

Card Protection Plan Limited

FRN: 311489

APPLICATION TO REQUEST THAT REQUIREMENTS ARE IMPOSED ON FIRM

To: The Financial Conduct Authority

FAO Elizabeth Dumergue

Card Protection Plan Limited hereby applies, pursuant to Part 4A of the Financial Services and Markets Act 2000, for the requirements set out in the schedule below.

Signed:..... *Name, Role:*

Date:.....

SCHEDULE

General

1. This schedule sets out the terms of the requirements to be imposed on Card Protection Plan Limited, to take immediate effect.

Card Protection Plan Limited (FRN 311489)

Requirements included in the Firm's permission at the request of the Firm under section 55L of the Financial Services and Markets Act 2000

Terms referred to:

1. In these Requirements:
 - 1.1 **'Act'** means the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012).
 - 1.2 **'Agreed Scheme Claim'** is defined at page 1 of the Scheme Document at Part 1 of Annex C.
 - 1.3 **'Amendment Date'** means the date or dates on which each Card Protection product was re-designed to remove the misleading post-notification insurance cover as a product feature, being the dates in respect of each Business Partner (and its respective Business Partner Affiliates) listed on pages 1 and 2 of the Scheme Document at Part 1 of Annex C.
 - 1.4 **'Authority'** means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority.
 - 1.5 **'Bar Date'** for the Scheme of Arrangement means the date falling seven months after the Scheme Effective Date unless, in respect of a Scheme Creditor, one or more of the Exceptional Circumstances apply in which case, in respect of such Scheme Creditor, the Bar Date shall be the date falling thirteen months after the Scheme Effective Date (the **'Exceptional Circumstances Bar Date'**).
 - 1.6 **'Business Partners'** means
 - 1.6.1 Barclays Bank plc;
 - 1.6.2 Santander UK plc;
 - 1.6.3 MBNA Limited;
 - 1.6.4 The Royal Bank of Scotland PLC;
 - 1.6.5 HSBC Bank plc;
 - 1.6.6 Nationwide Building Society;
 - 1.6.7 Clydesdale Bank PLC;
 - 1.6.8 Tesco Personal Finance Plc;
 - 1.6.9 Canada Square Operations Limited (formerly Egg Banking plc);
 - 1.6.10 Capital One (Europe) Plc;
 - 1.6.11 Morgan Stanley Bank International Limited;
 - 1.6.12 Home Retail Group Insurance Services; and
 - 1.6.13 Bank of Scotland plc.
 - 1.7 **'Business Partner Affiliates'** means
 - 1.7.1 CitiFinancial Europe plc, a Business Partner Affiliate of the Business Partner at 1.6.9 above;
 - 1.7.2 Citibank International plc, a Business Partner Affiliate of the Business Partner at 1.6.9 above;
 - 1.7.3 National Westminster Bank Plc, a Business Partner Affiliate of the Business Partner at 1.6.4 above;

- 1.7.4 Santander Insurance Services UK Limited, a Business Partner Affiliate of the Business Partner at 1.6.2 above;
 - 1.7.5 Santander Cards UK Limited, a Business Partner Affiliate of the Business Partner at 1.6.2 above;
 - 1.7.6 Marks & Spencer Financial Services plc, a Business Partner Affiliate of the Business Partner at 1.6.5 above;
 - 1.7.7 John Lewis Financial Services Limited, a Business Partner Affiliate of the Business Partner at 1.6.5 above; and
 - 1.7.8 Ulster Bank Limited, a Business Partner Affiliate of the Business Partner at 1.6.4 above.
- 1.8 **'Card Protection'** means the Firm's card protection product, described more particularly in Annex A, where that product is or was held by a customer:
- 1.8.1 who purchased (or renewed) the product directly from the Firm on or after 14 January 2005 but before the Amendment Date;
 - 1.8.2 who purchased (or renewed) the product from the Firm on or after 14 January 2005 but before the Amendment Date, following an introduction by a Business Partner or Business Partner Affiliate; or
 - 1.8.3 who purchased (or renewed) the product directly from a Business Partner or Business Partner Affiliate on or after 14 January 2005 but before the Amendment Date.
- 1.9 **'Claim Form'** means the claim form in respect of a Card Protection product in the form set out at page 27 of the Scheme Document at Part 1 of Annex C and/or the claim form in respect of an Identity Protection product as set out at page 30 of the Scheme Document at Part 1 of Annex C.
- 1.10 **'DISP'** means the Dispute Resolution Sourcebook from the Authority's Handbook of Rules and Guidance.
- 1.11 **'Dispute Resolution Procedure'** is defined at page 6 of the Scheme Document at Part 1 of Annex C.
- 1.12 **'Disputed Scheme Claim'** is defined at page 6 of the Scheme Document at Part 1 of Annex C.
- 1.13 **'Exceptional Circumstances'** is defined at page 6 of the Scheme Document at Part 1 of Annex C.
- 1.14 **'Excluded Policyholder'** is defined at page 6 of the Scheme Document at Part 1 of Annex C.
- 1.15 **'Firm'** means Card Protection Plan Limited.
- 1.16 **'Identity Protection'** means the Firm's identity protection product, described more particularly in Annex B where that product is or was held by a customer:
- 1.16.1 who purchased (or renewed) the product directly from the Firm via a telephone sale on or after 14 January 2005; or
 - 1.16.2 who purchased (or renewed) the product from the Firm via a telephone sale on or after 14 January 2005, following an introduction by a Business Partner or a Business Partner Affiliate.
- 1.17 **'Mis-selling'** means where the sale of any Product or the way in which the sale of a Product was conducted by the Firm, a Business Partner or a Business Partner Affiliate (including, for the avoidance of doubt, the way in which a Scheme Creditor was introduced to the Firm by a Business Partner or Business Partner Affiliate), failed to comply with applicable regulatory rules or with the Authority's Principles for Businesses, or was otherwise in breach of contract or in breach of any tortious duty

of care or any other requirement of the general law (taking into account relevant materials published by the Authority, other relevant regulators, the Ombudsman and former schemes, including industry codes of practice). Mis-selling shall include (but not be limited to) claims that the information provided about any Product failed to be clear, fair and not misleading, or that such information was incomplete (for example by omitting to mention material limitations or exclusions on the features or benefits provided), or that the sale was concluded after applying inappropriate pressure. Where a policy was purchased and subsequently renewed, references in this definition to "the sale" shall include the initial sale and each subsequent renewal. The terms '**Mis-sale**' and '**Mis-sold**' shall be interpreted accordingly.

- 1.18 '**Ombudsman**' means the Financial Ombudsman Service.
- 1.19 '**Permission**' means the Firm's permission under Part 4A of the Act.
- 1.20 '**Policyholder**' is defined at page 8 of the Scheme Document at Part 1 of Annex C.
- 1.21 '**Practice Statement Letter**' means the letter issued to each Scheme Creditor in accordance with the Practice Statement (Schemes of Arrangement with Creditors) dated 15 April 2002.
- 1.22 '**Products**' means either or both of Card Protection and Identity Protection.
- 1.23 '**Redress Amount**' is defined at page 9 of the Scheme Document at Part 1 of Annex C;
- 1.24 '**Redress Determination**' means a written communication from a respondent under a consumer redress scheme which (a) sets out the results of the respondent's determination under the scheme; (b) encloses a copy of the Financial Ombudsman Service's standard explanatory leaflet; and (c) informs the complainant that if he is dissatisfied, he may now make a complaint to the Ombudsman and must do so within six months (as defined in the Authority's Handbook). The Authority acknowledges that, in the circumstances of this Redress Scheme, a Redress Determination issued by the Scheme Adjudicator stating that it is issued on behalf of the Firm or a Business Partner or a Business Partner Affiliate and identifying the Firm, Business Partner or Business Partner Affiliate on behalf of which it is sent, is deemed to be sent by the Firm, Business Partner or Business Partner Affiliate.
- 1.25 '**Redress Scheme**' means the redress scheme that the Firm is required to establish and operate (along with the Business Partners and Business Partner Affiliates) under these Requirements, which incorporates the Scheme of Arrangement further details of which are set out in Annex C, and which is a "consumer redress scheme" for the purposes of DISP.
- 1.26 '**Requirement Date**' means the date that these Requirements come into effect.
- 1.27 '**Scheme Administrator**' means Kevin Gill and Ben Cairns of Ernst & Young LLP of 1 More London Place, London SE12AF or such other persons appointed pursuant to the terms of the Scheme of Arrangement.
- 1.28 '**Scheme of Arrangement**' means the solvent scheme of arrangement under Part 26 of the Companies Act 2006 described more particularly in Annex C.
- 1.29 '**Scheme Adjudicator**' is defined at page 10 of the Scheme Document at Part 1 of Annex C.
- 1.30 '**Scheme Claim**' means any claim, action or other right of any description however arising in relation to, in connection with, or arising from, Mis-selling which a Scheme Creditor has against the Firm under, in connection with, or arising from a Product, but only to the extent that the claim, action or other right relates to loss suffered on or after 14 January 2005. For the avoidance of doubt, a relevant claim, action or other right shall be a Scheme Claim even if the relevant Mis-selling

occurred prior to 14 January 2005, but will only be a Scheme Claim to the extent of any loss suffered on or after 14 January 2005

- 1.31 **'Scheme Creditor'** means any Policyholder, other than an Excluded Policyholder, who purchased a Product.
 - 1.32 **'Scheme of Arrangement Effective Date'** means the date on which the Court Order is delivered to the Registrar of Companies in accordance with Clause 2.2 of the Scheme Document at Part 1 of Annex C.
 - 1.33 **'Subject Matter'** of the Redress Scheme means any claim, action or other right of any description however arising in relation to, in connection with, or arising from Mis-selling which a Scheme Creditor has against the Firm or a Business Partner or Business Partner Affiliate under, in connection with, or arising from a Product, but only to the extent that the claim, action or other right relates to loss suffered on or after 14 January 2005. For the avoidance of doubt, any claim, action or other right of any description however arising relating to loss suffered before 14 January 2005 is outside the scope of (and unaffected by) the Scheme of Arrangement, and therefore outside the Subject Matter of (and unaffected by) the Redress Scheme.
 - 1.34 **'these Requirements'** means the requirements and provisions in this document including its Annexes.
2. Expressions defined in the Authority's Handbook of rules and guidance or at paragraph 1 above have the meanings given to them unless the context otherwise requires.

Background

3. The Firm is an authorised firm which sold the Products.
4. As more particularly described in a Final Notice issued to the Firm by the Authority dated 14 November 2012, the Firm breached Principles 6 and 7 of the Authority's Principles for Businesses between January 2005 and March 2011, as a result of failings in the way in which it sold and communicated information about the Products to customers.
5. The Firm agreed with the Authority to carry out a redress exercise to compensate Scheme Creditors who have Scheme Claims and who fall within paragraphs 1.8.1 and 1.16.1 above.
6. Following discussions between the Authority, the Firm and the Business Partners, on behalf of themselves and their Business Partner Affiliates, and without any admission of liability on the part of the Business Partners or the Business Partner Affiliates:
 - 6.1 the Business Partners, on behalf of themselves and their Business Partner Affiliates, have agreed to contribute to a redress exercise to compensate Scheme Creditors who have Scheme Claims and who fall within paragraphs 1.8.2-1.8.3 and 1.16.2 above, on the basis that such redress exercise is combined with the Firm's redress exercise described at paragraph 5 above and that such combined redress exercise takes the form of and is implemented via the Scheme of Arrangement;
 - 6.2 the Authority, the Firm and the Business Partners, on behalf of themselves and their Business Partner Affiliates, have agreed to the combination of the redress exercises described at paragraphs 5 and 6.1 above, with the Firm and the Business Partners, on behalf of themselves and their Business Partner Affiliates, agreeing to share the administrative costs of the combined redress exercise; and
 - 6.3 the Authority, the Firm and the Business Partners, on behalf of themselves and their Business Partner Affiliates, have agreed to implement the combined redress exercise via the Scheme of Arrangement. The Firm and the Business Partners, on behalf of themselves and their Business Partner Affiliates, have each agreed to contribute to the costs of the Scheme Administrator.
7. Accordingly, the Firm has applied to the Authority for these Requirements. The Authority has consulted with the Prudential Regulation Authority and the Authority has accepted the application.
8. Pursuant to section 404F(7)(b) of the Act, a provision may be included in the Firm's Permission corresponding to section 404B of the Act, binding the Ombudsman to determine certain complaints for which the Firm is responsible that are referred to the Ombudsman by reference to what, in the opinion of the Ombudsman, the determination under the consumer redress scheme should be or should have been.

Requirements

9. Under sections 55L and 404F(7) of the Act, the following requirements and provisions are included in the Firm's permission:
 - 9.1 the Firm must establish and operate (together with the Business Partners and their Business Partner Affiliates) the Redress Scheme by:
 - 9.1.1 issuing the Practice Statement Letter to each Scheme Creditor on or before the deadline specified in paragraph 11.1 below;
 - 9.1.2 filing an application within 8 weeks of the date of these Requirements with the Court seeking permission to summon a meeting of the Scheme Creditors to consider the Scheme of Arrangement in such manner as the Court directs;
 - 9.1.3 within 8 weeks of the Court granting the Firm permission to call a meeting of the Scheme Creditors to consider the Scheme of Arrangement, sending a

notice to Scheme Creditors summoning the meeting, and providing them with an explanatory statement regarding the effect of the Scheme of Arrangement and a voting form;

- 9.1.4 if the Scheme of Arrangement is approved at the meeting of the Scheme Creditors, attending a further Court hearing seeking the Court's sanction to the Scheme of Arrangement on or before the deadline specified in paragraph 11.5 below;
 - 9.1.5 consenting to the Scheme of Arrangement and to be bound by the Scheme of Arrangement on the terms and conditions and in such form as may be sanctioned by the Court and agreed by the Firm, the Business Partners and the Business Partner Affiliates;
 - 9.1.6 if the Scheme of Arrangement is sanctioned by the Court at the further Court hearing, delivering the Court order sanctioning the Scheme of Arrangement to the Registrar of Companies on or before the deadline specified in paragraph 11.5 below;
 - 9.1.7 obtaining HMRC Clearance (as defined in the Scheme Document at Part 1 of Annex C), and delivering HMRC Stamp Duty Clearance (as defined in the Scheme Document at Part 1 of Annex C) to the Registrar of Companies, in each case on or before the deadline specified in paragraph 11.5 below;
 - 9.1.8 as soon as reasonably practicable (and in any event within 8 weeks) after the Scheme of Arrangement becomes effective, giving notice in writing to the Scheme Creditors to notify them that the Scheme of Arrangement has become effective;
 - 9.1.9 paying any Redress Amount that the Firm is obliged to pay, and procuring that each Business Partner pays the Redress Amount that the Business Partner is obliged to pay (on behalf of themselves and their Business Partner Affiliates), pursuant to and in accordance with the terms of the Scheme of Arrangement (including the timelines for payment set out therein); and
 - 9.1.10 complying or procuring compliance with the requirements set out in Annex C that do not form part of the Scheme of Arrangement; and
- 9.2 certain complaints are to be dealt with by the Ombudsman as described in Annex D, on the basis that the Redress Scheme corresponds to or is similar to a consumer redress scheme under section 404 of the Act.

