

COURT OF SESSION

SCOTLAND

DATED _____ 2022

(1) THE ROYAL BANK OF SCOTLAND PLC

and

(2) COUTTS & COMPANY

SCHEME
pursuant to Part VII of, and Schedule 12 to, the Financial
Services and Markets Act 2000



CONTENTS

	Page	
1	DEFINITIONS AND INTERPRETATION	3
	PART A - INTRODUCTION	20
2	BACKGROUND	20
	PART B - TRANSFER	21
3	TRANSFER OF BUSINESS	21
4	CONTINUITY OR COMMENCEMENT OF PROCEEDINGS, APPLICATIONS AND DISPUTES	24
5	TRANSFERRED CONTRACTS	25
6	CUSTOMERS	28
7	GUARANTEES AND INDEMNITIES	30
8	TRANSFERRED SECURITY INTERESTS	30
9	QUALIFYING DEPOSITS	31
10	CONFIDENTIALITY, DATA PROTECTION AND ACCESS TO BUSINESS RECORDS	31
11	DECLARATION OF TRUST BY THE TRANSFEROR AND PROVISIONS RELATING TO RESIDUAL ASSETS AND RESIDUAL LIABILITIES	34
12	PROVISIONS RELATING TO DUAL BANKED CUSTOMERS	35
13	INDEMNITIES IN FAVOUR OF THE TRANSFEROR	39
14	INDEMNITIES IN FAVOUR OF THE TRANSFEREE	39
15	CONSEQUENCES OF THE SCHEME	40
	PART C - MISCELLANEOUS PROVISIONS	42
16	EFFECTIVE DATE	42
17	MODIFICATIONS, AMENDMENTS OR ADDITIONS	42
18	EVIDENCE OF TRANSFER	42
19	OFFICE HOLDERS	42
20	THIRD PARTY RIGHTS	43
21	SUCCESSORS AND ASSIGNS	43
22	COSTS AND EXPENSES	43
23	FURTHER ASSURANCE	43

24	GOVERNING LAW	43
	SCHEDULE 1 - GENERAL AMENDMENTS	44

COURT OF SESSION

SCOTLAND

IN THE PETITION OF

THE ROYAL BANK OF SCOTLAND PLC

-and-

COUTTS & COMPANY

for sanction of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000 under which certain business (including deposit taking business) of The Royal Bank of Scotland plc undertaken in the name of "Adam & Company" is to be transferred to Coutts & Company

SCHEME

DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, unless the subject or context requires otherwise, the following expressions bear the meanings respectively set opposite them:

"Accounts"	means an account (including any group account arrangement), facility or arrangement, between the Transferor and an Account Customer in relation to a Deposit, including personal, minor and business current accounts, personal and business foreign currency accounts (including money transmission accounts), private and business reserve accounts, private and commercial notice accounts, loyalty reserve issue accounts, personal and business deposit accounts, personal saving accounts, cash ISAs and accounts linked to overdraft facilities, in each case attributable to the Business (and in any case whether or not recorded in the Business Records) and, for the avoidance of doubt, all such accounts, facilities or arrangements operated via, and managed using, the Adam Avaloq IT System;
"Account Agreements"	means the terms and conditions and any other agreements or arrangements entered into between the Transferor and an Account Customer prior to the Effective Date (each as varied by the Transferor from time to time) and applicable to the Accounts;
"Account Customer"	means the person or persons to whom an Account has been provided and any successors in title or other person from time to time assuming the rights or obligations (or both) in connection with that Account;
"Adam Avaloq IT System"	means the separate business unit known as the "Adam Business Unit" of the computer software system and equipment supplied by Avaloq Group AG to certain members of the NatWest Group (including the Transferor);
"Adam Credit and Charge Cards"	means the credit and charge cards issued by the Transferor in respect of the Business, known as the "Adam Black Card", "Adam Gold Card" and the "Adam Classic Card";
"All Monies Rights"	means rights providing for a Security Interest given in relation to an agreement to secure, in addition to obligations in relation to such agreement, obligations arising under other agreements;
"Applicable Laws"	means any applicable law, regulation, rule or ordinance or any direction, instruction, pronouncement, requirement, decision of, or contractual obligation owed to, an applicable regulatory authority (including any applicable anti-trust law);
"Assets"	means any asset and property of every kind and description, wherever located, whether real, personal or mixed, heritable or moveable, tangible or intangible, that is: (a) owned, leased or licensed by the Transferor; and (b) attributable exclusively to the Business, including all rights, benefits and powers of the Transferor under any Transferred Contract and all rights, including any right to repayment or recovery of tax relating exclusively to the Business or to the

transfer thereof, claims and powers of the Transferor against any third party relating exclusively to the Business and including (for the avoidance of doubt) any such asset or property to which legal title is held by another party, provided that the Transferor has an interest in such asset or property, including beneficial ownership of such asset or property (but, in all cases, excluding any Intellectual Property Rights);

"Branch Sort Codes" means sort codes Edinburgh 839135, London 839136, Glasgow 839137, Manchester (Now London) 839138, Aberdeen 839144 and Euro 837552;

"Business" means that part (and, for the avoidance of doubt, only that part) of the banking (including execution-only dealing services and custody account services) and deposit-taking business of the Transferor that relates exclusively to the private banking (including execution-only dealing services and custody account services) and lending business carried on by the Transferor in the "Adam & Company" brand and/or trading name and, in relation to the relevant parts of the private banking and lending business, that is associated with or allocated to the Branch Sort Codes, as carried on immediately before the Effective Date (whether or not recorded in the Business Records) and including, without limitation, the Customer Accounts, the Investment Accounts and/or any business operated via, and managed using, the Adam Avaloq IT System, and (without prejudice to the generality of the foregoing):

- (a) all activities carried on in connection with or for the purposes of that business;
- (b) all undertakings and Assets used in, or relating to, that business; and
- (c) all liabilities of whatever nature relating to that business,

but excluding the Excluded Business and the Excluded Contracts;

"Business Day" any day (other than a Saturday, Sunday or a public holiday in Scotland or England) on which clearing banks in Edinburgh or London are open for the transaction of normal banking business;

"Business Records" means all records of the Transferor which are separable and discrete and that are attributable exclusively to the Business, including, without limitation, Know-how, all such books, documents and other records and other accounting, financial, marketing, sales, management and technical information, correspondence and literature, that have been kept by the Transferor but excluding all books, files, registers, documents, correspondence, papers and other records that are required, by any Applicable Laws or regulatory requirement to be kept by the Transferor and retained in its possession, notwithstanding this Scheme;

"Consent" has the meaning given to the term "consent" in the UK GDPR;

"Consolidation Rights" means any rights providing for any Encumbrance given in relation to an agreement not to be released or discharged until obligations have been satisfied in relation to any other agreement;

"Controller" has the meaning given to the term "controller" in the UK GDPR;

"Correspondent Banking Arrangements"	means an arrangement between the Transferor and another financial institution (other than the Transferee) pursuant to which the Transferor or the financial institution, as the case may be, provides payment services, or other services in connection with the supply of goods or services, in each case to the Customers or clients of the Transferor or financial institution as applicable;
"Court"	means the Court of Session in Scotland;
"Cross Default Rights"	means any rights providing for, or which (if exercised) might result in, the acceleration or alteration of payment or other obligations, or the exercise of other rights, under an agreement, in each case as a result of a default under another agreement;
"Customer"	means any person to whom the Transferor provides, intends to issue, or has provided or issued, products or services, in the course of the Business or with whom the Transferor has entered into or intends to enter, or has entered into or intends to enter into on behalf of such person in each case in respect of the Business, any agreement, trade or transaction, including an Account Customer, a Loan Customer and an Investment Customer or a guarantor or security provider and any reference to "intends to issue" or a "intends to enter" shall only relate to a person to whom the Transferor has made an offer in respect of such products or services;
"Customer Account"	means the Accounts, the Loan Accounts and the Investment Accounts attributable to the Business, and any other account or facility between the Transferor and a Customer by which money or any unit of account is, or may be, deposited, borrowed or held by any person with or from the Business (and in any case whether or not recorded in the Business Records);
"Customer Contracts"	means all contracts, agreements, engagements, undertakings, arrangements, Mandates, orders and/or ancillary documents between, amongst others (as applicable), the Transferor and a Customer attributable to the Business including, without limitation, the Account Agreements, the Loan Agreements, the Investment Services Agreements and including any contracts, agreements, engagements, undertakings, arrangements, Mandates, orders and/or ancillary documents in connection with an offer but excluding, for the avoidance of doubt, any Excluded Contract;
"Data Protection Laws"	means any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction (as amended, consolidated or re-enacted from time to time) which relates to the protection of individuals with regard to the processing of Personal Data to which a party is subject, including the UK Data Protection Act Laws;
"Data Subject"	has the meaning given to the term "data subject" in the UK GDPR;
"Deposit"	means each deposit held by the Transferor in respect of an Account Customer that is attributable to the Business immediately before the Relevant Date and, except in respect of accounts that have been closed prior to the Relevant Date, comprising the aggregate of all principal sums and interest and other monies owing to that Customer by the Transferor with respect to that deposit immediately before the Relevant Date;

"Designated Person"	means a person listed on the European Union's Consolidated List of Persons, Groups and Entities subject to EU Financial Sanctions, the Consolidated List of Financial Sanctions Targets issued by Her Majesty's Treasury of the United Kingdom, the Specially Designated Nationals and Blocked Persons list issued by the Office of Foreign Assets Controls of the US Department of Treasury or any similar list issued or maintained or made public by any Sanctions Authority, each as amended, supplemented or substituted from time to time;
"Discretionary Investment Management Services Business"	means the discretionary investment management services business previously carried on by the Transferor or carried on by Adam & Company Investment Management Limited and, in each case, trading as Adam & Company and provided in connection with the investment portfolios and the custody and settlement services previously carried on by the Transferor or carried on by Adam & Company Investment Management Limited and, in each case, trading as Adam & Company;
"Dual Banked Customers"	means a Customer who, at the Relevant Date, is party to an Existing Transferee Agreement and is also party to a Transferred Customer Contract;
"Effective Date"	means the date and time on which this Scheme shall become effective in accordance with paragraph 16;
"Encumbrance"	means: <ul style="list-style-type: none"> (a) a standard security, letter of credit, performance bond and other instrument pursuant to which a party is entitled to the benefit of any indemnity, undertaking, life assurance policy assignment, pledge, lien, mortgage, charge or security interest guaranteeing and/or securing any Liability resulting from or in connection with any Transferred Contracts (or, to the extent transferred at a Subsequent Transfer Date, an agreement in respect of a Residual Item) and any subordination instrument granted in connection with any Transferred Contract (or, to the extent transferred at a Subsequent Transfer Date, a Residual Item); or (b) a Security Interest;
"Entire Agreement Clause"	means a clause contained in a Transferred Customer Contract, Existing Transferee Agreement or New Transferee Agreement which provides that the agreement represents the entire agreement between the parties, either: <ul style="list-style-type: none"> (a) in relation to all or some of the accounts or services of the type that are the subject matter of the agreement or that are referred to in the agreement; or (b) in relation to the subject matter of the agreement generally; or otherwise states that the relevant Transferred Customer Contract, Existing Transferee Agreement or New Transferee Agreement (as applicable) will apply to all accounts or services provided by the Transferor or the Transferee, as appropriate;
"Excluded Business"	means any business of the Transferor that is not comprised in the Business, including:

- (a) the Discretionary Investment Management Services Business but, for the avoidance of doubt, excluding the Investment Accounts, Investment Services or any Loans secured over any assets forming part of the Discretionary Investment Management Services Business;
- (b) the Payment Scheme Arrangements;
- (c) the Correspondent Banking Arrangements;
- (d) the Supply Chain Service Arrangements;
- (e) the Intra-group Agreements;
- (f) the Adam Credit and Charge Cards;
- (g) any contracts of employment; and
- (h) subject to the provisions of paragraph 6.8, any business relating to a Sanctions Customer;

"Excluded Contract"

means:

- (a) any contracts, agreements, engagements, undertakings, arrangements, Mandates, orders and/or ancillary documents that have been entered into by the Transferor relating to the disposal of the Discretionary Investment Management Services Business;
- (b) any contracts, agreements, engagements, undertakings, arrangements, Mandates, orders and/or ancillary documents that have been entered into by the Transferor from time to time in relation to or in connection with the Excluded Business and which are in force immediately before the Effective Date;
- (c) any contracts, agreements, engagements, undertakings, arrangements and/or ancillary documents that have been entered into by the Transferor from time to time in relation to or in connection with any Intellectual Property Rights and which are in force immediately before the Effective Date;
- (d) any other contracts, agreements, engagements, undertakings, arrangements, Mandates, orders and/or ancillary documents which the Transferor and Transferee agree in writing before the Effective Date shall be Excluded Contracts for the purposes of the Scheme;

"Existing Transferee Agreement"

means any agreement between the Transferee and a customer or other counterparty of the Transferee (which may include a Customer) to the extent in force immediately before the Relevant Date, but excluding any agreements transferred to the Transferee pursuant to this Scheme prior to the Relevant Date;

"FCA"

means the Financial Conduct Authority (or any successor authority or authorities carrying out similar functions from time to time);

