

Gary Jennison
Chief Executive Officer
Amigo Loans Limited

and

ALL Scheme Limited

By Email

10 May 2021

Dear Gary

Amigo Loans Limited (the "Company") – Proposed Scheme of Arrangement pursuant to Part 26 of the Companies Act 2006 (the "Scheme")

Update to the FCA's position on the Scheme.

We refer to previous correspondence and our telephone conversation earlier today.

We understand that the creditors under the Scheme (the "**Scheme Creditors**") will convene to vote on the Scheme on 12 May 2021 (the "**Scheme Creditors Meeting**").

We understand that the sanction hearing in respect of the Scheme is due to occur on 19 May 2021 (the "**Sanction Hearing**").

As you are aware, the FCA does not support the Scheme. The FCA previously indicated in its letter of 23 March 2021 prior to the Convening Hearing, that based on information current at that time, it did not intend to appear by counsel to make submissions in opposition to the Scheme and/or did not anticipate further direct engagement with the Court during the Scheme process, while reserving its rights to take such action as the FCA considered appropriate, including to oppose the Scheme at the Sanction Hearing.

The FCA remains concerned that redress creditors will have their claims significantly reduced whilst other stakeholders, such as shareholders, are not being asked to contribute their fair share to enable the firm to stay solvent. The FCA also notes that the arrangements comprised by the Scheme arise not out of negotiations with Scheme Creditors themselves (who are involuntary creditors of the scheme company) but out of a unilateral proposal by the scheme company which has not been the subject of any negotiation with Scheme Creditors or any body representative of their interests.

The FCA considers that a fair compromise could have, but in this case has not been, proposed to Scheme Creditors to vote upon. Therefore, and in view of the particular

concerns stated above, the FCA has decided that it intends to appear at the Sanction Hearing through counsel to oppose the sanction of the Scheme, even if approved by the requisite majority of Scheme Creditors, on the basis that the Court cannot be satisfied that the Scheme in its current form is fair.

Scheme Creditors Meeting

The FCA does not intend to request to attend the Scheme Creditors Meeting.

The FCA requests that the Scheme Creditors are made aware at the Scheme Creditors Meeting of the FCA's intention to oppose the Scheme at the Sanction Hearing.

Next Steps

Our legal advisors will be in contact with your legal advisors today to discuss arrangements for the orderly submission of evidence to court in advance of the Sanction Hearing.

In the meantime, the FCA continues to reserve all rights under statute or otherwise to take any action (including regulatory and enforcement action) or refrain from taking such action as it deems appropriate in accordance with its powers.

Yours sincerely

Costas Pittas
Head of Department
Retail Lending Supervision