Commencement and duration of these Requirements

10. These Requirements come into effect immediately.
11. These Requirements cease to have effect if:

- 11.1 the Practice Statement Letter is not issued by the Firm within 8 weeks of these Requirements;
 - 11.2 the Court's permission to convene a meeting of the Scheme Creditors to consider the Scheme of Arrangement is not obtained by the Firm by 30 November 2013;
 - 11.3 the meeting of Scheme Creditors to consider the Scheme of Arrangement has not taken place by 28 February 2014;
 - 11.4 the Scheme of Arrangement is not approved by the requisite majority of Scheme Creditors at the meeting of Scheme Creditors;
 - 11.5 the Scheme of Arrangement is not sanctioned by the Court by 31 March 2014;or
 - 11.6 the Scheme of Arrangement does not become effective by 30 April 2014.
12. If these Requirements cease to have effect under paragraph 11:
- 12.1 the Authority agrees that, on the application of the Firm, or of its own initiative, it will cancel these Requirements and remove them from the Firm's Permission, and the Firm's obligations under these Requirements shall cease; and
 - 12.2 upon these Requirements being cancelled and removed from the Firm's Permission, the Ombudsman shall consider complaints that would otherwise have been covered by the Redress Scheme in accordance with DISP.
13. Subject to paragraph 11, these Requirements remain in force unless otherwise varied or cancelled. The Authority retains the discretion to vary or cancel these Requirements at its own initiative in accordance with section 55L(3)(b) and (c) of the Act.

Annex A: Summary of Card Protection

- A.1 Card Protection is the Firm's credit card protection product, which featured the following benefits:
- A.1.1 cover for up to £100,000 (the figure varied over time) worth of unauthorised transactions that occur after a customer informs his bank or card issuer that a card was lost or stolen;
 - A.1.2 cover for up to £5,000 (the figure varied over time) worth of unauthorised transactions that occur before a customer informs his bank or card issuer that a card was lost or stolen;
 - A.1.3 the facility to cancel lost or stolen cards and order replacements in one phone call;
 - A.1.4 cover for replacing locks and keys if a customer's keys are lost or stolen (this includes car hire/travel expenses, costs of vehicle immobilisers or alarms being reset and costs of replacing vehicle infrared handsets), providing the loss or theft is reported within 24 hours;
 - A.1.5 emergency cash advance, replacement travel ticket advance and hotel bill advance;
 - A.1.6 replacement passport and driving licence;
 - A.1.7 replacement of lost handbag or wallet;
 - A.1.8 cover for any cash that is lost or stolen along with any cards which are lost or stolen;
and
 - A.1.9 cover for the cost of retrieving lost personal items.
- A.2 Card Protection was sold under the following brands: CPP Card Protection, HSBC CardGuard, M&S Card Safe, Barclaycard Card Protection, Barclays Cardholder Protection, Natwest Card Protection, Card Protection Plus, Commercial Card Protection, and Egg Emergency Cover.

Annex B: Summary of Identity Protection

- B.1 Identity Protection is the Firm's identity theft protection product, sold under the brand CPP Identity Protection, and which featured the following benefits:
 - B.1.1 access to a customer's Experian credit report and the option to register for text or email alerts when there are significant changes to the credit report;
 - B.1.2 access to an identity fraud helpline;
 - B.1.3 registration on a national fraud database if a customer loses identification documents or thinks his/her identity is being misused;
 - B.1.4 access to a fraud case worker to assist if identity theft occurs, with access to a home visit service in more complex identity theft cases; and
 - B.1.5 cover for some out of pocket expenses including legal expenses up to the value of £60,000 that are incurred when dealing with identity theft.

Services UK Limited (a Business Partner Affiliate of Santander UK plc)	
Santander Cards UK Limited (a Business Partner Affiliate of Santander UK plc)	21 March 2011
MBNA Limited	1 March 2011
The Royal Bank of Scotland PLC	18 September 2011 unless the Card Protection Product was bought via a telephone sale, in which case the relevant date is 22 July 2011
National Westminster Bank Plc (a Business Partner Affiliate of The Royal Bank of Scotland PLC)	18 September 2011 unless the Card Protection Product was bought via a telephone sale, in which case the relevant date is 22 July 2011
Ulster Bank Limited (a Business Partner Affiliate of The Royal Bank of Scotland PLC)	18 September 2011 unless the Card Protection Product was bought via a telephone sale, in which case the relevant date is 22 July 2011
HSBC Bank plc	1 March 2011
Marks & Spencer Financial Services plc (a Business Partner Affiliate of HSBC Bank plc)	1 March 2011
John Lewis Financial Services plc (a Business Partner Affiliate of HSBC Bank plc)	1 March 2011
Nationwide Building Society	4 August 2011
Clydesdale Bank PLC	28 July 2011
Tesco Personal Finance Plc	1 March 2011
Canada Square Operations Limited (formerly Egg Banking plc)	N/A
CitiFinancial Europe plc (a Business Partner Affiliate of Canada Square Operations Limited)	N/A
Citibank International plc (a Business Partner Affiliate of Canada Square Operations Limited)	N/A
Capital One (Europe) Plc	1 March 2011

	<p>Morgan Stanley Bank 1 March 2011 International Limited</p> <p>Home Retail Group 16 May 2011 Insurance Services Limited</p> <p>Bank of Scotland plc 18 September 2011</p>
"Authority"	the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority
"Bank of Scotland plc"	a company registered in Scotland with registered number SC327000 and registered office at the Mound, Edinburgh, EH1 1YZ
"Bar Date"	the date falling seven months after the Scheme Effective Date unless, in respect of a Scheme Creditor, one or more of the Exceptional Circumstances apply in which case, in respect of such Scheme Creditor, the Bar Date shall be the date falling thirteen months after the Scheme Effective Date
"Barclays Bank plc"	a company registered in England with registered number 1026167 and registered office at 1 Churchill Place, London, E14 5HP
"Basis for Admission of Agreed Scheme Claims"	The Scheme Administrators will admit the claim if they conclude that this is appropriate in light of the evidence on the face of the Claim Form
"Business Day"	any day on which banks are open for transactions of normal banking business in the City of London other than a Saturday, Sunday or public holiday
"Business Partner Affiliate"	means, in relation to any Business Partner, a Subsidiary of that Business Partner or a Holding Company of that Business Partner or any other Subsidiary of that Holding Company, including but not limited to the Business Partner Undertaking Affiliates

<p>"Business Partner Undertaking Affiliate"</p>	<p>means those Business Partner Affiliates who have signed a Deed of Undertaking, being:</p> <p>CitiFinancial Europe plc (a Business Partner Affiliate of Canada Square Operations Limited);</p> <p>Citibank International plc (a Business Partner Affiliate of Canada Square Operations Limited);</p> <p>National Westminster Bank Plc (a Business Partner Affiliate of The Royal Bank of Scotland PLC);</p> <p>Santander Insurance Services UK Limited (a Business Partner Affiliate of Santander UK plc);</p> <p>Santander Cards UK Limited (a Business Partner Affiliate of Santander UK plc);</p> <p>Marks & Spencer Financial Services plc (a Business Partner Affiliate of HSBC Bank plc);</p> <p>John Lewis Financial Services Limited (a Business Partner Affiliate of HSBC Bank plc); and</p> <p>Ulster Bank Limited (a Business Partner Affiliate of The Royal Bank of Scotland PLC)</p>
<p>"Business Partner Claim"</p>	<p>any claim, action or other right of any description however arising in relation to, in connection with, or arising from, Mis-selling which a Scheme Creditor has against a Business Partner or a Business Partner Affiliate under, in connection with, or arising from a Scheme Card Protection Product and/or a Scheme Identity Protection Product but only to the extent that the claim, action or other right relates to loss suffered on or after 14 January 2005. For the avoidance of doubt, a relevant claim, action or other right shall be a Business Partner Claim even if the relevant Mis-selling occurred prior to 14 January 2005, but will only be a Business Partner Claim to the extent of any loss suffered on or after 14 January 2005</p>
<p>"Business Partners"</p>	<p>Barclays Bank plc, Santander UK plc, MBNA Limited, The Royal Bank of Scotland PLC, HSBC Bank plc, Nationwide Building Society, Clydesdale Bank PLC, Tesco Personal Finance Plc, Canada Square Operations Limited (formerly Egg Banking plc), Capital One (Europe) Plc, Morgan Stanley Bank International Limited, Home Retail Group Insurance Services Limited and Bank of Scotland plc, provided that, to the extent that any such entity becomes insolvent prior to the Scheme Effective Date, such entity shall cease to be a Business Partner for the purposes of the Scheme</p>
<p>"Canada Square Operations Limited"</p>	<p>a company registered in England with registered number 02999842 and registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB</p>
<p>"Capital One (Europe) Plc"</p>	<p>a company registered in England with registered number 03879023 and registered office at Trent House, Station Street, Nottingham, NG2 3HX</p>
<p>"Card Protection Product"</p>	<p>a card protection insurance product sold by CPP or a</p>

	<p>Business Partner or a Business Partner Affiliate in the UK under one of the following brands:</p> <p>CPP Card Protection;</p> <p>HSBC CardGuard;</p> <p>M&S Card Safe;</p> <p>Barclaycard Card Protection;</p> <p>Barclays Cardholder Protection;</p> <p>Natwest Card Protection;</p> <p>Card Protection Plus;</p> <p>Commercial Card Protection; and</p> <p>Egg Emergency Cover</p>
"Cash Manager"	has the meaning given to it in the Implementation Agreement
"Claim Form"	the claim form in respect of a Scheme Card Protection Product in the form set out in Appendix 2 and/or the claim form in respect of a Scheme Identity Protection Product in the form set out in Appendix 3
"Clydesdale Bank Plc"	a company registered in Scotland with registered number SC001111 and registered office at 30 St Vincent Place, Glasgow, G1 2HL
"Client Identification Agreement"	each agreement so titled between the Scheme Administrators, CPP and each Business Partner, as amended from time to time
"COMP"	the Compensation Sourcebook from the Authority's Handbook of Rules and Guidance
"Companies Act"	the Companies Act 2006 (as amended from time to time)
"Court"	the High Court of Justice in England and Wales
"Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
"CPP"	Card Protection Plan Limited, a company registered in England with registered number 1490503 and registered office at Holgate Park, York, YO26 4GA
"Deceased Policyholder"	a Policyholder who, based on the books and records of CPP as at 27 June 2013 was deceased on or prior to 27 June 2013
"Deed of Undertaking"	a deed of undertaking executed in accordance with Clause 2.3 of the Scheme
"Dispute Notice"	has the meaning given to it in Clause 7.1 of this Scheme

"Dispute Resolution Procedure"	the procedure set out in Clause 7 of this Scheme
"DISP"	the Dispute Resolution Sourcebook from the Authority's Handbook of Rules and Guidance
"Disputed Scheme Claim"	any Scheme Claim that is referred to the Dispute Resolution Procedure for determination
"Exceptional Circumstances"	<p>where a Scheme Creditor can demonstrate in writing to the satisfaction of the Scheme Administrators that either:</p> <ul style="list-style-type: none"> (i) the Scheme Creditor was out of the country for six of the seven months following the Scheme Effective Date; or (ii) as a result of a certified medical condition (as evidenced by appropriate documentation), it was unreasonable to expect the Scheme Creditor to respond (and such reason is accepted by the Scheme Administrators in its absolute discretion) prior to the expiry of the seven month period following the Scheme Effective Date; or (iii) the Scheme Creditor has been requested to re-submit a new Claim Form in accordance with Clause 3.5 and the 30 day period for return of such Claim Form falls on a date after the expiry of the seven month period from the Scheme Effective Date
"Excluded Policyholder"	A Policyholder who is a Deceased Policyholder, a No Loss Policyholder or a Wholesale Policyholder
"Explanatory Statement"	the explanatory statement required to be furnished to Scheme Creditors pursuant to section 897 of the Companies Act
"FCA Handbook"	the FCA Handbook of Rules and Guidance prepared by the Authority under FSMA (as amended from time to time)
"FCA Requirement"	a requirement imposed under section 55L FSMA
"FSCS"	the Financial Services Compensation Scheme
"FSCS Rules"	the rules under the compensation module of the FCA Handbook (as amended from time to time)
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time)
"Group"	CPPGroup plc, a company registered in England with registered number 7151159 and registered office at Holgate Park, Holgate Road, York, YO26 4GA, and each of its subsidiary undertakings
"Holding Company"	in relation to a person, any other person in respect of which it is a Subsidiary