"Financial Ombudsman Service"	means the United Kingdom's Financial Ombudsman Service Limited (or any successor thereto or replacement thereof);
"FSCS Limit"	means £85,000 (or £170,000 in the case of joint account holders) or such other limit as applies to Qualifying Customers in accordance with Chapter 4 of the Depositor Protection Part of the PRA Rulebook immediately prior to the Relevant Date;
"FSMA"	means the Financial Services and Markets Act 2000;
"GDPR"	means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and repealing Directive 95/46/EC (General Data Protection Regulation) OJ L 119/1, 4.5.2016, as in force from time to time in the United Kingdom;
"Goodwill"	means the goodwill of the Transferor which, immediately prior to the Effective Date, is attributable exclusively to the Business, together with the exclusive right, in so far as the Transferor can grant it, for the Transferee to represent itself as carrying on the Business in continuation of, and in succession to, the Transferor;
"Group"	means, in relation to any company, that company and any company which is a holding company or subsidiary of that company and any other subsidiary of any such holding company;
"Guarantee/Indemnity"	means: <ul style="list-style-type: none"> (a) a guarantee, indemnity or similar assurance given by a person against loss of the recipient or beneficiary of such guarantee, indemnity or assurance or to guarantee the payment or performance of obligations due to such recipient or beneficiary; or (b) an obligation, direct or indirect, actual or contingent, of a person to purchase or assume any indebtedness of another person or to make an investment in or loan to another person or to purchase assets of another person where, in each case, such obligation is assumed in order to maintain or assist the ability of that other person to meet its indebtedness;
"Guarantee/Indemnity Rights"	means any rights arising under a Guarantee/Indemnity;
"Insolvency Practitioner"	has the meaning given to such term in paragraph Error! Reference source not found. ;
"Intellectual Property"	means any and all rights in patents, trade marks, service marks, logos, get-up, trade names, internet, domain names, rights in designs, copyright (including rights in computer software), database rights, utility models, rights in confidential information and know-how and other intellectual property rights, in each case whether registered or unregistered and including applications for registration and all other rights or forms of protection having equivalent or similar effect anywhere in the world;

"Intellectual Property Rights"	means all Intellectual Property used or required to be used by the Transferor in connection with the Business immediately before the Effective Date or legally or beneficially owned by the Transferor;
"Intra-group Agreements"	means any contract, transaction or arrangement (including without limitation, intercreditor agreements, and master agreements, confirmations, schedules or other agreements entered into for the purpose of hedging) to which only members of the NatWest Group are a party;
"Investment Accounts"	means a custody ledger between the Transferor and an Investment Customer in relation to an Investment Services Agreement (and in any case whether or not recorded in the Business Records) and, for the avoidance of doubt, including all custody ledgers operated via, and managed using, the Adam Avaloq IT System;
"Investment Services"	means any investment services operated via, and managed using, the Adam Avaloq IT System including, but not limited to, any execution-only dealing services, custody account services and ISA management services, in each case attributable to the Business;
"Investment Services Agreements"	means an agreement between the Transferor and an Investment Customer in respect of a Transferred Investment Account but excluding any Excluded Contract;
"Investment Customer"	means the person or persons to whom a Transferred Investment Account has been provided and any successors in title or other person from time to time assuming the rights or obligations (or both) in connection with that Transferred Investment Account;
"ISA"	means Individual Savings Account;
"Know-how"	means all know-how, trade secrets and confidential information, in any form (including paper, electronically stored data, magnetic media, film and microfilm) including financial and technical information, drawings, formulae, test results or reports, project reports and testing procedures, information relating to the working of any product, process, invention, improvement or development, instruction and training manuals, tables of operating conditions, information concerning and strategy, market forecasts, lists or particulars of Customers, and suppliers, sales targets, sales statistics, prices, discounts, margins, future business strategy, tenders, price sensitive information, market research reports, information relating to research and development and business development and planning reports and any information derived from any of them;
"KYC Requirements"	means "know your client" or other similar checks (including checks and information requests for the purposes of assessing suitability or appropriateness) and anti-money laundering requirements applicable pursuant to contract or Applicable Laws;
"Liability"	means any and all debt, payment, duty, obligation or liability (whether direct or indirect, present, future, actual, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due) including, for the avoidance of doubt, all liability to Taxation arising or identified, following the Effective Date, by the Financial Ombudsman Service or in respect of mis-selling, lapsed, matured, surrendered or expired products or services offered by the Transferor, quotations or applications in respect of products and

services which were provided by or made to the Transferor which did not proceed into formal arrangements with the Transferor to provide such products or services (including, but not limited to, as a result of administrative or processing errors or discriminatory decisions), and including all costs and expenses relating thereto and any obligation in respect of any judgement, order or award made in any Proceedings, in each case attributable exclusively to the Business;

"Loan"	means any loan, facility (including a letter of credit, guarantee and/or performance bond facility), invoice discounting arrangement, factoring arrangement, investment backed loan arrangement, any other kind of receivables finance or asset finance arrangement or any personal, business or other loan (including an overdraft), in each case attributable to the Business and whether secured or unsecured and including for the avoidance of doubt, any such loan, facility or arrangement operated via, and managed using, the Adam Avaloq IT System;
"Loan Accounts"	means an account, facility or arrangement between the Transferor and a Loan Customer in relation to a Transferred Loan (and in any case whether or not recorded in the Business Records) including for the avoidance of doubt, any account, facility or arrangement operated via, and managed using, the Adam Avaloq IT System;
"Loan Agreements"	means an agreement between the Transferor, amongst others (as applicable), and a Loan Customer in respect of a Transferred Loan but excluding any Excluded Contract;
"Loan Customer"	means the person or persons to whom a Transferred Loan has been made and any successors in title or other person from time to time assuming the rights or obligations (or both) in connection with that Transferred Loan;
"Mandate"	means an instruction, direction, mandate (including any direct debit mandate and any general mandate to manage a Customer Account), standing order, indemnity, power of attorney, agent appointment, authority, declaration or consent whether provided in writing, electronically or by any other method and in each case attributable to the Business;
"Marketing Preference"	means a Consent given by a Data Subject to the Transferor from time to time for use of his or her Personal Data to market directly to that Data Subject the products and services of the Transferor by any means, or an indication (by act or omission as appropriate) by the Data Subject that such Consent is withheld;
"NatWest Bank"	means National Westminster Bank plc, a private limited company incorporated in England and Wales with registered number 00929027 and having its registered office at 250 Bishopsgate, London, EC2M 4AA;
"NatWest Group"	means NWG and any other members of its Group;
"NatWest Holdings"	means NatWest Holdings Limited, a private limited company incorporated in England and Wales with registered number 10142224 and having its registered office at 250 Bishopsgate, London, EC2M 4AA;

"New Transferee Agreement"	means any contract, commitment, agreement and other arrangement entered into between, amongst others (as applicable), the Transferee and any of its customers (including a Customer, guarantor or security provider) or on behalf of such person on or after the Relevant Date;
"NWG"	means NatWest Group plc, a public limited company incorporated in Scotland with registered number SC045551 and having its registered office at 36 St Andrew Square, Edinburgh, United Kingdom, EH2 2YB;
"Order"	means an order made by the Court pursuant to section 111 of FSMA sanctioning this Scheme and any order (including any subsequent order) in relation to this Scheme made by the Court pursuant to section 112 of FSMA;
"Payment Scheme Arrangements"	<p>means any arrangements in connection with the Transferor's membership of or (as the context requires) direct or indirect participation in or access to payment schemes and any card schemes or other schemes for money transmission or for payment transactions, or the use by the Transferor of another party's Intellectual Property relating to payment schemes, card schemes, schemes for money transmission or payment transactions, and (without prejudice to the generality of the foregoing):</p> <p>(a) all activities carried on in connection with or for the purposes relating thereto; and</p> <p>(b) all rights and undertakings used in or relating thereto; and</p> <p>all liabilities of whatever nature relating thereto;</p>
"Personal Data"	has the meaning given to the term "personal data" in the UK GDPR;
"PRA"	means the Prudential Regulation Authority (or any successor authority or authorities carrying out similar functions in relation to banking business from time to time);
"PRA Rulebook"	means the rules and directions contained in the PRA Rulebook, as supplemented by any relevant PRA supervisory statements;
"Proceedings"	means any action or other legal or administrative proceeding or step (whether direct or indirect, by way of a claim, demand, legal proceeding, execution of judgment, arbitration, complaint or otherwise howsoever) including arbitration, mediation, adjudication, any other dispute resolution procedure (whether or not it involves submission to any court), any judicial, quasi-judicial, administrative or regulatory review or process or any complaint or claim to any court, authority or ombudsman, including the Financial Ombudsman Service, or other proceedings for the resolution of a dispute or claim, in each case whether current, future, pending, threatened or otherwise (including those not yet in contemplation or not yet known to the Transferor or Transferee), and in each case attributable to the Business;
"processing"	solely in the context of processing Personal Data, has the meaning given to the term "processing" in the UK GDPR and "process" and "processed" shall be construed accordingly;

"Qualifying Customer"	means a person: <ul style="list-style-type: none"> (a) who was a Customer of the Transferor in respect of the Business immediately prior to the Relevant Date; or (b) who was a Customer of the Transferor in respect of the Business immediately prior to the Relevant Date and a customer of the Transferee immediately prior to the Relevant Date;
"Qualifying Deposit"	means a deposit which is an "eligible deposit" for the purposes of the Depositor Protection Part of the PRA Rulebook and, for the purposes of paragraph 9, which was transferred to the Transferee pursuant to this Scheme or deposited with the Transferee prior to the Relevant Date;
"Relevant Date"	means: <ul style="list-style-type: none"> (a) in respect of the Transferred Assets and Transferred Liabilities, the Effective Date; and (b) in respect of a Residual Item, the Subsequent Transfer Date;
"Relevant Guarantor"	means, in relation to a Transferred Guarantee/Indemnity, the person that has given the relevant Transferred Guarantee/Indemnity to or for the benefit of the Transferor;
"Requesting Party"	means a person who is obliged to comply with KYC Requirements in respect of the transfer of the Business;
"Residual Assets"	means: <ul style="list-style-type: none"> (a) any Asset whether or not governed by the laws of the United Kingdom and whether or not situated in Scotland which would be a Transferred Asset but: <ul style="list-style-type: none"> (i) which the Court does not have jurisdiction to transfer; (ii) which, despite having such jurisdiction, the Court determines not to be transferred; (iii) in respect of which additional steps are required to be undertaken by the Transferor and/or Transferee once the Order is granted in order to complete the transfer; or (iv) in respect of which the Transferor and the Transferee have agreed that the transfer to the Transferee should be delayed until after the Effective Date; or (b) any interest of the Transferor in any Asset or any agreement relating to any Asset which the Transferor and the Transferee agree prior to the Effective Date is more conveniently to be transferred pursuant to this Scheme in conjunction with any Asset referred to in paragraph (a) (i),

(ii), or (iii) of this definition or in conjunction with a Residual Liability;

- (c) any proceeds of sale or income or other accrual or return whatsoever, whether or not in any case in the form of cash from time to time earned or received after the Effective Date in respect of any such Asset referred to in paragraphs (a) and (b) of this definition,

and, for the avoidance of doubt, all references to "Residual Assets" in this Scheme shall also include a reference to such rights, benefits, property or assets as are deemed to be "Residual Items" in accordance with paragraphs 11.3 and 11.4;

"Residual Item"

means a Residual Asset or Residual Liability;

"Residual Liabilities"

means any Liability whether or not governed by the laws of the United Kingdom and whether or not situated, domiciled or prestable in Scotland:

- (a) that is attributable to or connected with a Residual Asset and exists or arises at any time before the Subsequent Transfer Date applicable to that Residual Asset;
- (b) which the Court does not have jurisdiction to transfer;
- (c) which, despite having such jurisdiction, the Court determines not to be transferred;
- (d) in respect of which the Transferor and the Transferee have agreed that the transfer to the Transferee should be delayed until after the Effective Date;
- (e) any other Liability comprised in the Business which the Transferor and the Transferee agree prior to the Effective Date is more conveniently to be transferred pursuant to this Scheme in conjunction with any Liability referred to in paragraphs (b) to (d) of this definition or in conjunction with a Residual Asset,

and, for the avoidance of doubt, all references to "Residual Liabilities" in this Scheme shall also include a reference to such Liabilities as are deemed to be "Residual Items" in accordance with paragraphs 11.3 and 11.4;

"Sanctions Authority"

means any relevant government, agency or legislature in the United Kingdom, the European Union, the United States of America or any other relevant jurisdiction to the Transferor and/or the Transferee that implements, administers or enforces any sanctions regime, including the United Nations Security Council, and Her Majesty's Treasury in the United Kingdom;

"Sanctions Customer"

means any Customer or other person that is (i) designated by a Sanctions Authority as a Designated Person or (ii) owned or controlled by, or acting on behalf of, a person or entity that is designated by a Sanctions Authority as a Designated Person;

"Security Interest"

means a debenture, claim, mortgage (including any first or subsequent ranking fixed charge by way of a legal or equitable mortgage, charge over property or first or subsequent ranking

standard security), charge, assignment, pledge, lien, option, equitable right, indemnity, undertaking, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal, all monies guarantee or other security interest (excluding repairer and similar liens and supplier retentions of title) having the effect of securing any Liability of any person;

"Special Categories of Data" means the categories of Personal Data that are listed in Article 9(1) of the UK GDPR;

"Subject Access Request" means a subject access request for access to Personal Data made by a Customer pursuant to the Data Protection Laws;

"Subsequent Transfer Date" means in relation to any Residual Asset or Residual Liability, the time and date after the Effective Date on which such Residual Asset or Residual Liability shall be transferred to the Transferee, namely:

(a) in respect of any Residual Asset falling within paragraph (a)(i), (ii) or (iii) of the definition thereof, and of any Residual Liability which is attributable to or connected with that Residual Asset or which falls within paragraphs (b) of the definition of Residual Liability, the date on which the requisite steps, or requisite consent or waiver, to enable the same to be transferred from the Transferor to the Transferee upon the terms of this Scheme is:

- (i) obtained or completed;
- (ii) no longer required or waived; or
- (iii) dispensed with by Order of the Court;

(b) in respect of any Residual Asset falling within paragraphs (a)(iv) of the definition thereof and of any Residual Liability which is attributable to or connected with that Residual Asset or which falls within paragraphs (d) or (e) of the definition of Residual Liability, the Subsequent Transfer Date applicable to the asset in conjunction with which it was agreed to be a Residual Asset or the date on which the Transferor and the Transferee agree the transfer should take effect (as appropriate);

