme is governed by, and shall be construed in accordance with, English law.

Dated: 30 August 2018