"Home Retail Group Insurance Services Limited"	a company registered in England with registered number 04109436 and registered office at Avebury, 489-499 Avebury Boulevard, Milton Keynes, MK9 2NW
"HMRC"	Her Majesty's Revenue and Customs
"HMRC Clearance"	means a non-statutory clearance provided by HMRC giving written confirmation of HMRC's view of the application of tax law to the transactions and events taking place under or pursuant to the Scheme
"HMRC Stamp Duty Clearance"	means a non-statutory clearance provided by HMRC giving written confirmation of HMRC's view that no stamp duty is payable in respect of the Scheme
"HSBC Bank plc"	a company registered in England with registered number 14259 and registered office at 8 Canada Square, London, E14 5HQ
"Identity Protection Product"	a CPP identity protection insurance product sold in the UK by CPP or a Business Partner or a Business Partner Affiliate under the brand CPP Identity Protection
"Implementation Agreement"	the implementation agreement between CPP, the Business Partners, the Scheme Operating Company, the Cash Manager and the Scheme Administrators
"Insolvency Event"	means, in relation to a Scheme Participant, any of the following: <ul style="list-style-type: none"> (a) any resolution is passed or order made for the winding-up (other than a solvent winding-up), dissolution or administration of that Scheme Participant or an administrator is appointed to that Scheme Participant; or (b) a liquidator, receiver, administrator, compulsory manager, administrative receiver or other similar officer is appointed in respect of that Scheme Participant or the whole or substantially the whole of its assets; or (c) any analogous event occurs in any jurisdiction
"Insolvent Entity"	has the meaning given to it in Clause 9.1 of this Scheme
"Insolvent Entity Funds"	has the meaning given to it in Clause 9.1 of this Scheme
"Material Contract"	<ul style="list-style-type: none"> (a) the Implementation Agreement (b) each Client Identification Agreement (c) the SOC Agreement (d) the Scheme Liabilities Release Deed Poll (e) the Deed of Undertaking
"MBNA Limited"	a company registered in England with registered number 2783251 and registered office at Stansfield House, Chester Business Park, Chester Cheshire, CH4

	9QQ
"Mis-selling"	means where the sale of any Scheme Card Protection Product and / or Scheme Identity Protection Product or the way in which the sale of a Scheme Card Protection Product and / or Scheme Identity Protection Product was conducted by CPP, a Business Partner or a Business Partner Affiliate (including, for the avoidance of doubt, the way in which a Scheme Creditor was introduced to CPP by a Business Partner or Business Partner Affiliate) failed to comply with applicable regulatory rules or with the Authority's Principles for Businesses or was otherwise in breach of contract or in breach of any tortious duty of care or any other requirement of the general law (taking into account relevant materials published by the Authority, other relevant regulators, the ombudsman, former schemes, including industry codes of practice). Mis-selling shall include (but not be limited to) claims that the information provided about any Scheme Card Protection Product and / or Scheme Identity Protection Product failed to be clear or fair and not misleading, or that such information was incomplete (for example by omitting to mention material limitations or exclusions on the features or benefits provided), or that the sale was concluded after applying inappropriate pressure. Where a policy was purchased and subsequently renewed, references in this definition to "the sale" shall include the initial sale and each subsequent renewal. The terms "Mis-sale" and "Mis-sold" shall be interpreted accordingly
"Morgan Stanley Bank International Limited"	a company registered in England with registered number 03722571 and registered office at 25 Cabot Square, London, E14 4QA
"Nationwide Building Society"	a building society registered on the Mutuels Public Register with number 355B whose registered office is at Nationwide House, Pipers Way, Swindon Wiltshire SN38 1NW
"No Loss Policyholder"	a Policyholder who, based on the books and records of CPP as at 20 May 2013, would be entitled to a Redress Amount of less than £5 if such Policyholder was a Scheme Creditor with an Agreed Scheme Claim
"Notice"	a notice in the form attached at Appendix 1 sent to each Scheme Creditor to notify them of the Scheme Meeting
"Notice of Rejection"	has the meaning given to it in Clause 4.6 of the Scheme
"Ombudsman"	the Financial Ombudsman Service
"Policyholder"	any person who has purchased a Card Protection Product, an Identity Protection Product or both
"Practice Statement Letter"	the letter issued to each Scheme Creditor between 27 August 2013 and 16 September 2013 in accordance with the Practice Statement (Schemes of Arrangement with Creditors) dated 15 April 2002
"Protected Claim"	has the meaning given to it in COMP 5.2R of the FSCS

	Rules
"Redress"	any compensation or refund (of any description) in respect of, related to, or connected with, a Scheme Claim
"Redress Amount"	<p>the amount of Redress to be paid to a Scheme Creditor with an Agreed Scheme Claim equal to:</p> $(A + B) - (C + D)$ <p>Where:</p> <ul style="list-style-type: none"> (i) A is the total amount of payments made by a Scheme Creditor in respect of a Scheme Card Protection Product and/or a Scheme Identity Protection Product on or after 14 January 2005; (ii) B is an amount calculated as if it were simple interest at 8% per annum on the amount of each of the payments referred to in (i) above, with such simple interest being applied from the date of payment of each such payment to the date falling six weeks after the Scheme Effective Date; (iii) C is the total amount of payments made to the Scheme Creditor under a Scheme Card Protection Product and/or a Scheme Identity Protection Product on or after 14 January 2005 (and shall include, for the avoidance of doubt (but without limiting the generality of the foregoing), (a) any payments made to the customer following a claim by such customer under a Scheme Card Protection Product and / or a Scheme Identity Protection Product and / or (b) any compensation, refund of prepayment, repayment or other ex gratia payment made to the customer in respect of any complaint made by such customer in relation to the sale or features of a Scheme Card Protection Product and / or a Scheme Identity Protection Product, in each case for the period on or after 14 January 2005); and (iv) D is an amount calculated as if it were simple interest at 8% per annum on the amount of each of the payments referred to in (iii) above, with such simple interest being applied from the date of each such payment to the date falling six weeks after the Scheme Effective Date
"Redress Determination"	a written communication from CPP or a Business Partner or a Business Partner Undertaking Affiliate (in each case a " Respondent ") under the consumer redress scheme established pursuant to the FCA Requirement referred to at paragraph 2.2 below, which (a) sets out the results of the Respondent's determination under the consumer redress scheme; (b) encloses a copy of the Ombudsman's standard explanatory leaflet; and (c) informs the complainant that if he is dissatisfied, he may now make a complaint to the Ombudsman and must do so within six months. A

	Redress Determination issued by the Scheme Adjudicator stating that it is issued on behalf of CPP, a Business Partner or a Business Partner Undertaking Affiliate, and identifying CPP, the Business Partner or the Business Partner Undertaking Affiliate on behalf of which it is sent, is deemed to be sent by CPP, that Business Partner or Business Partner Undertaking Affiliate.
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Release Agreement"	means the release agreement made between CPP and each Business Partner and each relevant Business Partner Affiliate (if any)
"Santander UK plc"	a company registered in England with registered number 2294747 and registered office at 2 Triton Square, Regent's Place, London, NW1 3AN
"Scheme"	this scheme of arrangement under Part 26 of the Companies Act between CPP and its Scheme Creditors in the form set out in this document or with, or subject to, any modification, addition or condition which the Court may think fit to approve or impose, as appropriate
"Scheme Administrators"	Kevin Gill and Ben Cairns of Ernst & Young LLP of 1 More London Place, London SE1 2AF or such other persons appointed pursuant to the terms of the Scheme
"Scheme Administrator Appointment Letter"	the appointment letter pursuant to which the Scheme Administrators are appointed by CPP and the Business Partners
"Scheme Adjudicator"	an independent solicitor of at least 10 years standing appointed by the Scheme Administrators who will act as an expert, not an arbitrator
"Scheme Card Protection Product"	any Card Protection Product: <ul style="list-style-type: none"> (a) purchased (or renewed) directly from CPP; or (b) purchased (or renewed) from CPP, following an introduction by a Business Partner or a Business Partner Affiliate; or (c) purchased (or renewed) directly from a Business Partner or a Business Partner Affiliate.
"Scheme Claim"	any claim, action or other right of any description however arising in relation to, in connection with, or arising from, Mis-selling which a Scheme Creditor has against CPP under, in connection with, or arising from a Scheme Card Protection Product and/or a Scheme Identity Protection Product, but only to the extent that the claim, action or other right relates to loss suffered on or after 14 January 2005. For the avoidance of doubt, a relevant claim, action or other right shall be a Scheme Claim even if the relevant Mis-selling occurred prior to 14 January 2005, but will only be a Scheme Claim to the extent of any loss suffered on or after 14

	January 2005
"Scheme Creditor"	any Policyholder, other than an Excluded Policyholder, who purchased (or renewed) a Scheme Card Protection Product and/or a Scheme Identity Protection Product on or after 14 January 2005 but, in the case of a Scheme Card Protection Product, before the Amendment Date, whether or not they still hold a Scheme Card Protection Product or Scheme Identity Protection Product
"Scheme Effective Date"	has the meaning given in Clause 2.1 (<i>Scheme Effective Date</i>) of this Scheme
"Scheme Identity Protection Product"	any Identity Protection Product: (a) purchased directly from CPP via a telephone sale; or (b) purchased from CPP via a telephone sale following an introduction by a Business Partner or a Business Partner Affiliate, including, in each case, any subsequent renewal of such policy
"Scheme Liabilities Release Deed Poll"	the scheme liabilities release deed poll between (1) the Scheme Creditors (2) the Business Partners (3) Business Partner Affiliates and (4) CPP in the form annexed at Appendix 4
"Scheme Meeting"	the meeting of Scheme Creditors to be held on the date notified to Scheme Creditors under the terms of the Scheme
"Scheme Obligations Termination Date"	the date on which the obligations of the Scheme Participants terminate in accordance with Clause 12.1 of the Scheme
"Scheme Operating Company"	Scheme Processing Services Limited, a company registered in England with registered number 8379620 and registered office at 35 Great St. Helens, London EC3A 6AP
"Scheme Participant"	CPP and each of the Business Partners
"SOC Agreement"	the scheme operating agreement in relation to the liabilities incurred by the Scheme Operating Company dated 4 April 2013 (as amended from time to time) between the Scheme Participants, the Cash Manager and the Scheme Operating Company

"Subsidiary"	means a subsidiary within the meaning of section 1159 of the Companies Act 2006
"Tesco Personal Finance Plc"	a company registered in Scotland with registered number SC173199 and registered office at Interpoint Building, 22 Haymarket Yards, Edinburgh, EH12 5BH
"The Royal Bank of Scotland PLC"	a company registered in Scotland with registered number SC090312 and registered office at 36 St. Andrew Square, Edinburgh, EH2 2YB
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland
"VAT"	value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature
"Wholesale Policyholder"	a Policyholder who: <ul style="list-style-type: none"> (a) purchased or renewed a Card Protection Product, on or after 14 January 2005 but before the Amendment Date, other than: <ul style="list-style-type: none"> (i) directly from CPP; (ii) from CPP, following an introduction by a Business Partner or a Business Partner Affiliate; or (iii) directly from a Business Partner or a Business Partner Affiliate; or (b) purchased or renewed an Identity Protection Product on or after 14 January 2005, other than: <ul style="list-style-type: none"> (i) directly from CPP; or (ii) from CPP, following an introduction by a Business Partner or a Business Partner Affiliate

1.3 Interpretation

Unless the context otherwise requires or otherwise expressly provides:

- 1.3.1 references to Clauses are references to the clauses of this Scheme;
- 1.3.2 references to a statute or statutory provision include the same as subsequently modified, amended, supplemented or re-enacted from time to time;
- 1.3.3 references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto;
- 1.3.4 references to (or to any specified provision of) the Scheme shall be construed as references to this Scheme as in force for the time being;
- 1.3.5 the singular includes the plural and vice versa and words importing one gender shall include all genders; and
- 1.3.6 headings to clauses are for ease of reference only and shall not affect the interpretation of the Scheme.

2. SCHEME – EFFECTIVE DATE

- 2.1 The Scheme Effective Date shall be the date on which the Court Order is delivered to the Registrar of Companies in accordance with Clause 2.2 below.

- 2.2 The Scheme will become effective and legally binding on CPP and its Scheme Creditors, in accordance with its terms, upon the Court Order having been delivered to the Registrar of Companies, and CPP undertakes to deliver such Court Order to the Registrar of Companies following the satisfaction of the following conditions precedent:
- 2.2.1 the Material Contracts have been executed by the parties thereto;
 - 2.2.2 the Release Agreement has been executed by the parties thereto;
 - 2.2.3 the Authority has confirmed that it has no objections to the Scheme;
 - 2.2.4 CPP has applied for and the Authority has agreed to the imposition of an FCA Requirement (under Sections 404F(7) and 404F(8) FSMA) with the Authority;
 - 2.2.5 each Business Partner and Business Partner Undertaking Affiliate has applied for and the Authority has agreed to the imposition of an FCA Requirement (under Sections 404F(7) and 404F(8) FSMA) in respect of the Scheme with the Authority;
 - 2.2.6 the Authority has exercised its power under Section 404F(7) FSMA to bind the Ombudsman; and
 - 2.2.7 HMRC Clearance has been received by CPP and the Business Partners; and
 - 2.2.8 the HMRC Stamp Duty Clearance has been delivered to the Registrar of Companies.
- 2.3 Each Business Partner has, by executing (respectively) a Deed of Undertaking, agreed to appear by Counsel on the hearing of the application to sanction the Scheme, to consent thereto and to undertake to be bound thereby and to execute or procure to be executed all such documents, and to do or procure to be done all such acts and things, as may be reasonably necessary to be executed or done by it or him for the purpose of giving effect to the Scheme.
- 2.4 Each Business Partner Undertaking Affiliate has, by executing a Deed of Undertaking, agreed to consent to the Scheme, and undertaken to be bound by it.
- 2.5 From the Scheme Effective Date and to the extent permitted under applicable law and regulation and subject to Clauses 7.5 and 7.6 below, no Scheme Creditor shall be entitled to commence or continue any legal process or commence any regulatory complaint against:
- 2.5.1 CPP in connection with any Scheme Claims; and
 - 2.5.2 any Business Partner or any Business Partner Affiliate in connection with any Business Partner Claims,
- provided that in each case (i) there has not been an Insolvency Event in respect of the relevant Scheme Participant and (ii) the Scheme Participant has not failed to comply with any payment obligation to such Scheme Creditor under the Scheme.
- 2.6 The Scheme shall apply to all liabilities (if any) of (i) CPP in respect of Scheme Claims and (ii) the Business Partners or Business Partner Affiliates in respect of each and any of the Business Partner Claims.
- 2.7 For the avoidance of doubt:
- 2.7.1 all other liabilities of CPP, the Business Partners and Business Partner Affiliates shall be unaffected by the Scheme;
 - 2.7.2 any claim, action or other right of any description however arising relating to loss suffered before 14 January 2005 is outside the scope of this Scheme and is unaffected by the provisions of this Scheme; and
 - 2.7.3 a Scheme Creditor who has made a regulatory complaint which was referred to the Ombudsman prior to the date of the Practice Statement Letter may continue to pursue that complaint, although a Scheme Creditor shall not be entitled to pursue both a regulatory complaint and a claim under the Scheme relating to the same loss.