(c) in respect of any Residual Asset falling within paragraph (c) of the definition thereof, the date on which the Transferor and the Transferee agree the transfer should take effect,

and, for the avoidance of doubt, the Subsequent Transfer Date applicable in respect of an Asset or Liability that is deemed to be a Residual Item in accordance with paragraphs 11.3 and 11.4 shall be the Subsequent Transfer Date applicable to the Residual Item to which it relates;

"Subsidiary" means Adam & Company (Nominees) Limited, a private limited company incorporated in Scotland with registered number SC087432 and having its registered office at 6-8 George Street, Edinburgh, Scotland, EH2 2PF;

"Supervisory Authority" has the meaning given to the term "supervisory authority" in the UK GDPR;

"Supply Chain Arrangements"	Service means any arrangements between the Transferor with at least one other party which is not a member of the NatWest Group pursuant to which goods, services and/or software are provided to the Transferor exclusively in relation to the Business;
"Tax" or "Taxation"	means all forms of tax, duty, rate, levy, charge or other imposition or withholding whenever and by whatever authority imposed and whether of the United Kingdom or elsewhere, including (without limitation) income tax (including income tax or amounts equivalent to or in respect of income tax required to be deducted or withheld from or accounted for in respect of any payment), corporation tax, capital gains tax, value added tax, stamp duty, stamp duty reserve tax, stamp duty land tax, national insurance and other similar contributions, and any other taxes, duties, rates, levies, charges, imposts or withholdings corresponding to, similar to, replaced by or replacing any of them, together with any interest, penalty, surcharge or fine in connection with such taxation or in connection with the failure to file any return for the purposes of any taxation;
"Tax Liabilities"	means all liabilities to or in respect of Taxation which are attributable to the Business;
"Tax Relief"	means any reliefs, allowances or credits in respect of any Taxation, any deductions in computing income, profits or gains for the purposes of any Taxation or any right to repayment of Taxation;
"Third Party Contracts"	means any contract (other than a Customer Contract) entered into by the Transferor exclusively in relation to the Business, including negotiable instruments, cheques, warrants, drafts, letters of credit, orders for payment of money, performance bonds and guarantees, in each case issued by the Transferor and including, without limitation, the investment backed loans administration agreement entered into between the Transferor and Canaccord Genuity Wealth Limited dated 1 October 2021;
"this Scheme"	means this Scheme in its original form or with or subject to any modification, addition or condition which may be approved or imposed in accordance with paragraph 17;
"Transferee"	means Coutts & Company, a private unlimited company incorporated in England and Wales with registered number 00036695 and having its registered office at 440 Strand, London, WC2R 0QS;
"Transferee Nominee"	means a nominee or agent of or trustee for the Transferee;
"Transfer Notice Date"	means the date: <ul style="list-style-type: none"> (a) if paragraph 3.8 applies, agreed by the Transferor and the Transferee; or (b) if paragraph 3.9 applies, the date specified in the notice provided to the relevant Customer pursuant to paragraph 3.9, which shall not, unless the Customer otherwise agrees, be earlier than 28 days after the date of such written notice;
"Transferee Payment"	has the meaning given to that term in paragraph 13.3;

"Transferor"	means The Royal Bank of Scotland plc, a public limited company incorporated in Scotland with registered number SC083026 and having its registered office at 36 St Andrew Square, Edinburgh, Scotland, EH2 2YB;
"Transferor Payment"	has the meaning given to such term in paragraph 14.3;
"Transferor Nominee"	means a nominee or agent of or trustee for the Transferor;
"Transferred Assets"	<p>means, in relation to the Transferor, the Assets of the Business immediately prior to the Effective Date whatsoever and wherever situated, including (without prejudice to the generality of the foregoing):</p> <ul style="list-style-type: none"> (a) the rights and benefits (subject to the burden) of each Transferred Contract; (b) on and subject to the terms of paragraph 8, the Transferred Security Interests and all rights and benefits (subject to the burden) of each Transferred Security Agreement; (c) on and subject to the terms of paragraph 7, all rights and benefits (subject to the burden) of each Transferred Guarantee/Indemnity; (d) the rights and benefits (subject to the burden) in relation to offers made in respect of the Business; (e) the rights, interests, benefits and powers of the Transferor arising under, or by virtue of, the Transferred Contracts and Customer Accounts; (f) all rights and claims (whether present or future, actual or contingent) against any third party exclusively attributable to the Business or arising as a result of the Transferor having carried on any part of the Business; (g) the Goodwill; (h) the Business Records; (i) the Subsidiary; and (j) such other assets as the Transferor and the Transferee agree in writing are to be Transferred Assets for the purposes of this Scheme, <p>but excluding any asset relating to the Excluded Business, the Excluded Contracts or the Residual Assets;</p>
"Transferred Contracts"	means all contracts, commitments, agreements and other arrangements that have been entered into by and/or confer rights upon the Transferor from time to time exclusively in relation to or exclusively in connection with the Business and which are in force immediately before the Relevant Date including, without limitation, all Third Party Contracts and all Customer Contracts but excluding any Excluded Contract;

"Transferred Customer Contract"	means a Transferred Contract that is a Customer Contract and including any Transferred Guarantee/Indemnity or Transferred Security Agreement;
"Transferred Guarantee/Indemnity"	means a Guarantee/Indemnity given in favour of the Transferor in relation to Liabilities of a Customer or other third party pursuant to or in respect of a Transferred Contract;
"Transferred Investment Account"	means any Investment Account provided by the Transferor to an Investment Customer and attributable to the Business;
"Transferred Liabilities"	means, in relation to the Transferor, the Liabilities of the Business immediately prior to the Effective Date whatsoever and wherever situated, including (without prejudice to the generality of the foregoing) all liabilities arising under, or in relation to the Transferred Contracts and Customer Accounts and including Tax Liabilities, but excluding any liability relating to the Excluded Business, the Excluded Contracts or the Residual Liabilities;
"Transferred Loan"	means any Loan provided by the Transferor and attributable to the Business;
"Transferred Security Agreement"	means any agreement, deed, standard security, letter of credit, performance bond or other document or instrument constituting or creating or regulating (or agreeing to constitute or create or regulate) a Transferred Security Interest and includes any account control agreement, custody agreement, intercreditor agreement in respect of a Transferred Security Interest, trust deed, deed of charge, deed of substitution, subordination agreement, documentation evidencing the deposit of title deeds or other ancillary agreement;
"Transferred Security Interest"	means any Security Interest attributable to the Business granted in favour of the Transferor and securing a Liability of any person in connection with any Customer Contract that is a Transferred Security Agreement (or, to the extent transferred at a Subsequent Transfer Date, a Residual Item) and including any Security Interest that is vested in a nominee, agent, attorney, trustee or other third party for the benefit of the Transferor;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"UK Data Protection Laws"	means the Privacy and Electronic Communications Regulations 2003 (as amended by SI 2011 no. 6), the Data Protection Act 2018 and the GDPR as each is amended in accordance with the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by SI 2020 no. 1586) and incorporated into UK law under the UK European Union (Withdrawal) Act 2018. Each shall be referred to as "PECR", the "DPA 2018" and the "UK GDPR" accordingly;
"VAT"	means, within the European Union, such Tax as may be levied in accordance with (but subject to derogations from) Directive 2006/112/EC and, outside the European Union, any Taxation levied by reference to added value or sales or similar Tax;
"Worldwide ISA"	means the Investment Accounts bearing the name "The Adam & Company Worldwide ISA" and forming part of the Business.

- "Wrong Pockets Customer Date"** means the date on which either:
- (a) a relevant Customer informs the Transferor or the Transferee of their non-objection to the intended transfer of a Wrong Pockets Item; or
 - (b) the date that is 28 days after the date of any written notice provided to a Customer pursuant to paragraph 3.9 and relating to the intended transfer of a Wrong Pockets Item;
- "Wrong Pockets Item"** has the meaning given to such term in paragraph 3.7; and

1.2 In this Scheme:

- 1.2.1 **"account"** means (as the context may require) any contract or facility by virtue of which money, securities, investments or any unit of account is, or may be, deposited by any person;
- 1.2.2 **"agreements"** includes any contract, agreement, terms and conditions or legally binding arrangement;
- 1.2.3 **"asset"** includes property, asset, right or power of every description (whether present or future, actual or contingent), including, without limitation: money; goods; things in action; legal and/or beneficial title in all real and heritable property; moveable and personal property situated in the United Kingdom or elsewhere; property held on trust or in a fiduciary or agency capacity; securities or other types of investment; rights; benefits and powers of every description; any interest (whether legal, beneficial or otherwise) as proprietor, landlord, tenant, mortgagee, chargee, assignee or heritable creditor; the benefit (subject to the burden) of any contracts and any interest in any of the foregoing;
- 1.2.4 **"document"** means any thing in which information of any description is recorded (whether in physical, electronic or any other form);
- 1.2.5 **"existing"** means existing, outstanding or in force immediately before the Effective Date;
- 1.2.6 **"liabilities"** includes (without limitation) duties and obligations of every description (whether present or future, actual or contingent) including all liability to Taxation;
- 1.2.7 **"property"** includes (without limitation) property, assets, rights (including, without limitation, contingent rights as to the repayment of Tax) and powers of every description (whether present or future, actual or contingent) and includes property held on trust and securities, benefits, powers of any description and any interest whatsoever in any of the foregoing;
- 1.2.8 **"transfer"** or **"transferred"** includes (as the context may require) "assign", "assignment" or "assignment", "novate" or "novation", "dispose" or "disposal" or "convey" or "conveyance";
- 1.2.9 **"offer"** includes an application, offer or invitation to treat;
- 1.2.10 any reference to the singular shall include a reference to the plural and vice versa and any reference to the masculine shall include a reference to the feminine and neuter and vice versa;
- 1.2.11 any reference to any rules or regulations issued by the PRA or the FCA shall be deemed to include a reference to such rules or regulations as amended or replaced from time to time and subject to any applicable modification or waiver;
- 1.2.12 any reference to an enactment, a statutory provision or any subordinate legislation shall be deemed to include a reference to that enactment, statutory provision or subordinate

legislation as amended, replaced or re-enacted from time to time and to any instrument or order made from time to time under such enactment, statutory provision or subordinate legislation (including, in relation to any European legislation, any delegated or implementing acts and in relation to such European legislation, any legislation executed in the United Kingdom in respect of the same subject matter);

- 1.2.13 expressions used in this Scheme which have meanings under FSMA shall bear those meanings;
- 1.2.14 the expressions "**holding company**", "**subsidiary**" and "**wholly-owned subsidiary**" shall have the same meanings as in the Companies Act 2006;
- 1.2.15 any references to paragraphs, Parts or Schedules are, unless otherwise specified, to paragraphs or Parts of or Schedules to this Scheme;
- 1.2.16 headings are inserted for convenience only and shall not affect the construction of this Scheme;
- 1.2.17 any reference to a person shall include a reference to a body corporate, a partnership, an unincorporated association or to a person's executors or administrators and, for the avoidance of doubt, shall include a trustee;
- 1.2.18 any reference to an interest being granted in favour of a person shall include any interest granted to that person's predecessor in title in relation to that interest;
- 1.2.19 if a period of time is specified from a given day or date or from the day or date of an actual event, it shall be calculated exclusive of that day or date;
- 1.2.20 any reference to writing shall include any modes of reproducing words in a legible and non-transitory form;
- 1.2.21 any reference to an amount shall, unless otherwise stated, be exclusive of any VAT or other Tax;
- 1.2.22 the expression "**variation**" shall include any variation, supplement, deletion, replacement or termination, however effected;
- 1.2.23 any reference to "pounds" or "£" shall be to the lawful currency of the United Kingdom;
- 1.2.24 any reference to "**includes**" or "**including**" shall mean "**includes without limitation**" or "**including without limitation**"; and
- 1.2.25 except where the context otherwise requires, any reference to this Scheme includes a reference to the Schedules, each of which forms part of this Scheme for all purposes.

PART A - INTRODUCTION

2. BACKGROUND

- 2.1 NWG is the parent company of the NatWest Group and NatWest Holdings is a direct subsidiary of NWG.
- 2.2 The Transferor is a direct, wholly owned, subsidiary of NatWest Holdings and the Transferee is a direct subsidiary of NatWest Bank which is a direct subsidiary of NatWest Holdings.
- 2.3 The Transferor is a public limited company incorporated in Scotland with registered number SC083026. The registered office of the Transferor is situated at 36 St Andrew Square, Edinburgh, Scotland, EH2 2YB. The Transferor is an authorised person for the purpose of FSMA and has permission to carry on a number of regulated activities including accepting deposits. The Transferor provides private banking, lending, execution-only dealing services and custody account services utilising the "Adam & Company" brand and/or trading name via its four counter-services in Edinburgh, London, Glasgow and Aberdeen, servicing high net worth clients predominantly based in Scotland, England, Wales and Northern Ireland.
- 2.4 The Transferee is a private unlimited company incorporated in England and Wales with registered number 00036695. The registered office of the Transferee is situated at 440 Strand, London, WC2R 0QS. The Transferee is an authorised person for the purpose of FSMA and has permission to carry on a number of regulated activities including accepting deposits. The Transferee provides comprehensive wealth management services to high net worth clients, encompassing private banking, lending, investment management and financial planning, via its offices in the UK, servicing customers based in England, Wales, Scotland and Northern Ireland as well as internationally.
- 2.5 It is proposed that:
- 2.5.1 the Business shall, in accordance with this Scheme, be transferred by the Transferor to the Transferee;
 - 2.5.2 an Order be made for the sanction of this Scheme under section 111(1) of FSMA; and
 - 2.5.3 by the Order under which this Scheme is sanctioned, provision be made, for, inter alia, the transfer of the Business to the Transferee, pursuant to section 112 of FSMA.