- 2.8 If any sum is due or obligation is to be performed under the terms of the Scheme on a date other than a Business Day, the relevant payment shall be made, or obligation performed, on the next Business Day.
3. RIGHT TO REDRESS
- 3.1 Redress shall only be payable on Scheme Claims to the extent that such Scheme Claims are Agreed Scheme Claims.
- 3.2 Disputes in relation to Scheme Claims or purported Scheme Claims shall be determined in accordance with the Dispute Resolution Procedure. The amount of any Disputed Scheme Claim which is agreed pursuant to the Dispute Resolution Procedure will become an Agreed Scheme Claim.
- 3.3 Any Scheme Creditor who wishes to receive Redress must complete a Claim Form and certify on the Claim Form that the content of the completed Claim Form is true and accurate.
- 3.4 Claim Forms must be received by the Scheme Administrators on or before the Bar Date. If a Claim Form is received after the Bar Date, the Claim Form will be rejected and the Scheme Creditor shall have no right to Redress. The Bar Date will apply to all Scheme Creditors irrespective of whether or not they receive actual written notice of the Scheme and / or whether or not they submit a Claim Form.
- 3.5 If a Scheme Creditor submits a Claim Form which is spoiled, the Scheme Administrators shall (on one occasion only) return the Claim Form to the Scheme Creditor with a new Claim Form and a request to the Scheme Creditor to complete the new Claim Form and return it within 30 days (or, if later, by the Bar Date). If the Scheme Creditor fails to submit the new Claim Form within 30 days (or, if later, by the Bar Date), the Scheme Administrators shall reject the Scheme Claim and the Scheme Creditor shall have no right to Redress.
- 3.6 Except as expressly set out in the Scheme, each person claiming to be a Scheme Creditor shall be responsible for all of its own costs (including the costs of submitting its Claim Form and, if applicable, of providing such documentary evidence or other evidence as the Scheme Administrators may require). Neither CPP nor any Business Partner (nor any Business Partner Affiliate) shall be liable for any costs incurred by the Scheme Creditor in completing or submitting the Claim Form.
4. ADMISSION OF CLAIMS
- 4.1 Upon receipt of a Claim Form, on or prior to the Bar Date, the Scheme Administrators will assess each Scheme Claim in accordance with the Basis for Admission of Agreed Scheme Claims.
- 4.2 If a Scheme Claim is submitted on or before the Bar Date, the Scheme Administrators shall admit such a Scheme Claim as an Agreed Scheme Claim for an amount equal to the Redress Amount (calculated by reference to CPP's records) if it fulfils the Basis for Admission of Agreed Scheme Claims.
- 4.3 Where a Scheme Claim is admitted as an Agreed Scheme Claim, the Scheme Creditor in respect of such Agreed Scheme Claim shall be sent a cheque for the amount of such Agreed Scheme Claim as soon as reasonably practicable following such admittance. The payment obligations in respect of such cheque shall be met in accordance with Clause 5 below.
- 4.4 Where the Scheme Creditor encashes such cheque, such Scheme Creditor shall be deemed to have accepted the amount of the Agreed Scheme Claim and shall have no recourse to the Dispute Resolution Procedure.
- 4.5 If a Scheme Creditor is dissatisfied with the value of the cheque sent to the Scheme Creditor in accordance with Clause 4.4, he shall give written notice to the Scheme Administrators within 30 Business Days of the date of the letter enclosing the cheque of his intention to invoke the Dispute Resolution Procedure and return the cheque to the Scheme Administrators. Any such Scheme Claim shall be treated as a Disputed Scheme Claim.

- 4.6 Where the Scheme Administrators reject a Scheme Claim (including a rejection of a Claim Form pursuant to Clause 3.4), the Scheme Administrators shall prepare a written statement of their reasons for doing so (a "**Notice of Rejection**") and send it as soon as reasonably practicable to the Scheme Creditor.
- 4.7 If a Scheme Creditor is dissatisfied with the Scheme Administrators' decision with respect to its Claim Form under Clause 4.6 (including a determination by the Scheme Administrators pursuant to Clause 10.6.2(D)), it shall give written notice to the Scheme Administrators within 30 Business Days of the date of the Notice of Rejection of its intention to invoke the Dispute Resolution Procedure. Any such Scheme Claim shall be treated as a Disputed Scheme Claim.
- 4.8 The deadlines for invoking the Dispute Resolution Procedure specified in paragraph 4.5 and 4.7 shall not apply if a Scheme Creditor has not received the letter enclosing the cheque in respect of an Agreed Scheme Claim or the Notice of Rejection within 30 Business Days of submitting its Claim Form, provided that the Scheme Creditor telephones or write to the Scheme Administrators to notify them of such non-receipt within 60 Business Days of submission of the Claim Form. In such cases, the Scheme Administrators shall cancel any uncashed cheque issued to the Scheme Creditor and shall send a new letter enclosing a new cheque or new Notice of Rejection, and the time limit for invoking the Dispute Resolution Procedure shall run 30 Business Days from the date of such new letter or new Notice of Rejection, as the case may be.
5. FUNDING OF REDRESS
- 5.1 Pursuant to the terms of the Implementation Agreement and each Client Identification Agreement:
- 5.1.1 subject to Clause 5.1.2, CPP shall pay the Redress Amount to each Scheme Creditor with an Agreed Scheme Claim who purchased their Scheme Card Protection Product or their Scheme Identity Protection Product directly from CPP; and
- 5.1.2 CPP shall procure that each Business Partner shall pay on behalf of itself and to the extent appropriate each of its Business Partner Affiliates the Redress Amount to each Scheme Creditor with an Agreed Scheme Claim who:
- (A) purchased their Scheme Card Protection Product from (i) CPP following an introduction by that Business Partner or a Business Partner Affiliate of such Business Partner or (ii) that Business Partner or a Business Partner Affiliate of such Business Partner directly; and / or
- (B) purchased their Scheme Identity Protection Product from CPP following an introduction by that Business Partner or a Business Partner Affiliate of such Business Partner,
- provided that, to the extent that any Business Partner does not pay all or any part of the Redress Amount it is required to make pursuant to this Clause 5.1.2 following the occurrence of an Insolvency Event (as such term is defined in Clause 9) in respect of it, then CPP shall pay the unpaid Redress Amount; and
- 5.1.3 for the purposes of this Clause 5.1, the reference to the term "purchased" when used in the context of a purchase from CPP following an introduction from a Business Partner or Business Partner Affiliate of such Business Partner shall mean (i) the transaction pursuant to which the relevant Scheme Card Protection Product or the Scheme Identity Protection Product was first acquired, notwithstanding that such purchase may have occurred prior to 14 January 2005 and notwithstanding that such Scheme Card Protection Product or the Scheme Identity Protection Product may have been renewed after such initial purchase; and (ii) each subsequent renewal of the Scheme Card Protection Product or Scheme Identity Protection Product referred to at (i), such that the purchase and renewals referred to in (i) and (ii) shall not be treated for the purpose of Clause 5.1.1 as a purchase from CPP but rather as a purchase pursuant to Clause 5.1.2 (A) or (B). For the avoidance of doubt, any claim, action or other right of any description however arising relating to loss suffered before 14 January 2005 is

outside the scope of this Scheme and is unaffected by the provisions of this Scheme.

- 5.2 CPP agrees, provided that payment of such Agreed Scheme Claims by CPP is consistent with CPP's obligations pursuant to Clause 5.1.1 above, that it will be responsible for paying any Agreed Scheme Claim in respect of any Scheme Creditor listed in the Client Identification Agreement of CPP in respect of the relevant Scheme Card Protection Product and / or the Scheme Identity Protection Product identified therein.
- 5.3 Each Business Partner agrees on behalf of itself and to the extent appropriate each of its Business Partner Affiliates, provided that payment of such Agreed Scheme Claims by the relevant Business Partner is consistent with such Business Partner's obligations pursuant to Clause 5.1.2 above and the Deed of Undertaking, that it will be responsible for paying any Agreed Scheme Claim in respect of any Scheme Creditor listed in the Client Identification Agreement of the relevant Business Partner in respect of the relevant Scheme Card Protection Product and / or the Scheme Identity Protection Product identified therein.
- 5.4 If a Scheme Creditor wishes to know which Scheme Participant is responsible for paying any Redress Amount to such Scheme Creditor, the Scheme Creditor must request that information in writing from the Scheme Administrators within 60 days of, as applicable (i) the date of any cheque for a Redress Amount sent to such Scheme Creditor or (ii) the date of any Notice of Rejection. The Scheme Administrators shall provide the requested information to the Scheme Creditor promptly.
- 5.5 Except to the extent expressly set out in Clause 5.1.2 above, CPP shall have no liability to make any payment whatsoever to any Scheme Creditor whose Agreed Scheme Claim is payable by a Business Partner pursuant to Clauses 5.1.2 above and no Business Partner (nor Business Partner Affiliate) shall have any liability to make any payment whatsoever to any Scheme Creditor whose Agreed Scheme Claim is payable by CPP pursuant to Clause 5.1.1 above.
- 5.6 Except to the extent expressly set out in Clause 5.1.2 above, if CPP or a Business Partner fails to pay the Redress Amount due to a Scheme Creditor in accordance with Clause 5.1 above, that Scheme Creditor shall have no right of recourse to any other Scheme Participant or any Business Partner Affiliate to pay the Redress Amount.
- 5.7 Any payment made by CPP or any Business Partner pursuant to Clause 5.1 is made without any admission of liability.
- 5.8 All Agreed Scheme Claims will be paid in sterling and net of any UK tax payable on the Redress Amount which is required to be withheld.
- 5.9 Any Redress Amount due in respect of a Scheme Claim shall be paid as soon as reasonably practicable after such Scheme Claim becomes an Agreed Scheme Claim, by cheque in favour of the relevant Scheme Creditor (or in favour of such party as the Scheme Creditor may direct or as may be required by operation of law) and shall be sent by post to the relevant Scheme Creditor's last known address (according to the books and records of CPP). Posting of the cheque to the last known address shall be a good discharge of such obligation.
- 5.10 Any cheque not encashed within six months shall be cancelled and the Scheme Claim to which it relates shall be deemed to have expired and such Scheme Creditor shall not receive any Redress and shall have no right of recourse to the Dispute Resolution Procedure.
- 5.11 All Redress Amounts shall be paid without (and free and clear of any deduction for) set-off or counterclaim. However, for the avoidance of doubt, in calculating the amount of any Redress Amount, the formula set out in the definition of Redress Amount shall be utilised.
6. CANCELLATION OF POLICIES
- 6.1 If a Scheme Creditor submits a Claim Form in respect of a Scheme Card Protection Product or a Scheme Identity Protection Product, that Scheme Card Protection Product or Scheme Identity Protection Product (as the case may be) shall be automatically cancelled on the date falling 5 Business Days after the date the cheque or the letter confirming that

no payment is due is posted to the Scheme Creditor unless the Scheme Creditor invokes the Dispute Resolution Procedure.

- 6.2 If a Scheme Creditor invokes the Dispute Resolution Procedure then any cancellation that may have occurred pursuant to Clause 6.1 above (being an automatic cancellation on the date falling 5 Business Days after the original cheque or original letter confirming that no payment is due is posted to the Scheme Creditor) shall be deemed not to have taken effect and the Scheme Card Protection Product or Scheme Identity Protection Product (as the case may be) shall be automatically cancelled:
- 6.2.1 if the Scheme Administrators issue a new cheque to the Scheme Creditor following determination of the Disputed Scheme Claim by the Scheme Administrators pursuant to Clause 7.1 or the Scheme Adjudicator, on the date falling 5 Business Days after the Scheme Administrators issue such new cheque;
or
- 6.2.2 if the Scheme Adjudicator upholds the original decision of the Scheme Administrators to reject the Scheme Claim, on the date falling 5 Business Days after the date on which the Redress Determination so informing the Scheme Creditor is sent.
7. DISPUTE RESOLUTION PROCEDURE
- 7.1 If a Scheme Creditor elects in writing (the "**Dispute Notice**") to commence the Dispute Resolution Procedure in accordance with Clauses 4.5 or 4.7 the Scheme Administrators and the Scheme Creditor shall within 30 days of the date of the Dispute Notice seek to agree the amount (if any) of the Scheme Claim. If agreement is reached, the Scheme Claim will be admitted in the agreed amount as an Agreed Scheme Claim. If agreement is not reached the Scheme Administrators shall pass the matter to the Scheme Adjudicator.
- 7.2 On receipt of the matter from the Scheme Administrators, the Scheme Adjudicator shall determine in its absolute discretion all matters in dispute as to the existence or proper value of the Scheme Claim.
- 7.3 The Scheme Adjudicator may, within 15 Business Days of the receipt of the matter, request documentary evidence or such other evidence as the Scheme Adjudicator may require from the Scheme Creditor. Where such a request is made, the Scheme Creditor must submit such additional information within 15 Business Days of the request. Where it is not practicable for him to supply the information within 15 Business Days, the Scheme Creditor may seek an extension of time of an additional 15 Business Days for supplying such additional information, but must seek such extension within the original 15 Business Day deadline. If the additional information sought is not provided within 15 Business Days of the request, or 30 Business Days where an extension has been sought by the Scheme Creditor, the Scheme Adjudicator shall reject the Scheme Claim by way of a Redress Determination. The consequences of failing to supply the additional information requested by the Scheme Adjudicator shall be made clear to the Scheme Creditor when the Scheme Adjudicator writes to request the information.
- 7.4 The Scheme Adjudicator shall make its determination within 30 Business Days of the receipt of the matter or, if additional information is requested, within 30 Business Days of receipt of that additional information. This determination will be issued to the Scheme Creditor by way of a Redress Determination. If the Scheme Adjudicator fails to make its determination, or no Redress Determination is sent to the Scheme Creditor, within such timeframes the relevant Scheme Creditor shall be entitled to complain to the Ombudsman pursuant to DISP 2.8.1R(3)(b).
- 7.5 Subject to Clause 7.6 below, the determination of the Scheme Adjudicator on each and every issue before it shall be final and binding on the Scheme Administrators, the Scheme Creditor and each of the Scheme Participants. For the avoidance of doubt there shall be no right of appeal from the determination of the Scheme Adjudicator and there shall be no right to make any further claim against or to the Scheme Adjudicator within the Scheme. The amount payable pursuant to any determination by the Scheme Adjudicator shall not exceed the Redress Amount.

- 7.6 If (a) a complaint is referred to the Ombudsman by or on behalf of a Scheme Creditor on or after the Requirement Date; and (b) within 14 days of the Ombudsman telling the entity (CPP, a Business Partner or Business Partner Affiliate) against whom the complaint has been made that the complaint has been referred to the Ombudsman, the relevant entity tells the Ombudsman in writing that the complaint (or part of the complaint) falls within the scope of the FCA Requirements referred to at paragraphs 2.2.4 and 2.2.5 above, then the Ombudsman will determine the complaint by reference to what, in the opinion of the Ombudsman, the determination under the Scheme should be or should have been and the Scheme Creditor acknowledges that the Ombudsman is bound by the terms of section 404B of FSMA to take such an approach.
- 7.7 The Scheme Administrators shall appoint the Scheme Adjudicator and may appoint a replacement Scheme Adjudicator if a Scheme Adjudicator resigns, or is otherwise conflicted, or vacates office in accordance with Clause 7.8 below.
- 7.8 The office of the Scheme Adjudicator shall be vacated by the Scheme Adjudicator if that Scheme Adjudicator:
- 7.8.1 dies, becomes bankrupt or mentally disordered;
 - 7.8.2 is convicted of an indictable offence (other than a road traffic offence); or
 - 7.8.3 ceases to be a solicitor.
8. RELEASE BY SCHEME CREDITORS
- 8.1 Pursuant to the terms of the Scheme, each Scheme Creditor shall release, in full and final settlement, all or any Scheme Claims and / or Business Partner Claims it may have in accordance with this Clause 8.
- 8.2 Each Scheme Creditor (whether they have an Agreed Scheme Claim or not) releases and shall grant a release to each of CPP, the Business Partners and the Business Partner Affiliates in respect of all its Scheme Claims and Business Partner Claims (if any) provided that all payment obligations to such Scheme Creditor under the Scheme are satisfied by the relevant Scheme Participant. The payment obligations under the Scheme shall be deemed to be satisfied by the relevant Scheme Participant:
- 8.2.1 on the date falling 30 Business Days after a cheque is posted to a Scheme Creditor provided that such release shall be deemed not to have been granted if a Scheme Creditor seeks to cash a cheque sent in accordance with the Scheme within 6 months of issue and such cheque is not honoured; or
 - 8.2.2 in the case of a Scheme Creditor who has an Agreed Scheme Claim, but does not receive a cheque because the Redress Amount is equal to or less than zero, on the date falling 30 Business Days after a letter to that effect is posted to such a Scheme Creditor; or
 - 8.2.3 in the case of a Scheme Creditor who invokes the Dispute Resolution Procedure and returns such cheque pursuant to Clause 4.5, the date:
 - (A) falling 5 Business Days after the Scheme Administrators issue a cheque to the Scheme Creditor following the Redress Determination of the Disputed Scheme Claim; or
 - (B) on which the Scheme Adjudicator rejects the Disputed Scheme Claim by way of a Redress Determination,
 save that the Scheme Creditor shall retain the right to make a complaint to the Ombudsman within six months of the date on which the Scheme Creditor is sent a Redress Determination.
- 8.3 Any Scheme Creditor who does not submit a Claim Form releases and shall grant a release to each of CPP, the Business Partners and the Business Partner Affiliates in respect of all its Scheme Claims and Business Partner Claims (if any) on the Bar Date.
- 8.4 Any Scheme Creditor who is not entitled to receive Redress under the terms of the Scheme releases and shall grant a release to each of CPP, the Business Partners and the Business Partner Affiliates in respect of all its Scheme Claims and Business Partner

Claims (if any) on the Bar Date, provided that if such a Scheme Creditor has invoked the Dispute Resolution Procedure prior to the Bar Date, such Scheme Creditor shall be deemed to grant the aforementioned release on the earlier of:

- 8.4.1 if the Scheme Administrators issue a cheque to the relevant Scheme Creditor following the Redress Determination of the Disputed Claim by the Scheme Adjudicator, on the date falling 5 Business Days after the Scheme Administrators issue a new cheque; or
- 8.4.2 if the Scheme Adjudicator determines that the Scheme Creditor is not entitled to receive Redress, on the date falling 5 Business Days after the date on which the Redress Determination so informing the relevant Scheme Creditor is sent,

save that the Scheme Creditor shall retain the right to make a complaint to the Ombudsman within six months of the date on which the Scheme Creditor is sent a Redress Determination.

- 8.5 Each Scheme Creditor hereby irrevocably authorises the Scheme Administrators to enter into, execute and deliver as a deed on behalf of each Scheme Creditor, a Scheme Liabilities Release Deed Poll to confirm and/or effect the releases referred to in this Clause 8 above.
- 8.6 Any release granted by a Scheme Creditor pursuant to this Clause 8 shall be in full, final and irrevocable settlement of any Scheme Claims and / or Business Partner Claims that the relevant Scheme Creditor may have.

9. **INSOLVENCY**

- 9.1 If an Insolvency Event occurs with respect to either CPP or any Business Partner (the "**Insolvent Entity**"), then the Scheme Administrators shall, to the extent they are able under applicable law, apply or procure to have applied any funds standing to the credit of the bank account established in accordance with the terms of the Implementation Agreement by the Insolvent Entity (the "**Insolvent Entity Funds**") in the following order of priority:
 - 9.1.1 first, to honour any cheque issued by the Insolvent Entity in respect of Redress which remains unpaid;
 - 9.1.2 secondly, in discharge (pro-rata in the event of partial payment) of all amounts due and payable, or capable of becoming due and payable (whether as at the date of the Insolvency Event or in the future) from the Insolvent Entity (or, where the Insolvent Entity is a Business Partner, from CPP in respect of all amounts which would otherwise have been payable by the Insolvent Entity) to the Scheme Operating Company and/or the Scheme Administrators under the Implementation Agreement and the Scheme Administrator Appointment Letter;
 - 9.1.3 thirdly, provided that the Scheme Administrators are satisfied that no further liabilities are required to be discharged pursuant to Clause 9.1.1 above, in discharge of any Redress Amounts which are unpaid at the date of the Insolvency Event that is payable by the Insolvent Entity in accordance with the terms of the Implementation Agreement and Clause 5. If the Insolvent Entity Funds are insufficient to pay all Redress Amounts in full, the Scheme Administrators shall apply the Insolvent Entity Funds in payment of such Redress Amounts on a pari passu basis;
 - 9.1.4 fourthly, in discharge of any Redress Amounts payable by CPP in respect of any Agreed Scheme Claim which (i) are agreed after the date of the Insolvency Event and (ii) would otherwise have been payable by the Insolvent Entity but for the Insolvency Event. If the Insolvent Entity Funds are insufficient to pay all such Redress Amounts in full, the Scheme Administrators shall apply the Insolvent Entity Funds in payment of such Redress Amounts on a pari passu basis; and
 - 9.1.5 fifthly, any remaining balance shall be paid to the Insolvent Entity on the Scheme Obligations Termination Date.
- 9.2 Where the Insolvent Entity is a Business Partner, no Scheme Creditor shall have any right to payment from another Business Partner or Business Partner Affiliate in respect any

unpaid Redress Amount which would otherwise have been payable by the Insolvent Entity in accordance with the terms of the Scheme. However, in these circumstances:

- 9.2.1 the Scheme Creditor with an Agreed Scheme Claim shall have a claim against CPP in respect of such unpaid Redress Amount;
 - 9.2.2 the Scheme Administrators shall continue to apply the terms of the Scheme in respect of any subsequent Scheme Claims against the Insolvent Entity and, if appropriate, shall admit any such Scheme Claim as an Agreed Scheme Claim in accordance with the terms of the Scheme; and
 - 9.2.3 CPP hereby undertakes to pay the unpaid Redress Amount in respect of any such Agreed Scheme Claims (whether they become Agreed Scheme Claims before or after the date of the relevant Insolvency Event) as if such Redress Amount were payable by it under Clause 5.1.1 above.
- 9.3 Where the Insolvent Entity is CPP, no Scheme Creditor shall have any right to payment from a Business Partner or Business Partner Affiliate in respect of any unpaid Redress Amount which would otherwise have been payable by CPP in accordance with the terms of the Scheme.
- 9.4 If any Redress Amount remains unpaid following an Insolvency Event in respect of CPP (including in circumstances where such Redress Amount is payable by CPP pursuant to Clause 9.2 above), then:
- 9.4.1 the unpaid element of the Redress Amount of such an Agreed Scheme Claim shall cease to be an Agreed Scheme Claim and such Scheme Creditor shall have the rights which it would have had against CPP and / or the relevant Business Partner as if the Scheme Effective Date had not occurred in respect of that Scheme Creditor for the unpaid element of the Redress Amount of the Agreed Scheme Claim;
 - 9.4.2 no further payment will be made under the Scheme to such Scheme Creditor; and
 - 9.4.3 it shall be for the FSCS to determine whether or not such unpaid claim shall be a Protected Claim against any Insolvent Entity and therefore eligible for payment by the FSCS in accordance with the FSCS Rules; and
 - 9.4.4 the Scheme Administrators shall have no obligation to assist the Scheme Creditor in making its claim against the FSCS.
- 9.5 Following the occurrence of an Insolvency Event in respect of CPP and save to the extent that the Scheme Administrators determine (in their sole discretion) that there are sufficient Insolvent Entity Funds to meet such a claim in accordance with Clause 9.1 above, the Scheme Administrators shall not be permitted to admit any Scheme Claim that would fall to be paid by CPP under the terms of the Scheme (including pursuant to Clause 5.1.2 above in the event that an Insolvency Event occurs in respect of a Business Partner) - any such claim being an **"Insolvency Barred Claim"**). In such circumstances:
- 9.5.1 the relevant Scheme Creditor shall, in relation to the Insolvency Barred Claim, have the rights which it would have had against CPP and / or the relevant Business Partner as if the Scheme Effective Date had not occurred in respect of that Scheme Creditor;
 - 9.5.2 no further payment will be made under the Scheme to such Scheme Creditor in respect of the Insolvency Barred Claim; and
 - 9.5.3 it shall be for the FSCS to determine whether or not such Insolvency Barred Claim shall be a Protected Claim against any Insolvent Entity and therefore eligible for payment by the FSCS in accordance with the FSCS Rules.
- 9.6 Notwithstanding the provisions of this Clause 9, the Scheme shall continue in accordance with its terms with respect to Scheme Creditors other than those expressly referred to in Clause 9.4 and 9.5 above.
- 9.7 None of the Business Partners or Business Partner Affiliates other than the Insolvent Entity shall be liable for any obligations of the Insolvent Entity under the Scheme.