PART B -TRANSFER

3. TRANSFER OF BUSINESS

General transfer provisions

- 3.1 On and from the Relevant Date, the Business shall be transferred to and be vested in the Transferee in accordance with, and subject to the terms of, this Scheme, so that:
- 3.1.1 subject to paragraph 11, on and from the Effective Date, each Transferred Asset and all of the rights, benefits, powers, obligations and interests of the Transferor in each Transferred Asset shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee and shall cease to be assets of the Transferor and the Transferee shall succeed to each Transferred Asset as if in all respects it were the same person in law as the Transferor, subject to all Encumbrances (if any) affecting such Transferred Asset;
 - 3.1.2 subject to paragraph 11, on and from each Subsequent Transfer Date, each Residual Asset to which such Subsequent Transfer Date applies and all of the rights, benefits, powers, obligations and interests of the Transferor in each Residual Asset shall, by the Order and without any further act or instrument, be transferred to and be vested in the Transferee and shall cease to be assets of the Transferor and the Transferee shall succeed to each Residual Asset as if in all respects it were the same person in law as the Transferor, subject to all Encumbrances (if any) affecting such Residual Asset;
 - 3.1.3 on and from the Effective Date, each Transferred Liability shall, by the Order and without any further act or instrument, be transferred to and become a liability of the Transferee and the Transferee shall succeed to the Transferred Liability as if in all respects it were the same person in law as the Transferor and such Transferred Liability shall cease to be a liability of the Transferor subject to all Encumbrances (if any) affecting such Transferred Liability; and
 - 3.1.4 on and from each Subsequent Transfer Date, each Residual Liability to which such Subsequent Transfer Date applies shall, by the Order and without any further act or instrument, be transferred to and become a liability of the Transferee and the Transferee shall succeed to such Residual Liability as if in all respects it were the same person in law as the Transferor and such Residual Liability shall cease to be a liability of the Transferor subject to all Encumbrances (if any) affecting such Residual Liability.
- 3.2 Without limitation to the generality of the provisions of paragraph 3.1 or any other provision of this Scheme:
- 3.2.1 any existing indemnity, power of attorney, authority (including agent or trustee appointment), declaration or consent given to or by the Transferor, or any of the Transferor's directors, company secretary or officers in their capacity as such relating to any part of the Business shall have effect on and from the Relevant Date as if given to or, as the case may be, by the Transferee;
 - 3.2.2 any contract or asset attributable to the Business (including (i) any legal or beneficial title arising pursuant to any trust and (ii) any rights or liabilities pursuant to any custody arrangements) transferred to and vested in the Transferee by virtue of the Order which was held by the Transferor (whether alone or jointly with others) as a trustee, custodian, agent or in a similar fiduciary capacity shall, on and from the Relevant Date, be held by the Transferee (alone or jointly, as the case may be and in the capacity of a trustee, custodian, agent or in a similar fiduciary capacity, as the case may be) subject to the rights, powers and duties previously applicable to the relevant trust, custodian or other fiduciary arrangement in question;
 - 3.2.3 any security in respect of the Business held immediately before the Relevant Date by the Transferor in the course of carrying on the Business, (or by a nominee or agent of or trustee

for the Transferor in the course of the Transferor carrying on the Business), as security for the payment or discharge of any liability, on and from that day and subject to and to the extent provided for by the terms of this Scheme, shall be held by the Transferee, or, as the case may require, by the Transferee Nominee, and be available to the Transferee (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability (and if not physically delivered to the Transferee shall be deemed to be so delivered on that day); and

3.2.4 the Transferee shall be entitled to rely on and enforce any consent, waiver, representation, statement, estoppel or personal bar given, made or otherwise available to the Transferor by a person attributable to the Business prior to the Relevant Date as though such consent, waiver, representation, statement, estoppel or personal bar had been given, made or otherwise available to the Transferee and to the same extent that the Transferor would have been able to rely on or enforce the same. The Transferee shall accept, without investigation or requisition, such title as the Transferor shall have at the Effective Date to the Transferred Assets and, at any Subsequent Transfer Date, to the Residual Asset then transferred.

3.3 The Transferor and the Transferee shall take all such steps, and execute all such documents, as may be necessary or desirable:

3.3.1 to effect or perfect the transfer to and vesting in the Transferee of any Transferred Asset or Residual Asset pursuant to this Scheme;

3.3.2 to effect or perfect the transfer to and assumption by the Transferee of any Transferred Liability or Residual Liability pursuant to this Scheme; and

3.3.3 to correct any errors in the identity or amount of the assets or liabilities so transferred.

3.4 Unless and save to the extent otherwise provided in the Order:

3.4.1 the transfer of any rights, benefits, liabilities and obligations under or in connection with any Transferred Asset, Residual Asset, Transferred Liability or Residual Liability pursuant to this Scheme shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any requirement to obtain the consent of, give notice to, or consult with any person in relation to the same or any restriction or other condition on transferring, assigning or otherwise dealing with the same and such transfer shall take effect on the basis that it does not give rise to a requirement to obtain such consent, give notice or consult and that it does not contravene any such restriction or other condition and does not give rise to any right to terminate, modify, acquire or claim an interest or right, or to treat an interest or right as terminated or modified; and

3.4.2 any entitlement which, but for section 112A of FSMA, would or might arise to terminate, modify, acquire or claim an interest or right to treat an interest or right as terminated or modified as a result of anything done or pursuant to the Scheme will not be enforceable.

3.5 Unless otherwise agreed by the Transferor and Transferee, any Transferred Asset or Transferred Liability in respect of which an Encumbrance has been granted by, or in favour of, the Transferor in the course of carrying on the relevant part of the Business, shall only be transferred to the Transferee if the relevant Encumbrance is transferred at the same time, and any Encumbrance shall only be transferred to the Transferee if the Transferred Asset or Transferred Liability (as applicable) is transferred at the same time.

General

3.6 For the avoidance of doubt, on and from the Relevant Date:

3.6.1 the Transferee shall have the same rights, defences, powers and remedies for ascertaining, perfecting, enforcing and resisting a Transferred Asset, a Transferred

Liability, or (to the extent transferred at a Subsequent Transfer Date) a Residual Item, as if it had at all times been an asset or liability of the Transferee; and

- 3.6.2 the Transferee shall be entitled to rely on and enforce any consent, waiver, representation, warranty, statement, notice or estoppel given, made or otherwise available to the Transferor by, or against, a person in relation to a Transferred Asset, a Transferred Liability, a Transferred Contract (subject to the provisions of paragraph 12) or (to the extent transferred at a Subsequent Transfer Date) a Residual Item, prior to the Relevant Date, as if such consent, waiver, representation, warranty, statement, notice or estoppel had been given, made or been available to the Transferee and to the same extent that the Transferor would have been able to rely on and enforce the same.

Wrong Pockets

- 3.7 If at any time after the Relevant Date and prior to 2 July 2023 (or, if later, the Wrong Pockets Customer Date) the legal title to any asset, property, contract or liability that:

3.7.1 should have formed part of the Business is found not to have been transferred to the Transferee; or

3.7.2 should have formed part of the Excluded Business is found to have been transferred to the Transferee,

(a "**Wrong Pockets Item**"), then if the Transferor and the Transferee agree, this paragraph 3.7 shall apply to that Wrong Pockets Item, and (subject to paragraphs 3.8 and 3.9 and the other terms of this Scheme):

3.7.3 such Wrong Pockets Item shall:

- (a) in the case of a Wrong Pockets Item falling within paragraph 3.7.1, be transferred from the Transferor to the Transferee; or
- (b) in the case of a Wrong Pockets Item falling within paragraph 3.7.2, be transferred from the Transferee to the Transferor,

in each case on the relevant Transfer Notice Date;

3.7.4 any asset or liability or agreement or document which would have formed part of:

- (a) the Business, had the Wrong Pockets Item formed part of the Business, shall be transferred from the Transferor to the Transferee; or
- (b) the Excluded Business, had the Wrong Pockets Item formed part of the Excluded Business, shall be transferred from the Transferee to the Transferor,

in each case on the relevant Transfer Notice Date;

3.7.5 any Security Interest or Guarantee/Indemnity which:

- (a) would have been designated as a Transferred Security Interest or Transferred Guarantee/Indemnity had the Wrong Pockets Item formed part of the Business, but which was not designated as such, shall be deemed to be a Transferred Security Interest or a Transferred Guarantee/Indemnity (as the context requires) for the purposes of the Scheme; or
- (b) was designated as a Transferred Security Interest or Transferred Guarantee/Indemnity as a result of it forming part of the Business, but which should not have been designated as such, shall cease to be a Transferred Security Interest or Transferred Guarantee/Indemnity (as the context requires) for the purposes of the Scheme,

except that (as the context requires) any reference to the "Relevant Date" shall be deemed to be a reference to the relevant Transfer Notice Date;

- 3.7.6 such Wrong Pockets Item shall otherwise be treated as though it had been originally designated as part of the Business (in the case of a Wrong Pockets Item falling within paragraph 3.7.1) or the Excluded Business (in the case of a Wrong Pockets Item falling within paragraph 3.7.2) save that any interest in such Wrong Pockets Item shall be transferred on the relevant Transfer Notice Date, and all provisions of this Scheme applying to the Business being transferred or any part thereof from the Transferor to the Transferee shall apply, *mutatis mutandis*, to the Wrong Pockets Item; and
- 3.7.7 the Transferor and the Transferee shall take all such steps as are reasonably necessary to give effect to the provisions of this paragraph 3.7, except, in each case, to the extent otherwise agreed between the Transferor and the Transferee.

3.8 In the case of a Wrong Pockets Item:

- 3.8.1 falling within paragraph 3.7.1 which relates to a Transferred Customer Contract and in respect of which the Transferor has, prior to the Relevant Date, given notice to the relevant Customer that such Wrong Pockets Item shall be transferred from the Transferor to the Transferee pursuant to this Scheme; or
- 3.8.2 falling within paragraph 3.7.1 or paragraph 3.7.2 and which does not relate to a Transferred Customer Contract,

the Transfer Notice Date shall be a date agreed between the Transferor and the Transferee.

3.9 In the case of a Wrong Pockets Item:

- 3.9.1 falling within paragraph 3.7.1 which relates to a Transferred Customer Contract and in respect of which the Transferor has not, prior to the Relevant Date, given notice to the relevant Customer that such Wrong Pockets Item is intended to be transferred from the Transferor to the Transferee pursuant to this Scheme; or
- 3.9.2 falling within paragraph 3.7.2 and which relates to a Transferred Customer Contract,

paragraph 3.7 shall not have effect unless the Transferor or the Transferee (as appropriate) has prior to 2 July 2023 given written notice to the relevant Customer affected, informing them that the Wrong Pockets Item is intended to be transferred and such Customer either: (i) informs the Transferor or the Transferee that they do not object to such transfer; or (ii) has not, within 28 days of the date of the written notice, informed the Transferor or the Transferee that they object to such transfer.

4. CONTINUITY OR COMMENCEMENT OF PROCEEDINGS, APPLICATIONS AND DISPUTES

4.1 Notwithstanding any other provision of this Scheme, on and from the Relevant Date:

- 4.1.1 any Proceedings by, against or in relation to and/or in respect of which the Transferor is a party (or, in the case of future proceedings, would have been a party but for this Scheme) (including, without limitation, as the plaintiff, claimant, applicant, defendant, respondent, pursuer, defender or petitioner) to the extent connected with the Business, the Transferred Assets, the Transferred Liabilities, the Residual Assets or the Residual Liabilities shall be commenced or continued by or against the Transferee and, in respect of any Proceedings brought by a person against the Transferee in respect of the Business comprised in the Transferred Assets, Residual Assets, Transferred Liabilities, Residual Liabilities or Transferred Contracts, the Transferee shall not itself seek to raise any challenge to jurisdiction which arises due to those Proceedings being commenced or continued by or against the Transferee instead of the Transferor;
- 4.1.2 the Transferee shall be entitled to all defences, claims, counterclaims, settlements, rights of set-off and any other rights that would have been available to the Transferor in relation

to the Business, the Transferred Assets, the Transferred Liabilities, the Residual Assets or the Residual Liabilities in such Proceedings;

4.1.3 the Transferee shall assume all Liabilities of the Transferor in respect of such Proceedings including all Liabilities in respect of any counterclaims made in those Proceedings; and

4.1.4 any judgment, settlement, order or award obtained by or against the Transferor to the extent that it relates to any part of the Business, the Transferred Assets, the Transferred Liabilities, the Residual Assets or Residual Liabilities and which is not fully satisfied before the Relevant Date shall, on that date and to the extent to which it was enforceable by or against the Transferor immediately before such date, become enforceable by or against the Transferee (to the exclusion of the Transferor).

4.2 To the extent that any Proceedings are made, issued, served, pending, threatened or contemplated in connection with a Residual Item, those Proceedings shall, until the applicable Subsequent Transfer Date for that Residual Item and unless otherwise agreed between the Transferor and the Transferee (provided that such agreement shall not extend to the reduction of the indemnity referred to in paragraph 4.2.2):

4.2.1 be continued or commenced by the Transferor in accordance with the instructions of the Transferee; and

4.2.2 the Transferee shall indemnify the Transferor in relation to all costs and expenses incurred in connection with the continuance or commencement of such Proceedings or incurred in following the instructions of the Transferee.

5. **TRANSFERRED CONTRACTS**

Transfer of Transferred Contracts

5.1 Without prejudice to the provisions of this Scheme (including, for the avoidance of doubt, paragraph 12), the provisions of this paragraph 5 shall have effect in relation to the Business.

5.2 On and from the Relevant Date:

5.2.1 the Transferred Contracts shall be construed as if the Transferee had been an original party thereto instead of the Transferor, such that the contract shall continue in force as between the Transferee and the other party thereto on the terms which applied to that contract prior to the Relevant Date, but without prejudice to any right which the Transferee may have subsequently to vary or terminate such contract, whether under the terms thereof or at law; and

5.2.2 the Transferee shall be entitled to all rights and benefits (subject to the burden) of the Transferor arising under each Transferred Contract.