- 9.8 Except to the extent expressly set out in clause 5.1.2 above, CPP shall have no liability for any obligations of any Insolvent Entity under the Scheme (except to the extent that such Insolvent Entity is CPP itself).
- 9.9 The Scheme Administrators shall notify each Scheme Creditor entitled to payment from CPP of the occurrence of any Insolvency Event in respect of CPP and such Scheme Creditor's right to make a claim to the FSCS.
10. SCHEME ADMINISTRATORS' POWERS AND DUTIES
- 10.1 The Scheme Administrators shall be a minimum of two individuals (and not more than three) who are each licensed insolvency practitioners and/or chartered accountants and duly qualified in the reasonable opinion of CPP to discharge the functions of the Scheme Administrators under the Scheme.
- 10.2 The Scheme Administrators, or any of them, may resign their appointment at any time by giving not less than 90 days' notice in writing to each Scheme Participant or such shorter period as may be agreed by each Scheme Participant provided that a new Scheme Administrator has been appointed in accordance with Clause 10.4 on or prior to that resignation taking effect.
- 10.3 The office of the Scheme Administrator shall be vacated by a Scheme Administrator if that Scheme Administrator:
- 10.3.1 dies, becomes bankrupt or mentally disordered;
 - 10.3.2 is convicted of an indictable offence (other than a road traffic offence);
 - 10.3.3 resigns his office by 3 months' notice in writing to CPP; or
 - 10.3.4 ceases to be a chartered accountant.
- 10.4 If there is a vacancy in the office of the Scheme Administrator, CPP, after consultation with the Business Partners and agreement by the Authority, shall forthwith appoint as a replacement Scheme Administrator a qualified chartered accountant.
- 10.5 The Scheme Administrators shall have the powers, duties and functions conferred upon them by this Scheme.
- 10.6 The Scheme Administrators shall:
- 10.6.1 as soon as reasonably practicable after the Scheme Effective Date (i) write to all Scheme Creditors of whom they are aware (a) notifying them of the Scheme Effective Date and (b) inviting them to submit a Claim Form on or before the Bar Date and (ii) advertise for Scheme Claims in those newspapers as were used to advertise the Scheme Meeting;
 - 10.6.2 have sole responsibility for:
 - (A) determining whether any Scheme Claim is an Agreed Scheme Claim;
 - (B) notifying each Scheme Creditor if its claim is a Disputed Scheme Claim or has been rejected and the reasons for such rejection;
 - (C) conduct of Disputed Scheme Claims pursuant to the Dispute Resolution Procedure or otherwise; and
 - (D) determining whether or not the Exceptional Circumstances apply;
 - 10.6.3 issue cheques to Scheme Creditors with Agreed Scheme Claims in accordance with the terms of the Scheme and the Implementation Agreement;
 - 10.6.4 have the power to do all things ancillary to the matters referred to in Clauses 10.6.1 and 10.6.3 above or which are otherwise required to be done by the Scheme Administrators in accordance with the Scheme;
 - 10.6.5 have the power to delegate all or any of the functions, powers, rights, authorities and discretions conferred upon the Scheme Administrators under the Scheme from time to time and to revoke any such delegation, provided that the Scheme

- Administrators shall be responsible for any act or omission of any such employee or delegate to the same extent as if they had expressly authorised it;
- 10.6.6 have the power to defend any proceedings against them in respect of carrying out their functions and exercising their powers under the Scheme; and
- 10.6.7 have the power to apply to the Court for directions in relation to any particular matter arising in the course of the Scheme.
- 10.7 In the absence of manifest error, neither CPP nor the Business Partners will be entitled to challenge any decision made by the Scheme Administrators as regards Scheme Claims, Agreed Scheme Claims, the payment of Redress, a Redress Determination or any Redress Amount.
- 10.8 Save as expressly provided for herein, the Scheme Administrators shall not have any duty or responsibility to manage, oversee or conduct the business, property or affairs of CPP and such duty shall remain solely with the directors of CPP.
- 10.9 Subject to Clause 10.14, the Scheme Administrators shall not incur any personal liability in connection with the preparation, adoption, agreement or implementation of the Scheme or in connection with any ancillary arrangement including, without limitation, the deeds and agreements referred to in Part D of the Explanatory Statement.
- 10.10 The functions and powers of the Scheme Administrators under the Scheme may be performed and exercised jointly or severally and any act required to be done by the Scheme Administrators pursuant to the Scheme may be done by all or any one or more of them.
- 10.11 The Scheme Administrators may perform their duties through agents and employees and shall be entitled to rely on any communication, instrument, document or information (whether provided in writing or orally) considered by him to be genuine and correct and shall be entitled to rely upon the advice of, or information obtained from, any professional advisor or other person instructed by him considered by them in good faith to be competent.
- 10.12 In carrying out their functions and exercising their powers under the Scheme, the Scheme Administrators shall act bona fide with due care and diligence in the interests of the Scheme Creditors as a whole and they shall use their powers under the Scheme for the purpose of ensuring that the Scheme is operated in accordance with its terms.
- 10.13 In carrying out their duties and functions under the Scheme, the Scheme Administrators and, where appropriate, the Scheme Adjudicator shall make reasonable adjustments to the process for administering the Scheme (including without the limitation the process for assessing and determining Scheme Claims, and (subject to the Bar Date) the deadlines for submitting Scheme Claims and invoking the Dispute Resolution Procedure) where such adjustments are considered by the Scheme Administrators or Scheme Adjudicator, as the case may be, to be reasonably necessary to accommodate the disability of a Scheme Creditor that is notified or otherwise drawn to the attention of the Scheme Administrators or Scheme Adjudicator, as the case may be. Such reasonable adjustments shall include, but not be limited to, providing copies of communications in respect of the Scheme to a Scheme Creditor in braille, large print or in audio format upon request.
- 10.14 Save as expressly set out in this Scheme, the Scheme Administrators shall act as agents of CPP (without personal liability) in respect of all functions and powers conferred on them under the Scheme. The Scheme Administrators shall, in their capacity as such, incur no liability to any Scheme Creditor or other person arising from the exercise of any power or discretion vested in them under the Scheme, except where such liability arises as a result of their own gross negligence, wilful default, breach of duty, breach of trust, fraud, bad faith or dishonesty (or as a result of the gross negligence, wilful default, breach of duty, breach of trust, fraud, bad faith or dishonesty of any employee).
- 10.15 To the extent permitted by law and in the absence of manifest error, no Scheme Creditor shall be entitled to challenge the validity of any act done or omitted to be done in good faith and with due care by the Scheme Administrators in accordance with and to

implement the provisions of the Scheme or the exercise by the Scheme Administrators in good faith and with due care of any power conferred upon them for the purposes of the Scheme if exercised in accordance with and to implement the provisions of the Scheme and the Scheme Administrators shall not be liable for any loss unless such loss is attributable to their own gross negligence, wilful default, breach of duty, breach of trust, fraud, bad faith or dishonesty (or to the gross negligence, wilful default, breach of duty, breach of trust, fraud, bad faith or dishonesty of any employee).

11. MODIFICATIONS OF THE SCHEME

- 11.1 The Scheme Participants may, at any hearing to sanction the Scheme, consent to any modification of the Scheme or terms or conditions that the Court may think fit to approve or impose.
- 11.2 Subject to Clause 11.3 below, the Scheme Administrators shall have the power at any time after the Scheme Effective Date, and if they consider it expedient to do so, to modify the terms of the Scheme without reference to the Scheme Creditors, so long as such modification is effected with the consent of each of the Scheme Participants and the Authority, does not adversely affect the interests under the Scheme of any Scheme Creditor and is in the best interests of the Scheme Creditors as a whole.
- 11.3 Where the proposed modification of the Scheme is purely of a technical or legal nature, the consent of the Authority shall not be required.

12. TERMINATION OF THE SCHEME

- 12.1 The Scheme Obligations Termination Date shall be the date on which any one of the conditions set out in Clause 12.2 has been satisfied.
- 12.2 The obligations of the Scheme Participants in respect of the Scheme shall terminate on the earlier of:
 - 12.2.1 the date the Scheme Administrators give notice to the Scheme Participants that all Agreed Scheme Claims have been paid in full and the Bar Date has expired and all Disputed Scheme Claims have been finally determined; or
 - 12.2.2 the date the Scheme Administrators acting reasonably, and following consultation with the Scheme Participants, determine that it is no longer possible to complete the Scheme.
- 12.3 The Scheme Obligations Termination Date shall be notified to the Scheme Creditors by way of publication in those newspapers as were used to advertise the Scheme Meeting. Such notice shall be substantially in the form set out at Appendix 5.
- 12.4 For the avoidance of doubt, the occurrence of the Scheme Obligations Termination Date shall mean that no further obligation may arise for any Scheme Participant under the Scheme, but shall be without prejudice to all other rights and obligations (including Scheme Creditor releases) under the Scheme.

13. NOTICE

- 13.1 A Claim Form or other notice to be given to the Scheme Administrators or CPP:
 - 13.1.1 must be given in writing;
 - 13.1.2 may be sent by post or may be delivered but shall only be deemed served upon actual receipt, provided that if such receipt occurs on a Saturday, Sunday or public holiday or after 5.30 p.m. on any Business Day in London such Claim Form or other such notice shall be deemed to have been received at 9.30 a.m. on the next Business Day in London; and
 - 13.1.3 must be addressed to the Scheme Administrators at Ernst & Young LLP, 1 More London Place, London SE1 2AY, FAO Kevin Gill & Ben Cairns.
- 13.2 Any notice given under the Scheme by the Scheme Administrators to any person shall be sufficiently served by posting the same by first class or airmail post to or leaving the same at the address of such person last known to CPP. If such notice is posted, it shall be

deemed to have been received by the addressee 48 hours after the same shall have been posted.

- 13.3 A Claim Form or other notice which is signed by a person authorised by a Scheme Creditor on his behalf may be rejected by the Scheme Administrators if it is not accompanied by a power of attorney duly executed by the Scheme Creditor in favour of such person whereby such person is authorised to execute the notice concerned, or by a copy of such power of attorney certified as a true copy thereof by a solicitor or notary or a person authorised to administer oaths in any relevant jurisdiction, together with a statutory declaration made by the donee of the power stating that such power had not been revoked prior to its signature of such notice. In the case of a Claim Form or other notice which is signed on behalf of a Scheme Creditor which is a corporation or other legally constituted person or a partnership, the Scheme Administrators shall not be required to make enquiry as to the authority of the signatory to sign such notice on behalf of such Scheme Creditor.

14. **OBLIGATIONS SEVERAL**

The obligations of each Scheme Participant under the Scheme are several. Failure by a Scheme Participant to perform its obligations under the Scheme does not affect the obligations of any other Scheme Participant under the Scheme. Save to the extent expressly provided for in clauses 5.1.2 and 9.2, no Scheme Participant is responsible for the obligations of any other Scheme Participant under the Scheme.

15. **ASSIGNMENT**

No Scheme Creditor may assign its Scheme Claim or any other rights under the Scheme to any person.

16. **BANKRUPTCY**

- 16.1 To the extent that any Scheme Claim has vested in a trustee in bankruptcy or is subject to an individual voluntary arrangement (pursuant to Part VIII of the Insolvency Act 1986) in respect of any Scheme Creditor, references to Scheme Creditor in the Scheme shall be read as references to such Scheme Creditor's trustee in bankruptcy or the relevant supervisor of such an individual voluntary arrangement, who shall be bound by and subject to the terms of the Scheme (including, but not limited to, the provisions set out in Clause 8 (Release of Claims) above).

- 16.2 It shall be the relevant Scheme Creditor's obligation to inform any relevant trustee in bankruptcy or supervisor of the existence of any Scheme Claim and neither CPP, nor the Scheme Administrators nor any Business Partner or Business Partner Affiliate, shall be responsible for ensuring that such a trustee in bankruptcy or supervisor has notice of the Scheme.

17. **GOVERNING LAW AND JURISDICTION**

- 17.1 The Scheme and any non-contractual obligations arising out of or in connection with the Scheme shall be governed by, and construed in accordance with, the laws of England and Wales and the Scheme Creditors hereby agree that the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which may arise out of or in connection with the Explanatory Statement or any provision of the Scheme, or out of any action taken or omitted to be taken under the Scheme or any non-contractual obligations arising out of or in connection with the Scheme. For such purposes, the Scheme Creditors irrevocably submit to the jurisdiction of the Court, provided, however, that nothing in this Clause 17 shall affect the validity of other provisions determining governing law and jurisdiction as between CPP and its Scheme Creditors, whether contained in any contract or otherwise.

- 17.2 The Scheme shall take effect subject to any prohibition or condition imposed by law.

APPENDIX 1

NOTICE CONVENING THE MEETING OF SCHEME CREDITORS
TO VOTE ON THE SCHEME

No. XXXX of 2013

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF CARD PROTECTION PLAN LIMITED
AND
IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an Order dated [xx 2013] made in the above matter, the Court has directed that a meeting (hereinafter called the "Scheme Meeting") be convened of the Scheme Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) of the above named company (hereinafter called "the Company") for the purposes of considering and, if thought fit, approving (with or without modifications) a Scheme of Arrangement proposed, to deal with the Card Protection policies and Identity Protection policies bought or renewed by Scheme Creditors after 14 January 2005, made between the Company and the Scheme Creditors and that the Creditors' Meeting will be held at [] commencing at [x]am/pm at which place and time all such Scheme Creditors are requested to attend.

Scheme Creditors may vote in person at the Creditors' Meeting or they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place. Voting forms for use at the Creditors' Meeting are enclosed herewith.

It is requested that voting forms be lodged with Scheme Processing Services Limited, PO Box 250, Wymondham, NR18 8DG by 11am on []. A faxed copy of the voting form will be accepted.

By the Order, the Court has appointed Kevin Gill of Ernst & Young LLP, 1 More London Place, London, SE1 2AF to act as Chairman at the Creditors' Meeting or failing that, a director of the Company and has directed the chairman to report the result of the Creditors' Meeting to the Court. A copy of the statement required to be furnished pursuant to Section 897 of the Companies Act 2006 is incorporated in the document of which this notice forms part. Additionally, certain documents related to the proposed Scheme of Arrangement (including a copy of the proposed Scheme of Arrangement) are available for viewing on the following website www.cppedressscheme.co.uk

If you have not received a pack explaining the scheme to refund policyholders, please contact our freephone number 08000 834 393 (outside of the UK dial + 1144 520 800), quoting your policy

number or unique customer reference number. We are available between 8am and 9pm Monday to Friday, and 8am to 6pm on Saturdays. Alternatively, you can write to Scheme Processing Services Limited, PO Box 250, Wymondham, NR18 8DG, to request a copy.

SAMPLE

APPENDIX 2

CLAIM FORM IN RESPECT OF A SCHEME CARD PROTECTION PRODUCT

Our Ref: [pre-populated]

CARD PROTECTION: COMPENSATION CLAIM FORM

Dear Mr Sample

You may be entitled to compensation if you were given misleading or unclear information when you were sold your card protection policy, and you purchased your policy based on this information.

If you want to be considered for compensation you must complete, sign and return this original form to us by [insert deadline date].

If you do not return this original form to us by this date you will lose your right to claim compensation.

If you are entitled to and paid compensation you will also have cancelled your policy, so you (and anyone else covered by the policy) will lose the benefits it provides.

You do not have to complete this form if you think you have not been affected by the issues described below and want your policy to continue.

YOUR NAME AND CONTACT DETAILS

Please check your details are accurate. If you need us to update your details, please call our freephone number 08000 83 43 93 (outside the UK dial +44 1144 520 800). We are available between 8am and 9pm Monday to Friday, and 8am to 6pm on Saturdays. Alternatively, you can write to us at Scheme Processing Services Limited, PO Box 250, WYMONDHAM, NR18 8DG.

[PRE-POPULATED]

If you are currently resident overseas (and not a member of the armed forces), we require confirmation of the following additional details in order to process your claim:

Place of birth..... Date of birth.....

WHY YOU MAY BE ENTITLED TO COMPENSATION

The Financial Conduct Authority found the following failings with card protection policies sold and provided by CPP:

- the policy said it covered you for up to £100,000 (figure varied over time) worth of unauthorised transactions that occur **after** you inform your bank or card issuer that a card was lost or stolen.

But you did not need this cover as your bank or card issuer is responsible for any transactions after you tell it your card has been lost or stolen.

- the policy said it covered you for up to £5,000 (figure varied over time) worth of unauthorised transactions that occur **before** you inform your bank or card issuer that a card was lost or stolen.

But we did not explain that you are only liable for unauthorised transactions in limited circumstances, as your bank or card issuer would usually cover you for anything over the first £50 of those transactions.

If you think either of these features affected your decision to buy a card protection policy, you can apply for compensation. The policy also had other features which are shown in Appendix A.

You can also be considered for compensation if you have any other complaints about the way a card protection policy was sold to you. This may include where you decided to purchase the policy because CPP sales staff sold it to you even after you made it clear you did not want it or because they emphasised that you could cancel the policy after you bought it

You must fill in this box to explain why you want to be considered for compensation (please do not write outside this box).

WHAT WE WILL DO NEXT

We will review the information on this form and use our best efforts to write to you with the outcome within 28 days of receiving this original, completed and signed form. Please note that we will only consider comments regarding why you want to be considered for compensation. If you raise any other matters we will not be able to process them and you will need to contact us separately.

If you are entitled to compensation we will return the amount you have paid for your policy since 14 January 2005 (the date the FCA started to regulate insurance products like these), less any sums paid out in respect of the policy, plus interest on the amount owed. You will also have cancelled your policy, so you (and anyone else covered by the policy) will lose the benefits it provides.

Further details of how your compensation will be calculated are explained in the letter sent to you explaining the scheme.

DECLARATION

I confirm the information I have given in this form is true to the best of my knowledge and belief.

I agree to release CPP and Business Partners (and Business Partner Affiliates as defined in the scheme) from any further liability for any claims I may have against them for the types of mis-selling covered by this redress scheme as long as they comply with the payment terms under this redress scheme, as set out more fully in the scheme documents.

Please note that even if you do not return a form you would still lose these rights as set out in more detail in the scheme.

Name: _____

Signed: _____

Date: _____

Please now return this form to us at Scheme Processing Services Limited, PO Box 250, WYMONDHAM, NR18 8DG in the prepaid, addressed envelope provided.

We will let you know the outcome of your claim for compensation as soon as possible. If you are entitled to compensation you will also have cancelled your policy.

APPENDIX 3

CLAIM FORM IN RESPECT OF A SCHEME IDENTITY PROTECTION PRODUCT

Our Ref: [pre-populated]

IDENTITY PROTECTION: COMPENSATION CLAIM FORM

Dear Mr Sample

You may be entitled to compensation if you were given misleading or unclear information when you were sold your identity protection policy, and you purchased your policy based on this information.

If you want to be considered for compensation you must complete, sign and return this original form to us by [insert deadline date].

If you do not return this original form to us by this date you will lose your right to claim compensation.

If you are entitled to and paid compensation you will then have cancelled your policy, so you will lose the benefits it provides.

You do not have to complete this form if you think you have not been affected by the issues described below and want your policy to continue.

YOUR NAME AND CONTACT DETAILS

Please check your details are accurate. If you need us to update your details, please call our freephone number 08000 83 43 93 (outside the UK dial +44 1144 520 800). We are available between 8am and 9pm Monday to Friday, and 8am to 6pm on Saturdays. Alternatively, you can write to us at Scheme Processing Services Limited, PO Box 250, WYMONDHAM, NR18 8DG.

[PRE-POPULATED]

If you are currently resident overseas (and not a member of the armed forces), we require confirmation of the following additional details in order to process your claim:

Place of birth..... Date of birth.....

WHY YOU MAY BE ENTITLED TO COMPENSATION

The Financial Conduct Authority found failings with CPP's sale of identity protection policies. You may be entitled to compensation if you were given misleading or unclear information about your policy, including:

- if the risk of identity theft was exaggerated to you; or

- if you were incorrectly told you are liable for debts that someone else takes out using your details.

You may also have other concerns with the way your identity protection policy was sold to you, such as if sales staff sold you a policy even after you made it clear you did not want it or emphasised that you could cancel the policy after you bought it.

If you think any of these issues affected your decision to buy an identity protection policy, you can apply for compensation. The policy also had other features which are shown in Appendix B.

You can also be considered for compensation if you have other complaints about the way an identity protection policy was sold to you.

You must fill in this box to explain why you want to be considered for compensation (please do not write outside this box).

WHAT WE WILL DO NEXT

We will review the information on this form and use our best efforts to write to you with the outcome within 28 days of receiving this original, completed and signed form. Please note that we will only consider comments regarding why you want to be considered for compensation. If you raise any other matters we will not be able to process them and you will need to contact us separately.

If you are entitled to compensation we will return the amount you have paid for your policy since 14 January 2005 (the date the FCA started to regulate insurance products like these), less any sums paid out in respect of the policy, plus interest on the amount owed. You will also have cancelled your policy, so you will lose the benefits it provides.

Further details of how your compensation will be calculated are explained in the letter sent to you explaining the scheme.

DECLARATION

I confirm the information I have given in this form is true to the best of my knowledge and belief.

I agree to release CPP and Business Partners (and Business Partner Affiliates as defined in the scheme) from any further liability for any claims I may have against them for the types of mis-selling covered by this redress scheme as long as they

comply with the payment terms under this redress scheme, as set out more fully in the scheme documents.

Please note that even if you do not return a form you would still lose these rights as set out in more detail in the scheme.

Name: _____

Signed: _____

Date: _____

Please now return this form to us at Scheme Processing Services Limited, PO Box 250, WYMONDHAM, NR18 8DG in the prepaid, addressed envelope provided.

We will let you know the outcome of your claim for compensation as soon as possible. If you are entitled to compensation you will also have cancelled your policy.

SAMPLE

APPENDIX 4
SCHEME LIABILITIES RELEASE AGREEMENT

Dated 2014

THE SCHEME CREDITORS
and
THE BUSINESS PARTNERS
and
CARD PROTECTION PLAN LIMITED

SCHEME LIABILITY RELEASE DEED POLL

In relation to the Scheme

Linklaters

Linklaters LLP
One Silk Street
London EC2Y 8HQ

Telephone (+44) 20 7456 2000
Facsimile (+44) 20 7456 2222

Ref BB/NLM

THIS DEED POLL OF RELEASE (this Deed) is made on

2014

By:

- (1) **THE SCHEME CREDITORS**, as defined in the Scheme and each acting by its agents and attorneys as appointed pursuant to the Scheme;

In favour of:

- (2) **THE BUSINESS PARTNERS** as listed and defined in Schedule 1 to this Deed;
- (3) **THE BUSINESS PARTNER AFFILIATES** as defined in the Scheme (as such term is defined below); and
- (4) **CARD PROTECTION PLAN LIMITED** (Registered no. 01490503), a company incorporated in the United Kingdom whose registered office is at Holgate Park, York, YO26 4GA ("**CPP**"),
- together the "**Parties**".

WHEREAS:

- (A) CPP has entered into a scheme of arrangement with the Scheme Creditors under part 26 of the Companies Act 2006, such scheme of arrangement having been sanctioned by the Court pursuant to an order of the court dated [●] 2013 (the "**Scheme**").
- (B) Each of the Scheme Creditors has agreed to be bound by the terms of the Scheme and to give the releases and waivers set out in this Deed in connection with the Scheme.

DEFINITIONS

Unless otherwise defined in this Deed or the context otherwise requires, words and expressions used in this Deed shall have the meanings given to them in the Scheme.

IT IS AGREED:

1 Releases and Waivers

- 1.1 Subject to clause 1.2, each Scheme Creditor (whether they have an Agreed Scheme Claim or not) hereby fully, irrevocably and unconditionally releases each of CPP, the Business Partners and the Business Partner Affiliates and their directors and employees to the fullest extent permissible by applicable law from (and fully, irrevocably and unconditionally waive) any and all claims, actions, debts, losses, liabilities, demands and proceedings whatsoever, whether existing, prospective or contingent, known or unknown, which any of the Scheme Creditors has or, but for this Deed, may in the future have, in any capacity whatsoever against any and all of CPP, the Business Partners and the Business Partner Affiliates and their respective directors and employees under or in connection with or arising out of any Scheme Claim or any Business Partner Claim.
- 1.2 The release in clause 1.1 will take effect in respect of the relevant Scheme Creditor on the following dates:
- 1.2.1 on the date falling 30 Business Days after a cheque is posted to a Scheme Creditor in respect of that Scheme Creditor's Agreed Scheme Claim, provided that such

release shall be deemed not to have been granted if a Scheme Creditor seeks to cash a cheque sent in accordance with the Scheme which has not been cancelled in accordance with the Scheme and such cheque is not honoured.

- 1.2.2 in the case of a Scheme Creditor who invokes the Dispute Resolution Procedure and returns such cheque pursuant to Clause 4.5 of the Scheme, the date:
- (i) falling 5 Business Days after the Scheme Administrators issue a cheque to the Scheme Creditor, following determination of the Disputed Scheme Claim; or
 - (ii) on which the Scheme Adjudicator rejects the Disputed Scheme Claim;
- 1.2.3 in the case of any Scheme Creditor who does not submit a Claim Form, on the Bar Date; or
- 1.2.4 in the case of any Scheme Creditor who is not entitled to receive Redress under the terms of the Scheme, on the Bar Date, provided that if such a Scheme Creditor has invoked the Dispute Resolution Procedure prior to the Bar Date, such Scheme Creditor shall be deemed instead to grant the aforementioned release as follows:
- (i) if the Scheme Administrators issue a cheque to the relevant Scheme Creditor following determination of the Disputed Scheme Claim by the Scheme Adjudicator, on the date falling 5 Business Days after the Scheme Administrators issue the new cheque; or
 - (ii) if the Scheme Adjudicator determines that the Scheme Creditor is not entitled to receive Redress, on the date falling 5 Business Days after the date on which the letter so informing the relevant Scheme Creditor is sent.

2 Execution, Counterparts and Amendment

- 2.1 This Deed has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.
- 2.2 This Deed may be executed in any number of counterparts, and by each of the Parties on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.
- 2.3 This Deed may not be amended, varied, or modified nor any provision waived except with prior written consent of each party to this Deed provided that any amendment which adversely affects the rights of a person who is a beneficiary of a release or waiver hereunder but is not a party hereto may not be made without that person's prior written consent.
- 2.4 In the event that any release or waiver given by a party hereto (the "**Releasor**") in favour of another party hereto or other beneficiary hereunder (the "**Releasee**") is found by a court of competent jurisdiction to be unenforceable (an "**Unenforceable Release**"), the Releasor agrees that it shall not (and shall not instruct, encourage or support any other person to) bring or join any action, claim or suit or other proceedings of any kind against the Releasee in relation to or arising out of any matter or thing which was the subject of such Unenforceable Release.

3 Invalidation

- 3.1 Each of the provisions of this Deed is severable. If any such provision is held to be or becomes invalid or unenforceable in any respect under the law of any jurisdiction, it shall have no effect in that respect and the Parties shall use all reasonable efforts to replace it in that respect with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

4 Third Party Enforcement Rights

- 4.1 The specified third party beneficiaries of the releases, waivers, undertakings and/or commitments referred to in clause 1 shall, in each case, have the right to enforce the relevant terms by reason of the Contracts (Rights of Third Parties) Act 1999. The rights of any such third party beneficiary are subject to the other terms and conditions of this Deed.
- 4.2 Except as provided in clause 4.1, a person who is not a party to this Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

5 Governing Law and Jurisdiction

- 5.1 This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.
- 5.2 The courts of England shall have exclusive jurisdiction to settle any dispute including a dispute relating to non-contractual obligations arising out of or in connection with this Deed.
- 5.3 The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Deed. Each of the Parties irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 5.4 References in this clause 5 to a dispute in connection with this Deed include any dispute as to the existence, validity or termination of this Deed.

Schedule 1 – Business Partners

1. **BARCLAYS BANK PLC** (Registered no. 01026167), a public limited company incorporated in the United Kingdom whose registered address is 1 Churchill Place, London, E14 5HP;
 2. **SANTANDER UK PLC** (Registered no. 02294747), a public limited company incorporated in the United Kingdom whose registered address is 2 Triton Square, Regent's Place, LONDON, NW1 3AN;
 3. **MBNA LIMITED** (Registered no. 02783251), a private limited company incorporated in the United Kingdom whose registered address is Stansfield House, Chester Business Park, Chester, Cheshire, CH4 9QQ;
 4. **THE ROYAL BANK OF SCOTLAND PLC** (Registered no. SC090312), a public limited company incorporated in the United Kingdom whose registered address is 36 St Andrew Square, EDINBURGH, EH2 2YB;
 5. **HSBC BANK PLC** (Registered no. 00014259), a public limited company incorporated in the United Kingdom whose registered address is 8 Canada Square, London, E14 5HQ;
 6. **NATIONWIDE BUILDING SOCIETY** (Registered on the Mutuels Public Register with number 355B) whose registered address is at Nationwide House, Pipers Way, Swindon Wiltshire SN38 1NW;
 7. **CLYDESDALE BANK PLC** (Registered no. SC001111), a public limited company incorporated in the United Kingdom whose registered address is 30 St Vincent Place, Glasgow, G1 2HL;
 8. **TESCO PERSONAL FINANCE PLC** (Registered no. SC173199), a public limited company incorporated in the United Kingdom whose registered address is Interpoint Building, 22 Haymarket Yards, Edinburgh, EH12 5BH;
 9. **CANADA SQUARE OPERATIONS LIMITED** (Registered no. 02999842), a private limited company incorporated in the United Kingdom whose registered address is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB;
 10. **CAPITAL ONE (EUROPE) PLC** (Registered no. 03879023), a public limited company incorporated in the United Kingdom whose registered address is Trent House, Station Street, Nottingham, NG2 3HX;
 11. **MORGAN STANLEY BANK INTERNATIONAL LIMITED** (Registered no. 03722571), a private limited company incorporated in the United Kingdom whose registered address is 25 Cabot Square, London, E14 4QA;
 12. **HOME RETAIL GROUP INSURANCE SERVICES LIMITED** (Registered no. 04109436), a private limited company incorporated in the United Kingdom whose registered address is Avebury, 489-499 Avebury Boulevard, Milton Keynes, MK9 2NW; and
 13. **BANK OF SCOTLAND PLC** (Registered no. SC327000), a public limited company incorporated in the United Kingdom whose registered address is the Mound, Edinburgh, EH1 1YZ,
- (together the “**Business Partners**”).