5.3 For the purpose of construing and giving effect to any contract to be transferred pursuant to this Scheme (and including, for the avoidance of doubt, the Transferred Contracts) which:

5.3.1 continues to have effect after the Relevant Date; and

5.3.2 subject to paragraph 5.16, makes reference to a rate, charge, tariff, scale of fees or similar matter or to terms or conditions published, determined or ascertained on a general basis from time to time by the Transferor, the Transferee shall (on and from the Relevant Date and without affecting the application of the relevant contractual provisions prior to that date) have the same rights under that contract as the Transferor had to publish, determine, ascertain, vary or amend rates, charges, tariffs, scales of fees, terms or conditions, or other similar matters and any such rates, charges, tariffs, scales of fees, terms or conditions or other similar matters published, determined, ascertained, varied or amended on a general basis by the Transferee after the Relevant Date shall apply in place of those which could

have been published, determined, ascertained, varied or amended on a general basis by the Transferor.

5.4 Any right of action in relation to any agreement, Asset or Liability transferred pursuant to this Scheme and any remedy available in consequence thereof:

5.4.1 which accrues, arises or becomes enforceable or available before the Relevant Date by or against the Transferor and which relates to any part of the Business; or

5.4.2 which would, in the absence of being transferred pursuant to the Order, accrue, arise or become enforceable or available by or against the Transferor after the Relevant Date and which relates to any part of the Business,

may be enforced or shall be available by or against the Transferee on and from the Relevant Date.

5.5 The transfer of the Business under this Scheme:

5.5.1 shall not have the effect of conferring on the Transferee any rights or obligations in respect of the Business which the Transferor did not have prior to the Relevant Date (whether such rights or obligations have crystallized or not); and

5.5.2 shall have effect whether or not the Transferor would, apart from the terms of this Scheme, have capacity to effect the same.

5.6 Any document, claim or demand addressed before or after the Relevant Date to the Transferor pursuant to an existing contract to be transferred pursuant to this Scheme shall, on and from the Relevant Date, be deemed to have been addressed to the Transferee.

5.7 The custody of any document or record, goods or other thing held by the Transferor as bailee or custodian or under any similar arrangement in respect of the Business shall pass to the Transferee at, and from, the Relevant Date, and the rights and obligations of the Transferor under any contract of bailment, custody or similar arrangement relating to any such document or record, goods or thing shall become rights and obligations of the Transferee on and from the Relevant Date.

Preserved rights under Transferred Contracts

5.8 Where by virtue of the Order any agreement of the Transferor relating to the Business or any Asset or Liability becomes an agreement, asset or liability of the Transferee, the Transferee shall, on and from the Relevant Date, have the same rights, powers and remedies (and, in particular, the same rights and powers as to taking or opposing legal proceedings or making or opposing applications to any authority) for ascertaining, perfecting or enforcing that agreement, asset or liability as if it had at all times been an agreement, asset or a liability of the Transferee.

Amendments

5.9 Subject to the terms of this Scheme, on and from the Relevant Date:

5.9.1 the amendments set out in Schedule 1 including all consequential amendments, shall be deemed to be made to each Transferred Contract unless the context of the relevant item or agreement otherwise requires;

5.9.2 without prejudice to the generality of the amendments set out in Schedule 1, the specific amendments shall be deemed to be made to each specific Transferred Contract as set out in paragraph 5.11, paragraph 5.12 or paragraph 5.13 unless the context of the relevant item or agreement otherwise requires; and

5.9.3 if an amendment set out in Schedule 1 conflicts with an amendment set out in paragraph 5.11, paragraph 5.12 or paragraph 5.13 in respect of a Transferred Contract, the amendments set out in paragraph 5.11, paragraph 5.12 or paragraph 5.13 including all

consequential amendments, shall prevail to the extent of the inconsistency unless the context otherwise requires.

5.10 If a document that is the same as or similar to a Transferred Contract is issued on or after the Relevant Date by, or for, on behalf of or to, the Transferor in relation to a Transferred Contract or (to the extent transferred at a Subsequent Transfer Date) a Residual Item, such document shall be deemed to have been issued by or for, on behalf of or to, the Transferee and, to the extent required, the relevant amendments referred to in paragraph 5.9 shall be deemed to have been made to such document from the time it was issued.

5.11 On and from the Relevant Date, if a Customer of the Business enters into a new contract, commitment, agreement or other arrangement with the Transferee in respect of a deposit to be held by the Transferee then any reference within such contract, commitment, agreement or other arrangement to a current account taken out with the Transferee shall, as the context requires, be read and interpreted as referring to the relevant Account comprised in the Business and transferred in accordance with this Scheme.

5.12 On and from the Relevant Date, Section 3 (Stocks and Shares ISA Additional Terms) of the Investment Services Agreement relating to the Worldwide ISA shall be amended (subject to The Individual Savings Account Regulations 1998) as follows:

5.12.1 clause 1.1 shall be substituted with the following text:

“These Coutts Stocks and Shares ISA Additional Terms apply to the following Coutts Stocks and Shares ISAs:

Coutts Self–Select ISA, which is also subject to the Additional Terms concerning our Execution-Only Dealing Service.

Coutts Advised ISA, which is an ISA in which you initially invested on the basis of investment advice from Adam & Company Investment Management Limited.”

5.12.2 clause 7.4 shall be substituted with the following text:

“The following ISAs are ‘flexible accounts’ as defined in the ISA Regulations:

- Coutts Self – Select ISA; and
- Coutts Advised ISA.

This means that you can withdraw cash (including cash arising from the sale of investments in your ISA) from the aforementioned ISAs and replace it in whole or in part without it counting towards your annual subscription limit, provided that the repayment is made within the same tax year as the withdrawal and we receive the replacement amount together with any form that we require you to complete no later than three working days before the end of the relevant tax year. Any regular income that you may receive from your ISA will also be eligible to be returned to the ISA before the end of the tax year in which it is withdrawn. Where a withdrawal is made, any subsequent subscriptions in the same tax year that would otherwise count towards your annual subscription limit will do so only to the extent that previously withdrawn amounts have been fully replaced. Further information on the operation of flexible ISAs is available on our website: www.coutts.com”;

5.12.3 clause 7.5 shall be deleted; and

5.12.4 the name of any Investment Account bearing the name “The Adam & Company Worldwide ISA” or “The Adam Worldwide ISA” shall be substituted with the name “The Coutts Self-Select ISA” and such Investment Account shall be administered by the Transferee in the same way as other Investment Accounts of the Transferee bearing the same name.

- 5.13 On and from the Relevant Date, the Investment Services Agreements relating to the Transferred Investment Accounts shall be amended by any reference to:
- 5.13.1 "Investment Administration Service" being construed and taking effect as, a reference to "Execution-Only Dealing Service";
 - 5.13.2 "Adam Self-Select ISA" being construed and taking effect as, a reference to "Coutts Self-Select ISA";
 - 5.13.3 "Adam Advised ISA" being construed and taking effect as, a reference to "Coutts Advised ISA";
 - 5.13.4 "Adam Stocks and Shares ISA" being construed and taking effect as, a reference to "Coutts Stocks and Shares ISA"; and
 - 5.13.5 "Adam ISA Office, 3rd Floor, Trinity Quay 2, Avon Street, Bristol BS2 0PT" being construed and taking effect as, a reference to "Coutts & Co, 440 Strand, London WC2R 0QS".

Offers

- 5.14 Without prejudice to the generality of this paragraph 5, on and from the Effective Date:
- 5.14.1 any offer made to or by the Transferor in respect of the Business prior to the Effective Date shall be construed and have effect as an offer to treat made to or by the Transferee; and
 - 5.14.2 if a person executes an agreement, undertaking, mortgage instrument, Encumbrance or other document as a result of any offer made to or by the Transferor in respect of the Business which would, when completed, on its face be an agreement with or undertaking, mortgage, Encumbrance or document in favour of the Transferor attributable to the Business such agreement, undertaking, mortgage instrument, Encumbrance or other document shall operate as if it were with or in favour of the Transferee.
- 5.15 Any agreement, engagement, undertaking, arrangement (including a letter of knowledge or comfort), Mandate or order entered into or made to or by the Transferor as a result of an offer shall, if it would have been a Transferred Contract had it been made or entered into prior to the Effective Date, have effect as if it had originally been entered into or made to or by the Transferee in place of the Transferor and shall be subject to the same amendments in accordance with paragraph 5.9 as apply to Transferred Contract of its type.

Tariffs

- 5.16 The Transferee undertakes, for a period of 12 months following the Effective Date, not to increase or implement any increases to the tariffs or fees chargeable to Customers in respect of any Transferred Customer Contract.

6. CUSTOMERS

Accounts

- 6.1 The Customer Accounts shall, on and from the Relevant Date, become accounts between the Transferee and the relevant Customer and shall be subject to the same terms and conditions (subject to the amendments deemed to be made in accordance with paragraph 5.9) as applied immediately before the Relevant Date, and such account shall be deemed for all purposes to be a single continuing account and each balance associated with such account shall be transferred with such account in accordance with the terms of this Scheme.
- 6.2 Any negotiable instrument, cheque, warrant, draft, letter of credit, order for payment of money, performance bond or guarantee relating to any part of the Business drawn on or by, or given to, or accepted or endorsed by, the Transferor, or payable at any place of business of the Transferor in the course of carrying on the Business, or otherwise payable by the Transferor whether so drawn, given,

accepted, endorsed or payable before or after the Relevant Date, shall have the same effect on and from the Relevant Date as if it had been drawn on or by, or given to, or accepted or endorsed by, the Transferee, or, as the case may be as if the place of business at which it is payable were the place of business of the Transferee.

- 6.3 All payments attributable or referable to the Customer Accounts or pursuant to any other Customer Contract shall on and from the Relevant Date be payable to the Transferee and shall be receivable by the Transferee instead of the Transferor.

Transferred Loans

- 6.4 Any Transferred Loans made to any Customer by the Transferor on or before the Relevant Date, shall on and from that day, become Loans made between the Transferee and such Customer, and the Transferee will have all rights, powers, remedies and priority in relation to any other lenders or other finance parties to such Customer as the Transferor had immediately before the Relevant Date.

Transferred Investment Accounts

- 6.5 Any Transferred Investment Accounts provided to any Customer by the Transferor on or before the Relevant Date, shall on and from that day, become Investment Accounts provided by the Transferee to such Customer, and such Investment Accounts shall be administered by the Transferee, and Investment Services provided by the Transferee in relation to Investment Account, as the Transferor had immediately before the Relevant Date (subject to those amendments set out at paragraph 5.12).

Continuation of direct debits and mandates

- 6.6 Any existing Mandate given to or by the Transferor in the course of carrying on the Business whether in writing or not (including, for the avoidance of doubt, in relation to the Customer Accounts or Customer Contracts) shall have effect on and from the Relevant Date as if given to or, as the case may be, by the Transferee.
- 6.7 For the avoidance of doubt, on and from the Relevant Date the Transferee may rely on each such Mandate in respect of any instructions given to the Transferee pursuant to such Mandate after the Relevant Date.

Sanctions Customers

- 6.8 Any Customer Account that would otherwise become an account of a Customer or other person with the Transferee as a consequence of this Scheme will not become an account of that Customer or other person with the Transferee (and any associated account balance will not be transferred in respect of that Customer Account) if such Customer or other person is a Sanctions Customer or if the transfer, creation or operation of such Customer Account (or the transfer of the associated account balance) would be prohibited by any Applicable Laws (including pursuant to any sanctions regime maintained by a Sanctions Authority beyond those regimes relating to Designated Persons and the Proceeds of Crime Act 2002). This paragraph 6.8 shall apply unless and until the Transferor and/or Transferee has been granted the licences or consents required (if available in the circumstances) to permit the transfer or creation of the Customer Account with the Transferee or the relevant Applicable Laws preventing the transfer, creation or operation of such Customer Account cease to apply. Upon the grant of such licences and/or consents or upon such relevant Applicable Laws ceasing to apply (as the case may be), the relevant Customer Account (and any associated account balance) shall become a Customer Account with the Transferee (and the associated account balance shall be transferred with the account). This paragraph 6.8 shall not apply if, and to the extent that, it would induce any party to this Scheme to act in a manner that would be in breach of any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 or the Protecting against the Effects of the Extraterritorial Application of Third Country Legislation (Amendment) (EU Exit) Regulations 2020, which protect against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom (the "Blocking Regulations") (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom).

Frozen Transferred Assets, Transferred Liabilities and/or Residual Items

- 6.9 Any Transferred Asset, Transferred Liability (and to the extent transferred at a Subsequent Transfer Date) Residual Item which is the subject of a freezing order or other restriction granted by a Court of competent jurisdiction shall, following being transferred to the Transferee, be subject to the same restrictions as applied to such Transferred Asset, Transferred Liability or Residual Item (as the case may be) immediately before the Relevant Date.

Authorities in respect of provision of financial or other information

- 6.10 Where a Customer has provided to the Transferor authority to provide certain financial or other information to third parties including any member of the Group, to the relevant Customer's auditors, regulators, judicial or supervening authorities, or other third party authorities, agents or advisers, on and from the Relevant Date, such authority shall be deemed to have been conferred upon the Transferee without any further act or instrument.

7. GUARANTEES AND INDEMNITIES

- 7.1 Without prejudice to the provisions of this Scheme (including, for the avoidance of doubt, paragraph 12.7), on and from the Relevant Date:

7.1.1 each Transferred Guarantee/Indemnity, and all rights, title and interest therein, shall be transferred to, held by, vested in and enforceable by, the Transferee as if the Transferee, instead of the Transferor, had always been the beneficiary of such Transferred Guarantee/Indemnity and as if it was made with the Transferee instead of the Transferor; and

7.1.2 each Transferred Guarantee/Indemnity shall extend to, and shall be enforceable by, the Transferee as beneficiary thereof with respect to the relevant Liabilities of a Customer or other third party which are owed to the Transferee to which the Guarantee/Indemnity relates and which is transferred to the Transferee pursuant to this Scheme and the Transferee shall be entitled to the same rights as those to which the Transferor is entitled immediately before the Relevant Date; and

7.1.3 all representations, warranties, covenants, obligations and liabilities (howsoever described) of the Relevant Guarantor under a Transferred Guarantee/Indemnity shall remain binding on the Relevant Guarantor and shall, as applicable, be owed (and, where relevant, due and payable) to the Transferee, as beneficiaries thereof, as the case may be, on and from the Relevant Date, to the same extent as they were binding on, and/or owed (and, where relevant, due and payable) by, the Relevant Guarantor to the Transferor prior to the Relevant Date.

- 7.2 No Transferred Guarantee/Indemnity will be impaired or prejudiced by being transferred to the Transferee in accordance with paragraph 7.1.1.

8. TRANSFERRED SECURITY INTERESTS

- 8.1 Any Transferred Security Interest held immediately before the Relevant Date by the Transferor (whether on the Transferor's own behalf, in the Transferor's capacity as security agent or security trustee, or in any other capacity), or any Transferor Nominee shall, on and from the Relevant Date:

8.1.1 be held by and vested in the Transferee or, as the case may be, in the relevant Transferee Nominee on behalf of the Transferee as if the Transferee or the Transferee Nominee (as the case may be) had always held and the Transferee had always had the benefit of that Transferred Security Interest and/or as if the Transferred Security Interest was always held by or on behalf of, or for the benefit of, the Transferee by the Transferee Nominee (as the case may be) and, if the Transferred Security Interest is not physically delivered to or held by the Transferee on the Relevant Date, it shall be deemed to be so delivered on that date;

- 8.1.2 have effect as if it was made with the Transferee and the Transferee shall be entitled to all rights, priorities and benefits (subject to the burden) of the Transferor arising under each Transferred Security Agreement as on and from the Relevant Date;
- 8.1.3 be available to, and enforceable to the same extent by, the Transferee or, as the case may be, by the relevant Transferee Nominee on behalf of the Transferee, with respect to any Liabilities (including any principal, interest, fees, charges or other sums) to which the Transferred Security Interest relates; and
- 8.1.4 any references to the Transferor in any registered documents shall be constructed as being references to the Transferee, and the Transferee will have all rights, powers, remedies and priority in relation to other lenders as the Transferor had immediately prior to the Relevant Date.

8.2 In relation to each Transferred Security Interest and any Liabilities thereby secured or supported, the Transferee or, as the case may be, the relevant Transferee Nominee on behalf of the Transferee shall, on and from the Relevant Date, be entitled to the same rights, ranking and priorities and be subject to the same obligations and incidents as those to which the Transferor was entitled and to which it was subject immediately before the Relevant Date.

8.3 No Transferred Security Interest or Transferred Security Agreement will be impaired or prejudiced by being transferred to the Transferee in accordance with paragraphs 8.1.

8.4 Subject to paragraph 12, any Transferred Security Interest referred to in this paragraph 8 which extends to further advances or liabilities shall, on and from the Relevant Date, be available to the Transferee (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment of future advances or liabilities to the same extent and in the same manner in all respects as it was available to the Transferor immediately before the Relevant Date as security for the payment or discharge of future advances or liabilities.

9. **QUALIFYING DEPOSITS**

9.1 Where, immediately following the Relevant Date, a Qualifying Customer holds with the Transferee one or more Qualifying Deposits (including any Qualifying Deposits which is transferred pursuant to this Scheme) with an aggregate balance in excess of the FSCS Limit, the Transferee shall permit, during the period of three months immediately following the Relevant Date, such Qualifying Customer to withdraw all, or any part, of such Qualifying Deposits such that the aggregate balance of the Qualifying Deposits remaining with the Transferee after such withdrawal will be equal to the greater of:

9.1.1 the FSCS Limit; or

9.1.2 an amount equal to the aggregate balance (if any) of the Qualifying Deposits that the Qualifying Customer had with the Transferee immediately prior to the Relevant Date,

such withdrawal to take effect as soon as reasonably practicable.

9.2 Any withdrawal request made in accordance with paragraph 9.1:

9.2.1 shall be made on a Business Day; and

9.2.2 shall be free from any penalty, fee, notice or charge (including loss of accrued interest) which may otherwise apply in accordance with the terms and conditions that applied to the relevant Qualifying Deposits immediately following the Relevant Date.

10. **CONFIDENTIALITY, DATA PROTECTION AND ACCESS TO BUSINESS RECORDS**

Confidentiality and Data Protection

- 10.1 On and from the Relevant Date, the Transferee shall, in relation to the Business, owe to any relevant person the same duties of confidentiality and privacy as those which the Transferor owed in relation to the Business immediately before the Relevant Date.
- 10.2 The parties shall each ensure that all Personal Data which is transferred to the Transferee as part of the Business is transferred in compliance with the provisions of all relevant Data Protection Laws and in a manner that permits the Transferee to process the Personal Data in the normal course of operating the Business on and from the Effective Date. This includes, but is not limited to, requesting the Court to order the transfer of all relevant Personal Data (including Special Categories of Data) as defined in the Data Protection Laws from the Transferor to the Transferee.
- 10.3 On and from the Relevant Date, the Transferee shall:
- 10.3.1 succeed to all rights, liabilities and obligations of the Transferor in respect of any Personal Data which relates to the Business and which is subject to the Data Protection Laws;
 - 10.3.2 become the Controller of any Personal Data which relates to the Business and which is subject to the Data Protection Laws in place of the Transferor;
 - 10.3.3 be deemed to have received, obtained or have had made available to it any information made available to, or consent obtained regarding the processing of Special Categories of Data or request or other notice (including any Marketing Preference) received from, any Data Subject by or on behalf of the Transferor in respect of the Personal Data which relates to the Business, provided always that the Transferee processes the Personal Data for the same purposes and in the same manner as the Transferor processed the Personal Data up to the Relevant Date;
 - 10.3.4 in respect of any Personal Data which relates to the Business, be under the same duty by virtue of any law as the Transferor was under to respect the confidentiality and privacy of any person in relation to that Personal Data and shall be bound by any specific notice or consent given, or request made by, the Data Subject which was binding on the Transferor and which included any requirement for the Transferor not to use the Personal Data for where the Data Subject has successfully exercised his right to object under Article 21 of the UK GDPR;
 - 10.3.5 comply with the Data Protection Laws in connection with its processing of Personal Data which relates to the Business; and
 - 10.3.6 if notified by the Transferor that the Transferor or any third party has received any complaint, notice or communication that relates directly or indirectly to the Transferee's compliance with the Data Protection Laws, or any of the following in relation to the Transferee's processing of the Personal Data:
 - (a) an enquiry from a Data Subject or a Supervisory Authority;
 - (b) any complaint, notice or communication; or
 - (c) a request from a Data Subject exercising his rights under the Data Protection Laws including a Subject Access Request,deal with or respond to those enquiries, complaints, notices, communications or requests in accordance with the Data Protection Laws,
- and, in relation to any information, consent, request or other notice given by a Data Subject in respect of such Personal Data as is mentioned in this paragraph 10.3, any reference to the Transferor (or to any member of the NatWest Group) shall be deemed to include a reference to the Transferee.
- 10.4 The Transferor shall provide such assistance to the Transferee as the Transferee may reasonably require from time to time in order to meet its obligations under Data Protection Laws (including but not limited to the obligations assumed under paragraph 10.3). The Transferor shall provide such

notice referred to in paragraph 10.3.6 within 5 days of becoming aware of any such complaints, notices or communications set out in paragraph 10.3.6.

- 10.5 Where, in relation to a Transferred Asset, a Transferred Liability or (to the extent transferred at a Subsequent Transfer Date) a Residual Item, the Transferor has the right to share information within the NatWest Group or a part of it or with other persons, the Transferee shall, on and from the Relevant Date, be entitled to share the subject matter of the same. If the terms and conditions applicable pursuant to or in respect of a Transferred Asset, a Transferred Liability or (to the extent transferred at a Subsequent Transfer Date) a Residual Item prohibit or restrict the Transferor or the Transferee or their respective professional advisers or other representatives from sharing information with each other or from sharing what is reasonable information to share with a regulator in order to give effect to this Scheme, such prohibitions or restrictions shall be deemed not to apply and the Transferor and Transferee and their respective advisers or other representatives shall be deemed to have executed any documents, provided any undertakings and to have met any pre-conditions required pursuant to such prohibitions or restrictions and shall, therefore, be permitted to share such information with each other subject, in each case, to Applicable Laws.

Business Records

- 10.6 Subject to the same being treated as confidential information and being kept confidential by the persons provided access thereto under this paragraph 10, on and from the Relevant Date the Transferee shall allow the Transferor and any persons authorised by the Transferor to have access on reasonable written notice to the Business Records for a reasonable business purpose, save to the extent that the Transferee is prevented from doing so by any Applicable Laws (including, without limitation, any obligation as to confidentiality) or order of the Court or any competent judicial, governmental, regulatory or supervisory body.

Marketing Preferences

- 10.7 Where, prior to the Relevant Date, a Customer has provided Marketing Preferences to the Transferor, the Marketing Preferences provided by the Customer to the Transferor for any given product to be offered by the Transferor after the Relevant Date shall be deemed to apply to the Transferee on and from the Relevant Date.
- 10.8 On and from the Relevant Date, the Transferee shall have the benefit of the Marketing Preferences deemed to apply in accordance with paragraph 10.7 above, on the same terms as the Transferor had prior to the Relevant Date in relation to such Marketing Preferences.

Subject Access Requests

- 10.9 Without prejudice to the generality of paragraph 3.1, where a Customer has made a Subject Access Request to the Transferor before the Relevant Date and the Transferor has not responded with a copy of the Personal Data held by it in accordance with the Data Protection Laws before the Relevant Date, the Transferee may respond to the request, in accordance with the Data Protection Laws, by providing copies of any relevant Personal Data held by the Transferor (but, for the avoidance of doubt, not any Personal Data that was solely held by the Transferee) immediately before the Relevant Date.

Evidence: books and documents

- 10.10 All books and other documents relating to the Business which would, prior to the Effective Date, have been evidence in respect of any matter for or against the Transferor immediately before the Effective Date, shall be admissible in evidence in respect of the same matter for or against the Transferee on and after the Effective Date.
- 10.11 On and from the Effective Date, the Bankers' Books Evidence Act 1879 shall apply to any books of the Transferor which are transferred to, and vested in, the Transferee by virtue of this Scheme, and to entries made in those books prior to the Effective Date, as if such books were the books of the Transferee.

- 10.12 For the purposes of section 4 of the Bankers' Books Evidence Act 1879, books so transferred to, and vested in, the Transferee shall be deemed to have been the ordinary books of the Transferee at the time of the making of any entry therein which purports to have been made prior to the Effective Date, and any such entry shall be deemed to have been made in the usual and ordinary course of business.
- 10.13 In these paragraphs 10.10 to 10.13 "books" shall be construed in accordance with section 9(2) of the Bankers' Books Evidence Act 1879 and "documents" shall have the same meaning as in section 13 of the Civil Evidence Act 1995.

Know your customer information

- 10.14 The Transferee shall, upon the reasonable request of a Requesting Party, promptly supply or procure the supply of copies of any information, documentation or other evidence reasonably required by such Requesting Party for compliance with any applicable KYC Requirements, to the extent that the same result from the Business being transferred and to the extent that such information, documentation or evidence is not already available to such Requesting Party.

11. DECLARATION OF TRUST BY THE TRANSFEROR AND PROVISIONS RELATING TO RESIDUAL ASSETS AND RESIDUAL LIABILITIES

Declaration of Trust

- 11.1 If:
- 11.1.1 any Asset that would otherwise be a Transferred Asset is not, or is not capable of being, transferred to and vested in the Transferee by the Order on the Effective Date by reason of:
 - (a) such Asset being a Residual Asset; or
 - (b) such Asset being outside the jurisdiction of the Court; or
 - (c) any other reason; or
 - 11.1.2 any Residual Asset is not, or is not capable of being, transferred to and vested in the Transferee by the Order on the Subsequent Transfer Date applicable thereto; or
 - 11.1.3 the transfer of any Asset that would otherwise be a Transferred Asset outside the jurisdiction of the Court is not recognised by the laws of the jurisdiction in which such asset is situated; or
 - 11.1.4 in any circumstances the Transferor and the Transferee shall decide prior to the Effective Date (or, in the case of any Residual Asset, before the Subsequent Transfer Date applicable thereto) that it is expedient not to effect a transfer of any Asset that would otherwise be a Transferred Asset,

then the Transferor shall, on and from the Effective Date hold any Asset referred to in paragraphs 11.1.1 to 11.1.4 (together with any proceeds of sale or income or other accrual or return arising in respect thereof (including any payment, property or right within paragraph 11.7 below)) on trust absolutely for the Transferee, and the Transferor and the Transferee shall use their respective reasonable endeavours to procure that the relevant impediment or restriction on the transfer of such asset is removed or resolved as soon as is reasonably practicable.

Residual Assets and Residual Liabilities

- 11.2 Upon a Residual Asset being transferred to the Transferee at the relevant Subsequent Transfer Date, the trust arrangement contemplated by paragraph 11.1 shall cease.
- 11.3 In the case of a Residual Item that is a Transferred Security Interest or a Transferred Guarantee/Indemnity, unless otherwise agreed between the Transferor and the Transferee, all

Assets and Liabilities of the Transferor under or in respect of the Transferred Contract to which that Transferred Security Interest or Transferred Guarantee/Indemnity relates shall also be deemed to be Residual Items and shall not be transferred to the Transferee until the Subsequent Transfer Date at which such Transferred Security Interest or Transferred Guarantee/Indemnity is transferred.