In witness of which the Scheme Creditors have executed and delivered this Deed on the date stated at its beginning:

The Scheme Creditors

SIGNED as a DEED POLL by
[Ben Cairns] [Kevin Gill] of
Ernst and Young LLP, in his
capacity as Scheme
Administrator for and on behalf
of the **SCHEME CREDITORS**

in the presence of

.....
Scheme Administrator

Name:

Address:

Occupation:

.....
Witness

APPENDIX 5

NOTICE OF SCHEME OBLIGATIONS TERMINATION DATE

No. XXXX of 2013

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF CARD PROTECTION PLAN LIMITED ("CPP")

AND

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that the Scheme Obligations Termination Date (as defined in the Scheme of Arrangement made between CPP and its respective Scheme Creditors pursuant to Part 26 of the Companies Act 2006 which was sanctioned in the High Court of Justice of England and Wales on [XX] and became effective on [XX]) occurred on [XX].

SAMPLE

Part 2: Complaints and Redress Determinations

1. From and including the Requirement Date, DISP 1.1.11A R shall apply in respect of any complaint made by a Scheme Creditor to the Firm, a Business Partner, a Business Partner Affiliate, or the Scheme Administrator (when acting on their behalf) where the subject matter of the complaint falls within the Subject Matter of the Redress Scheme. Where part of a complaint made by a Scheme Creditor to the Firm, a Business Partner, Business Partner Affiliate, or the Scheme Administrator (when acting on their behalf) falls within the Subject Matter of the Redress scheme, DISP 1.1.11A R shall apply in respect of that part and references below to a complaint falling within this paragraph 1 shall be construed as references to that part.
2. The Firm must establish and maintain a fair and intelligent filtering of cases in order to identify whether a complaint (or parts of a complaint) received after the Requirement Date falls within the Subject Matter of the Redress Scheme.
3. If the Firm receives a complaint (or part thereof) falling within Paragraph 1 prior to the Bar Date or, where it applies, the Exceptional Circumstances Bar Date:
 - 3.1. within 10 business days of the receipt of the complaint, the Scheme Creditor will be sent a letter acknowledging the complaint, notifying the Scheme Creditor that the complaint falls to be dealt with under the Scheme of Arrangement, and providing information about the process for making a Scheme Claim;
 - 3.2. if the Scheme Creditor subsequently submits a Scheme Claim under the Scheme of Arrangement which is admitted as an Agreed Scheme Claim, the Scheme Administrator will pay redress in accordance with the Scheme of Arrangement. If, having made an Agreed Scheme Claim, the Scheme Creditor subsequently attempts to pursue his earlier complaint, or makes a further complaint falling within the Subject Matter of the Redress Scheme, the entity responsible for the complaint (or the Scheme Adjudicator on its behalf) shall issue a Redress Determination notifying the Scheme Creditor that his complaint fell to be dealt with under the Scheme of Arrangement, that he has already made an Agreed Scheme Claim and has released the relevant entity from further liability as a result of making the Agreed Scheme Claim;
 - 3.3. if the Scheme Creditor subsequently submits a Scheme Claim under the Scheme of Arrangement which becomes a Disputed Scheme Claim, the Scheme Adjudicator (on behalf of the Firm, a Business Partner and/or a Business Affiliate, as appropriate) will send a Redress Determination to a Scheme Creditor containing its determination of the Disputed Scheme Claim ;
 - 3.4. if, by 8 weeks prior to the Bar Date, the Scheme Creditor has not submitted a Scheme Claim under the Scheme of Arrangement, the Scheme Creditor will be sent a letter reminding the Scheme Creditor of the information contained in the letter at paragraph 3.1 above and reminding the Scheme Creditor of the impending Bar Date for submitting a Scheme Claim under the Scheme of Arrangement; and
 - 3.5. if the Scheme Creditor does not submit a Scheme Claim under the Scheme of Arrangement, the entity responsible for the complaint shall, within 8 weeks after the Exceptional Circumstances Bar Date, issue a Redress Determination notifying the Scheme Creditor that his complaint fell to be dealt with under the Scheme of Arrangement, that the time for making a claim under the Scheme of Arrangement has passed and that his complaint is now time-barred.
4. If the Firm receives a complaint (or part thereof) falling within Paragraph 1 after the Bar Date or, where it applies, the Exceptional Circumstances Bar Date:
 - 4.1. if the Scheme Creditor made a Scheme Claim prior to the Exceptional Circumstances Bar Date and the Scheme Creditor has not already received a Redress Determination, the entity responsible for the complaint shall issue within 8 weeks of receiving the complaint a Redress Determination notifying the Scheme Creditor that his complaint fell to be dealt

- with under the Scheme of Arrangement, that he has already made a Scheme Claim and the outcome of the Scheme Claim; and
- 4.2. if the Scheme Creditor did not make a Scheme Claim under the Scheme of Arrangement, the entity responsible for the complaint shall issue within 8 weeks of receiving the complaint a Redress Determination notifying the Scheme Creditor that his complaint fell to be dealt with under the Scheme of Arrangement, that the time for making a claim under the Scheme of Arrangement has passed and that his complaint is now time-barred..
 5. If these Requirements cease to have effect pursuant to Paragraphs 11 or 13 of these Requirements, complaints (or any part thereof) falling within Paragraph 1 shall be dealt with by the entity responsible for the complaint in accordance with DISP as if the complaint had been received on the date that the Requirements cease to have effect.
 6. For the avoidance of doubt, nothing in these Requirements affects the Firm's obligations to resolve complaints (or parts of complaints) whose subject matter falls outside of the Subject Matter of the Redress Scheme in accordance with their existing obligations, in particular under DISP.

Part 3: Scheme Claims Decisioning Procedures

This Part 3 of Annex C describes the general scheme claims decisioning procedures to be followed by the Scheme Administrator in administering the Scheme of Arrangement. However, reasonable adjustments will be made by the Scheme Administrator to the administration process where such adjustments are necessary to accommodate the disability of a Scheme Creditor that is notified or otherwise drawn to the attention of the Scheme Administrator (as set out at section Clause 10.13 of the Scheme Document at Part 1 of Annex C).

1. Claim Form acceptance process

- 1.1. Claim Forms received by the Scheme Administrators will be scanned upon receipt. The scanning process will be used to identify whether the Claim Form has been appropriately completed.
- 1.2. Where the scanning process identifies that the Claim Form has been appropriately completed, the Claim Form will then be processed in accordance with paragraph 2 below.
- 1.3. The scanning process will identify that the Claim Form has not been appropriately completed where:
 - 1.3.1. The Scheme Creditor has not signed the Claim Form;
 - 1.3.2. The Claim Form is torn or in some other damaged state which renders the Claim Form illegible; or
 - 1.3.3. The Scheme Creditor has not written any comments in the box on the Claim Form.

In these cases, the Claim Form will be reviewed by the Scheme Administrators. Provided that the Scheme Creditor has written comments in the box on the Claim Form and has signed the Claim Form such that the Scheme Creditor's intentions in submitting the Claim Form can be established, the Claim Form will then be processed in accordance with paragraph 2 below. In other cases, the Claim Form will not be accepted for processing and the Scheme Creditor will be given one further opportunity to re-submit his or her claim, by being sent a new Claim Form for completion.

2. Process for determining the validity of claims

- 2.1. Each Claim Form which is accepted for processing under the process described in paragraph 1 will then be manually reviewed by the Scheme Administrator. This will be a

brief review, the purpose of which is to ensure that only claims of Scheme Creditors who are alleging Mis-selling are accepted as Scheme Claims.

- 2.2. Scheme Creditors will be treated as alleging Mis-selling and accepted as making a Scheme Claim where the Scheme Creditor's comments on the Claim Form suggest that the Scheme Creditor:
 - 2.2.1. wants his or her money back;
 - 2.2.2. is dissatisfied with the way in which the Product was sold to him or her, including (but not limited to) where the Scheme Creditor considers he received unsuitable advice in relation to the sale of the Product;
 - 2.2.3. considers that the way in which the Product was sold failed to comply with applicable regulatory rules or with the Authority's Principles for Businesses or was otherwise in breach of contract or any tortious duty of care or any other requirement under the general law (taking into account relevant materials published by the Authority, other relevant regulators the Ombudsman and former schemes, and including industry codes of practice);
 - 2.2.4. alleges that the information provided about the policy failed to be clear, fair and not misleading, or that such information was incomplete (for example by omitting to mention material limitations or exclusions on the features or benefits provided); or
 - 2.2.5. alleges that the sale was concluded after applying inappropriate pressure.
- 2.3. A Scheme Creditor will be not be treated as alleging Mis-selling (and will not be accepted as making a Scheme Claim or otherwise fall within the Subject Matter of the Redress Scheme) where, for example:
 - 2.3.1. he has returned a Claim Form but the comments on it indicate that he is happy with the Product and/or is not seeking redress; or
 - 2.3.2. he has written unrelated or abusive text in his Claim Form which does not suggest any allegation of Mis-selling.
- 2.4. For the avoidance of doubt, Scheme Creditors will be treated as alleging Mis-selling and accepted as making a Scheme Claim where:
 - 2.4.1. the Scheme Creditor alleges Mis-selling, but also indicates that he wants to keep the Product. In such cases, the Scheme Creditor will be accepted as making a Scheme Claim and eligible for compensation, but will be notified when offered any compensation payable that his Scheme Claim has been treated as a request to cancel the Product;
 - 2.4.2. the Scheme Creditor alleges Mis-selling, but indicates that other features of the Product such as the facility to cancel lost or stolen cards and order replacements in one phone call was of benefit to them. In such cases, the Scheme Creditor will be accepted as making a Scheme Claim and eligible for compensation, but will be notified when offered any compensation payable that his Scheme Claim has been treated as a request to cancel the Product; and
 - 2.4.3. the Scheme Creditor alleges Mis-selling, but also includes abusive or unrelated text in the Claim Form.

2.5. All Claim Forms which are identified as not alleging Mis-selling shall be subject to a second review by the Scheme Administrators for quality assurance purposes.

3. Valid claims

3.1. A Scheme Creditor whose Claim Form is (a) accepted for processing under the steps identified in section 1 above and (b) identified as alleging Mis-selling (and thereby making a Scheme Claim) under the steps identified in section 2 above will be eligible to be paid compensation under the terms of the Scheme Document at in Part 1 of this Annex C. The amount of compensation payable shall be calculated in accordance with the terms set out in page 9 of the Scheme Document at Part 1 of this Annex C.

4. Claim Forms returned after the Bar Date

4.1. If Scheme Creditors return their Claim Forms to the Scheme Administrators after the Bar Date (or, where relevant circumstances apply, the Exceptional Circumstances Bar Date), those Claim Forms will not be accepted or reviewed in accordance with the steps described in sections 1 to 3 above, as such those Scheme Creditors will not be entitled to compensation under the terms of the Scheme of Arrangement.

5. Dispute Resolution Procedure

5.1. If a Scheme Creditor disagrees with the rejection of his Claim Form by the Scheme Administrators or with the amount of compensation payable to him, he may initiate the Dispute Resolution Procedure.

Annex D: Complaints to be dealt with by the Ombudsman

- D.1 This annex applies only where:
- D.1.1 a complaint is referred to the Ombudsman by or on behalf of a Scheme Creditor (whether or not the Scheme Creditor has made a claim under the Scheme of Arrangement);
 - D.1.2 the complaint is referred to the Ombudsman on or after the Requirement Date; and
 - D.1.3 within 14 days of the Ombudsman telling the Firm in writing that the complaint has been referred to the Ombudsman, the Firm tells the Ombudsman in writing that the complaint (or part of the complaint) is covered by the Redress Scheme.
- D.2 Subject to paragraph D.1 above, this annex applies where a Scheme Creditor:
- D.2.1 makes a complaint to the Ombudsman in respect of an act or omission of the Firm and, at the time the complaint is made, the subject matter of the complaint is within the Subject Matter of the Redress Scheme and therefore falls to be dealt with (or has been dealt with) under the Redress Scheme;
 - D.2.2 is not satisfied with the Redress Determination issued by the Firm under the Redress Scheme; or
 - D.2.3 considers that the Firm has failed to make and issue a Redress Determination in accordance with the Redress Scheme.
- D.3 The Ombudsman is required to determine the complaint under section 404B of the Act and the provisions of DISP as if the Redress Scheme were a consumer redress scheme under section 404 of the Act.
- D.4 The Ombudsman will usually determine a complaint only by reference to what is, in his opinion, fair and reasonable in all the circumstances of the case. However, in these circumstances the Ombudsman is required to determine the complaint by reference to what, in the opinion of the Ombudsman, the determination under the Redress Scheme should be or should have been.
- D.6. Where a complaint is made to the Ombudsman and only part of the complaint is a complaint falling within this annex, the Ombudsman will deal with that part of the complaint in accordance with this annex and will deal with the remainder of the complaint in the usual way in accordance with DISP.