- 11.4 In the case of a Residual Item comprising the Transferor's Assets and/or Liabilities under or in respect of a Transferred Contract, unless otherwise agreed between the Transferor and the Transferee, any Transferred Security Interest or Transferred Guarantee/Indemnity granted in favour of the Transferor in connection with that Transferred Contract shall also be deemed to be a Residual Item and shall not be transferred to the Transferee until the Subsequent Transfer Date at which the Assets and/or Liabilities under or in respect of the Transferred Contract are transferred.
- 11.5 Any reference to a "Residual Item", "Residual Asset" or "Residual Liability" in this Scheme shall also be construed to be a reference to the rights and benefits and Liabilities (as the case may be) of the Transferor under or in respect of each Transferred Contract, Transferred Security Interest or Transferred Guarantee/Indemnity which is deemed to be a Residual Item in accordance with paragraphs 11.3 or 11.4.
- 11.6 The Transferor shall be subject to directions from the Transferee in respect of any Residual Asset or any Residual Liability referred to in paragraphs 11.1.1 to 11.1.4 on and from the Effective Date until the relevant Residual Asset or Residual Liability is transferred to or otherwise vested in the Transferee or is disposed of (whereupon the Transferor shall account to the Transferee for the proceeds of disposal thereof), and the Transferee shall have authority to act as the attorney of the Transferor in respect of such Residual Asset or Residual Liability for all such purposes. In relation to any contract which is a Residual Asset, the Transferee shall, as the Transferor's sub-contractor, perform all obligations of the Transferor to be performed on or after the Effective Date.
- 11.7 Notwithstanding paragraphs 3.7 to 3.9 (inclusive), in the event of any payment being made to, asset being received by, right being conferred upon, or benefit accruing to, the Transferor on or after the Effective Date in respect of the Business, any Transferred Asset or any Transferred Liability or (after the Subsequent Transfer Date applicable thereto) any Residual Asset or Residual Liability, the Transferor shall, as soon as is reasonably practicable after its receipt, pay over the full amount of such payment or (to the extent to which it is able to do so) transfer (by means of a transfer at the Land Register of Scotland or any other relevant Land Registry or Land Register or otherwise) such asset or right to, or in accordance with the directions of, the Transferee.
- 11.8 Each of the provisions of paragraph 8 relating to a Transferred Security Interest shall also apply to the same extent and subject to the same terms to a Security Interest granted in favour of the Transferor securing a Liability of any person in connection with (to the extent transferred at a Subsequent Transfer Date) a Residual Item and the provisions of paragraph 8 shall be construed accordingly.
- 11.9 Each of the provisions of paragraph 7 relating to a Transferred Guarantee/Indemnity shall also apply to, to the extent and subject to the terms of, a Guarantee/Indemnity given in respect of (to the extent transferred at a Subsequent Transfer Date) a Residual Item and the provisions of paragraph 7 shall be construed accordingly.
- 11.10 The Transferee shall indemnify the Transferor on demand against any costs or liabilities incurred by the Transferor in making a payment or transfer pursuant to paragraph 11.7 above.
- 11.11 The Transferee shall, on and from the Effective Date to the Subsequent Transfer Date applicable to a Residual Liability, indemnify the Transferor against such Residual Liability and any and all costs settled or incurred by the Transferor as a result of any failure to discharge each such Residual Liability.
12. **PROVISIONS RELATING TO DUAL BANKED CUSTOMERS**
- 12.1 The following provisions in this paragraph 12 shall apply in respect of Dual Banked Customers.

Set-Off

12.2 Without prejudice to the generality of paragraph 6, the Transferee shall not be entitled on and from the Relevant Date, to apply any rights of set-off, which might otherwise be exercisable by the Transferee solely as a result of this Scheme, to reduce or discharge any liability arising from time to time:

12.2.1 under any Existing Transferee Agreement using credit balances held pursuant to any Transferred Customer Contract; or

12.2.2 under any Transferred Customer Contract using credit balances held pursuant to any Existing Transferee Agreement,

save that this restriction shall not apply to any set-off rights where, immediately before the Relevant Date, an (i) Existing Transferee Agreement or (ii) Transferred Customer Contract permits set-off between credit balances held with the Transferor and liabilities owed to the Transferee, and/or set-off between credit balances held with the Transferee and liabilities owed to the Transferor.

12.3 The restrictions set out in paragraph 12.2 shall cease to apply in relation to credit balances held pursuant to (i) any Existing Transferee Agreement or (ii) any Transferred Customer Contract as follows:

12.3.1 where the credit balance is at the Relevant Date held for a fixed term, the date that falls three months after the expiry of that term;

12.3.2 where the credit balance is at the Relevant Date held on terms that a promotional rate of interest will be lost if the deposit is withdrawn before the end of a certain period, on the date that falls three months after the expiry of that period; and

12.3.3 in all other cases, on the date that falls three months after the Relevant Date.

All Monies Rights

12.4 Without prejudice to the generality of paragraph 6, the Transferee shall not be entitled on and from the Relevant Date to apply any All Monies Rights, which might otherwise be exercisable by the Transferee solely as a result of this Scheme:

12.4.1 under any Existing Transferee Agreement to secure any liability arising from time to time under any Transferred Customer Contract; or

12.4.2 under any Transferred Customer Contract to secure any liability arising from time to time under any Existing Transferee Agreement,

save that this restriction shall not apply to:

12.4.3 any All Monies Rights under an Existing Transferee Agreement which, immediately before the Relevant Date, secured liabilities arising under any Transferred Customer Contract; or

12.4.4 any All Monies Rights under a Transferred Customer Contract which, immediately before the Relevant Date, secured liabilities arising under any Existing Transferee Agreement.

Consolidation Rights

12.5 Without prejudice to the generality of paragraph 6, the Transferee shall not be entitled on and from the Relevant Date to apply Consolidation Rights which might otherwise be exercisable by the Transferee solely as a result of this Scheme to prevent the release of any Encumbrance given in relation to:

12.5.1 any Existing Transferee Agreement until any obligations have been satisfied under any Transferred Customer Contract; or

12.5.2 any Transferred Customer Contract until any obligations have been satisfied under any Existing Transferee Agreement,

save that this restriction shall not apply to:

12.5.3 any Consolidation Rights under an Existing Transferee Agreement which, immediately before the Relevant Date, were exercisable in relation to obligations arising under any Transferred Customer Contract; or

12.5.4 any Consolidation Rights under a Transferred Customer Contract which, immediately before the Relevant Date, were exercisable in relation to obligations arising under any Existing Transferee Agreement.

Cross-Default Rights

12.6 Without prejudice to the generality of paragraph 6, the Transferee shall not be entitled on and from the Relevant Date to apply any Cross Default Rights, which might otherwise be exercisable by the Transferee solely as a result of this Scheme, to accelerate or alter any rights or obligations:

12.6.1 under any Existing Transferee Agreement as a result of the breach of any Transferred Customer Contract; or

12.6.2 under any Transferred Customer Contract as a result of the breach of any Existing Transferee Agreement,

save that this restriction shall not apply to:

12.6.3 any Cross Default Rights which would have been exercisable under any Existing Transferee Agreement as a result of the breach of any Transferred Customer Contract if that breach had occurred immediately before the Relevant Date; or

12.6.4 any Cross Default Rights which would have been exercisable under any Transferred Customer Contract as a result of the breach of any Existing Transferee Agreement if that breach had occurred immediately before the Relevant Date.

Guarantee Rights

12.7 Without prejudice to the generality of paragraph 7, the Transferee shall not be entitled on and from the Relevant Date to rely on any Guarantee/Indemnity Rights which would otherwise be exercisable by the Transferee solely as a result of this Scheme:

12.7.1 under any Existing Transferee Agreement in respect of Liabilities arising under a Transferred Customer Contract; or

12.7.2 under any Transferred Guarantee/Indemnity in respect of Liabilities arising under an Existing Transferee Agreement,

other than to the extent those Guarantee/Indemnity Rights would have applied to the Liabilities under the relevant Transferred Customer Contract or the Existing Transferee Agreement (as the case may be) immediately before the Relevant Date.

General Existing Agreement Rights

12.8 Without prejudice to the generality of paragraph 6, the Transferee shall not be entitled on and from the Relevant Date to apply any other right, benefit or power which might otherwise be exercisable by the Transferee solely as a result of this Scheme under or in relation to any:

12.8.1 Existing Transferee Agreement:

- (a) to reduce, alter, discharge or otherwise secure any liability arising from time to time under any Transferred Customer Contract; or
- (b) which would otherwise entitle the Transferee not to repay any credit balance, or which would otherwise restrict a Customer from disposing of, charging or dealing with, any credit balance, in each case under a Transferred Customer Contract, until a liability to the Transferee under an Existing Transferee Agreement has been discharged, or

12.8.2 Transferred Customer Contract:

- (a) to reduce, alter, discharge or otherwise secure any liability arising from time to time under any Existing Transferee Agreement; or
- (b) which would otherwise entitle the Transferee not to repay any credit balance, or which would otherwise restrict a Customer from disposing of, charging or dealing with, any credit balance, in each case under an Existing Transferee Agreement until a liability to the Transferee under a Transferred Customer Contract has been discharged.

12.9 The provisions of paragraph 12.8 shall not apply to vary any rights which immediately before the Relevant Date the Transferee had under an Existing Transferee Agreement or the Transferor had under a Transferred Customer Contract.

12.10 The restrictions set out in paragraph 12.8 shall cease to apply in relation to credit balances held pursuant to (i) any Existing Transferee Agreement or (ii) any Transferred Customer Contract as follows:

12.10.1 where the credit balance is at the Relevant Date held for a fixed term, the date that falls three months after the expiry of that term;

12.10.2 where the credit balance is at the Relevant Date held on terms that a promotional rate of interest will be lost if the deposit is withdrawn before the end of a certain period, on the date that falls three months after the expiry of that period; and

12.10.3 in all other cases, on the date that falls three months after the Relevant Date.

Entire Agreement Clauses

12.11 Where a Transferred Customer Contract contains an Entire Agreement Clause, on and from the Relevant Date, the relevant clause shall be read and construed as if it referred only to products or services comprised in the Business, and shall not apply to, and the Transferred Customer Contract shall not supersede, any Existing Transferee Agreements.

12.12 Where an Existing Transferee Agreement contains an Entire Agreement Clause, on and from the Relevant Date, the relevant clause shall be read and construed as if it referred only to products or services of the Transferee not comprised in the Business, and shall not apply to, and the Existing Transferee Agreement shall not supersede, any Transferred Customer Contract.

12.13 Where a New Transferee Agreement contains an Entire Agreement Clause, the relevant clause shall, unless expressly stated to the contrary, be read and construed as if it referred only to products or services of the Transferee not comprised in the Business, and shall not apply to, and the New Transferee Agreement shall not supersede, any Transferred Customer Contract.

General Provisions

12.14 The provisions of this paragraph 12 shall not apply to diminish, reduce or otherwise affect the enforceability of any right, benefit or power (other than any unilateral variation or amendment power which may be used to vary or amend any of the terms of a Transferred Contract, Existing Transferee Agreement or New Transferee Agreement in a manner that is contrary to the provisions of this

paragraph 12) which the Transferee or a Customer may acquire other than as a result of the Scheme, including as a result of the variation on or after the Relevant Date of a Transferred Contract, Existing Transferee Agreement or New Transferee Agreement.

13. INDEMNITIES IN FAVOUR OF THE TRANSFEROR

13.1 On and from the Effective Date, the Transferee shall discharge on the Transferor's behalf or, failing that, shall indemnify the Transferor against:

13.1.1 charges, liabilities, costs and claims arising in respect of all Transferred Assets and Residual Assets, and all Transferred Liabilities and Residual Liabilities which are not, or are not capable of being, transferred by this Scheme or by a vesting order pursuant to section 112(1) of FSMA (whether made before, on or after the Effective Date) (other than liabilities which are the subject of paragraph 13.1.2 below) until the relevant liability is transferred to or becomes a liability of the Transferee; and

13.1.2 any amount paid by the Transferor in respect of any liabilities of the Transferor in respect of the Business that are, whether wholly or in part, the subject of a policy of indemnity insurance or a claim or right of recovery against a third party, but only to the extent that the Transferor, having made a claim under such a policy or against such third party, shall have failed to recover any such amount pursuant to rights it may have under such policy, claim or right of recovery (having used all reasonable endeavours to do so).

13.2 The Transferee shall indemnify the Transferor against any costs and/or expenses which the Transferor may incur in pursuing any claim under a policy or against any such third party as is referred to in paragraph 13.1.2 above (including under any applicable contract of insurance). Subject thereto, the Transferor shall take such steps as the Transferee shall require in order to pursue the rights it may have against any such third party (including under any applicable contract of insurance). The Transferee shall be entitled to have conduct of all litigation or other proceedings in respect of any such claim (including taking such action in the name of and on behalf of the Transferor as the Transferee shall determine). In that connection, the Transferor shall give all such assistance as the Transferee may reasonably require in conducting all such litigation or other proceedings.

13.3 Where the Transferor is entitled to receive an amount pursuant to the indemnities contained in paragraphs 11.11, 13.1 and 13.2, it shall be entitled to receive such amount on the basis that in calculating the amount payable by the Transferee pursuant to such obligation (the "**Transferee Payment**"), the amount so payable shall be adjusted upwards or downwards, as the case may be, so as to take into account:

13.3.1 any Taxation which is required by Applicable Law to be deducted or withheld from such amount, or is chargeable on such amount on receipt of the same by the Transferor (including any increased or additional amount); and

13.3.2 the value of any Tax Relief to the extent available to the Transferor solely as a result of the matter giving rise to the obligation or as a result of receiving the Transferee Payment,

(which Taxation and value of any Tax Relief is to be determined, taking into account all relevant factors, including, in the case of the value of a Tax Relief, the anticipated timing of its utilisation, by the Transferor in its absolute discretion but acting in good faith and is to be certified as such to the Transferee).

14. INDEMNITIES IN FAVOUR OF THE TRANSFEE

14.1 Subject to paragraph 14.2 below, the Transferor shall indemnify the Transferee against all charges, liabilities, losses, claims and expenses in respect of the Transferred Assets, Transferred Liabilities, Residual Assets and Residual Liabilities:

14.1.1 to the extent that the same cannot be recovered by the Transferee but is otherwise recoverable by the Transferor from a third party; or

14.1.2 in connection with any defect (whether in title or otherwise) in relation to, or any other diminution in the value of property transferred to the Transferee under paragraph 3 above, to the extent that the loss resulting therefrom is otherwise recoverable from a third party.

14.2 The indemnity in paragraph 14.1 above shall be limited to such amounts as the Transferor shall recover pursuant to the rights that it may have against any third party (including, without limitation, under any applicable contract of insurance).

14.3 Where the Transferee is entitled to receive an amount pursuant to the indemnity contained in paragraph 14.1 above, it shall be entitled to receive such amount on the basis that in calculating the amount payable by the Transferor pursuant to such obligation (the "**Transferor Payment**"), the amount so payable shall be adjusted upwards or downwards, as the case may be, so as to take into account:

14.3.1 any Taxation which is required to be deducted or withheld from such amount, or is chargeable on such amount on receipt of the same by the Transferee (including any increased or additional amount); and

14.3.2 any Tax Relief which is available to the Transferee solely as a result of the matter giving rise to the obligation or as a result of receiving the Transferor Payment,

(which Taxation and Tax Relief is to be determined, taking into account its value, certainty of its availability and timing of its utilisation, by the Transferee in its absolute discretion but acting in good faith and is to be certified as such to the Transferor).

15. **CONSEQUENCES OF THE SCHEME**

15.1 Without prejudice to any obligation of the Transferor or Transferee pursuant to the terms of this Scheme and save to the extent stated otherwise in the Order, none of the transfers or the amendments effected by this Scheme, or any other thing done or omitted to be done in connection with or under this Scheme in relation to the transfer of the Business on the terms provided for in this Scheme shall:

15.1.1 invalidate or discharge any agreement, security, guarantee or other thing; or

15.1.2 require further registration or amendment of existing registration in respect of any security or other instrument; or

15.1.3 constitute a breach of, or default under, or require compliance with any contractual provision, or other requirement which has the effect of prohibiting a transfer of any Transferred Asset, any Transferred Liability or (to the extent applicable) any Residual Item to the Transferee, or which requires:

(a) notice or consent for or an acknowledgement of any action or other matter to be obtained from or provided to any person;

(b) any obligation to be performed sooner or later than would have otherwise been the case;

(c) any person to deliver any information to any other person for the purposes of satisfying KYC Requirements;

(d) the Transferor and/or the Transferee and/or any counterparty to execute any new or additional documents, record details in any register, accede to any existing documents, provide any confirmations or undertakings to any person and/or meet any other pre-conditions in respect of a transfer of any Transferred Asset, any Transferred Liability or (to the extent transferred at a Subsequent Transfer Date) any Residual Item;

- (e) the satisfaction of eligibility criteria or any other condition which would restrict the ability of the Transferee to acquire a Transferred Asset, a Transferred Liability or (to the extent applicable) a Residual Item;
- (f) compliance with any restriction on the transfer of confidential information between the Transferor and the Transferee,

in each case under any agreement or instrument or any other document to which the Transferor or the Transferee is a party or is bound; or

- 15.1.4 allow any party to terminate any agreement, warranty, undertaking or other arrangement (including any insurance policies), save to the extent expressly permitted pursuant to this Scheme, whether in an agreement to which the Transferor is a party or not, when that party would not otherwise have been able to terminate, or to treat any interest or right under that agreement as terminated; or
 - 15.1.5 enable any party to vary the terms of any agreement, warranty, undertaking or other arrangement (including any insurance policies), save to the extent expressly permitted pursuant to this Scheme, when such person would not otherwise have been able to vary those terms or confer a right or benefit on which they would not otherwise have had; or
 - 15.1.6 save as required by the terms of this Scheme, cause the imposition of any greater or lesser obligation on any party to any agreement to which the Transferor or the Transferee are parties when that greater or lesser obligation would not otherwise have been imposed; or
 - 15.1.7 affect the enforceability, priority or ranking of any security; or
 - 15.1.8 constitute a breach of any representation, obligation or duty, or enable any person to bring a claim against any person, in each case whether in contract, tort, equity or otherwise; or
 - 15.1.9 constitute a waiver of any existing rights of the Transferor in relation to a Transferred Asset, a Transferred Liability, a Transferred Contract (subject to the provisions of paragraph 12) or (to the extent transferred at a Subsequent Transfer Date) a Residual Item; or
 - 15.1.10 require the payment to any person by the Transferor or the Transferee of any fees, costs or expenses of any person; or
 - 15.1.11 require the delivery by the Transferor or the Transferee of any legal opinion, tax opinion, report, certificate, evidence, corporate authorisation document or other document.
- 15.2 Without prejudice to paragraph 15.1, to the extent that any consent or affirmation or acknowledgement is required from any Customer or other person in order to enable the operator of an electronic platform to reflect fully and action on its electronic platform the transfer of a Transferred Contracts or Residual Item pursuant to this Scheme, such consent or affirmation or acknowledgement shall be deemed to have been given at the Relevant Date by each such Customer or other person.

PART C - MISCELLANEOUS PROVISIONS

16. EFFECTIVE DATE

- 16.1 This Scheme shall become operative at 00:01am (GMT) on 2 July 2022 or on such other time and date as the Transferor and the Transferee may agree (being a date and time falling after the making of the Order) and in any case no later than the date referred to in paragraph 16.2.
- 16.2 Unless this Scheme shall become operative in its entirety on or before 11:59pm (GMT) on 2 October 2022 or such later date and/or time, if any, as the Court may allow upon the application of the Transferor and the Transferee, it shall lapse.

17. MODIFICATIONS, AMENDMENTS OR ADDITIONS

- 17.1 The Transferor and the Transferee may consent jointly for and on behalf of the parties hereto and all other persons concerned (other than the PRA and the FCA) to any modification of, or addition to, this Scheme or to any further condition or provision affecting the same which, prior to or as a condition of its sanction of this Scheme, the Court may approve or impose.
- 17.2 Subject to paragraph 17.3, the Transferee shall at any time after the sanction of this Scheme by the Court be at liberty to apply to the Court for consent to amend its terms, provided that, in any such case, each of the PRA and the FCA shall be give at least 21 days' notice of, and have the right to be heard at, any hearing of the Court at which such application is considered. If such consent is granted, the Transferee may amend the terms of this Scheme in accordance with such consent.
- 17.3 The consent of the Court shall not be required in relation to either minor or technical amendments (or both) to the terms of this Scheme (including amendments to correct manifest errors) provided that each of the PRA and the FCA has been given notice of the same by the Transferee and has not objected thereto within 30 days of such notice.
- 17.4 Any notifications to be made to the PRA and FCA pursuant to this paragraph 17 shall be sent:
- 17.4.1 to the PRA at prudential_NatWestGroup@bankofengland.co.uk; and
- 17.4.2 to the FCA at wealthmanagement@fca.org.uk, and FCASupervisionNWGConduct@fca.org.uk.

18. EVIDENCE OF TRANSFER

- 18.1 The production of a copy of the Order with any modifications and/or additions made under paragraph 17, shall for all purposes be evidence of the transfer to, and vesting in, the Transferee:
- 18.1.1 on and from the Effective Date, of the Business, the Transferred Assets, the Transferred Liabilities and the Transferred Contracts; and
- 18.1.2 on and from such Subsequent Transfer Date, of the Residual Assets and the Residual Liabilities.
- 18.2 In order to enable the Transferee to complete any title to any property or interest in land transferred to, and vested in, it by virtue of this Scheme and, without prejudice to paragraphs 3 to 10 inclusive, by notice of title or otherwise, or to deduce title, this Scheme or the Order (or both), with any modifications made under paragraph 17, shall be deemed to be, and may be used as, a general disposition, conveyance or as the case may be, assignation, of such property or interest in favour of the Transferee.

19. OFFICE HOLDERS

No directors, secretary or auditor of the Transferor shall, by virtue only of this Scheme, become a director, secretary or auditor of the Transferee.

20. **THIRD PARTY RIGHTS**

20.1 Subject to paragraph 20.2, a person who is not a party to the Scheme may not enforce any term of the Scheme pursuant to the Contracts (Rights of Third Parties) Act 1999, the Contract (Third Party Rights) (Scotland) Act 2017 or otherwise.

20.2 Dual Banked Customers may enforce the provisions of paragraph 12 against the Transferee.

21. **SUCCESSORS AND ASSIGNS**

This Scheme will bind and enure to the benefit of the successors and assigns of the Transferor and the Transferee.

22. **COSTS AND EXPENSES**

Except as otherwise agreed by the Transferor and the Transferee, each of the Transferor and Transferee shall bear its own costs and expenses relating to the preparation of the Scheme and the application for the sanction of the Scheme, whether such costs and expenses arise before or after the Effective Date.

23. **FURTHER ASSURANCE**

The Transferor and the Transferee shall each take all reasonable steps and do all reasonable things (including by executing and delivering documents) as may be desirable or necessary in order to give effect to this Scheme.

24. **GOVERNING LAW**

This Scheme is governed by, and shall be construed in accordance with, the law of Scotland and the parties submit to the exclusive jurisdiction of the Courts of Scotland.

Dated [●] 2022

SCHEDULE 1

GENERAL AMENDMENTS

1. Any reference (however worded and whether expressed or implied) to:
 - 1.1 the Transferor (however so defined), the Transferor's company registration details, its legal entity identifier (or "LEI"), its Financial Services Register Number and VAT number shall be substituted as a reference to the Transferee and the Transferee's company registration details, LEI, Financial Services Register Number and VAT number;
 - 1.2 the "Adam & Company" brand shall be substituted as a reference to the "Coutts & Company" brand;
or
 - 1.3 the usage of "Adam & Company" as a trading name or business name of the Transferor shall be substituted as a reference to the Transferee itself, trading in its own capacity;
 - 1.4 the phrase "Adam & Company is a business name of The Royal Bank of Scotland plc" shall be deleted and removed;
 - 1.5 account details of the Transferor in respect of a Transferred Asset shall be construed as a reference to the same account details in the name of the Transferee;
 - 1.6 account details of a company, a Customer or any other person to be maintained with the Transferor shall be construed as a reference to the same account details, as maintained by the Transferee;
 - 1.7 the requirement for a Customer to maintain an Account with the Transferor in a Transferred Contract shall be construed as a requirement for a Customer to maintain a deposit account with the Transferee;
 - 1.8 the Transferor or "Bank" or "Lender" or other role held by the Transferor shall be construed as, and take effect as, a reference to the Transferee (in the case of any reference in the relevant document to the Transferor) or to the Transferee acting in the same capacity (in the case of a reference to "Bank", "Lender" or other role in the relevant document);
 - 1.9 any one or more of the directors, employees, partners, agents, suppliers, affiliates, officers, contractors, servants, representatives, parent and subsidiary companies, and licensees and licensors of the Transferor shall be construed as a reference to such directors, employees, partners, agents, suppliers, affiliates, officers, contractors, servants, representatives, parent and subsidiary companies, and licensees and licensors of the Transferee as the Transferee may nominate for that purpose or in a default of nomination, to the director, employee, partner, agent, supplier, affiliate, officer, contractor, servant, representative, parent and subsidiary companies, and licensee and licensor of the Transferee who corresponds as nearly as may be to the same;
 - 1.10 any rate, charge, tariff or scale of fees or terms or conditions published on a general basis by the Transferor from time to time, shall be construed as and take effect as a reference to the corresponding rate, charge, tariff or scale of fees or to terms or conditions published on a general basis by the Transferee from time to time;
 - 1.11 the Transferor being "incorporated under the laws of Scotland" (howsoever expressed) shall be construed as, and take effect as, a reference to the Transferee being "incorporated under the laws of England and Wales";
 - 1.12 the Transferor's address and contact details for notices to be given to the Transferor or to notices being given to the Transferor at the Transferor's main establishment, registered office, main office, registered place of business or similar shall be construed as, and take effect as, a reference also to the Transferee's registered office and that notices may be served on the Transferee using the address or contact details specified for the Transferor or at the Transferee's registered office;

- 1.13 the Transferor's office or location out of which the Transferor may act as being in Edinburgh, Scotland shall be construed as, and take effect as, a reference to the Transferee's office or location in London, England;
- 1.14 the Transferor acting as agent for another member or other members of the NatWest Group or any other person shall be construed as, and take effect as, a reference to the Transferee acting as agent for such member or members of the NatWest Group or such other person (as the case may be);
- 1.15 the Transferor's standard settlement instructions shall be construed as, and take effect as, a reference to the Transferee's standard settlement instructions;
- 1.16 the "Adam Banking Hall Counter" or similar term shall be construed as, and take effect as, a reference to the "Coutts Counter at 440 Strand"; and
- 1.17 the Transferor's website (www.adambank.com) shall be construed as, and take effect as, a reference to the Transferee's website (www.coutts.com).

COURT OF SESSION

SCOTLAND

**IN THE PETITION OF
THE ROYAL BANK OF SCOTLAND PLC**

-and-

COUTTS & COMPANY

for sanction of a banking business transfer scheme under Part VII of the
Financial Services and Markets Act 2000 under which certain business
(including deposit taking business) of The Royal Bank of Scotland plc is to
be transferred to Coutts & Company

SCHEME

Pinsent Masons LLP
30 Crown Place
Earl Street
London
EC2A 4ES

Tel: +44 (0)20 7418 7000
Ref: HA06/MB60