

EXPLANATORY SUPPLEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If, after reading this Explanatory Statement, you have any questions concerning the action you are required to take or concerning the Schemes more generally, please contact us by telephoning 0808 164 5000 or by e-mailing scheme@castletrust.co.uk.

If you remain in any doubt as to the action you should take, you should consult your professional adviser.

Further copies of this Explanatory Statement can be downloaded from <https://www.castletrust.co.uk/scheme> or may be obtained from the Scheme Companies by telephoning 0808 164 5000 or by e-mailing scheme@castletrust.co.uk.

This Explanatory Statement is for the attention of Scheme Creditors, which means persons who hold one or more Income Housas on the Record Date. If you do not believe that you will be a Scheme Creditor, you do not need to take any further action.

Unless stated otherwise, defined terms used in this Explanatory Statement have the meanings given to them in Appendix A (*Glossary of Terms*) of this Explanatory Statement.

This Explanatory Statement should be read in conjunction with the Supplementary Statement (which shall be considered to form part of this Explanatory Statement) which sets out further details on timing and arrangement for participation and voting in the Scheme Meetings.

Proposal in relation to

SCHEMES OF ARRANGEMENT

Pursuant to Part 26 of the Companies Act 2006

between

CASTLE TRUST INCOME HOUSA PLC

- and -

CASTLE TRUST CAPITAL PLC

- and -

THE SCHEME CREDITORS

(as defined in the Schemes Document)

A Scheme Meeting of Scheme Creditors of Castle Trust Income HouSA plc to consider and, if thought fit, agree to the Scheme in relation to that company, will be held at the time and on the date set out in the Supplementary Statement. Due to the Covid-19 outbreak there will not be a physical meeting. The means by which the Scheme Creditors may remotely participate in the Scheme Meeting of Scheme Creditors of Castle Trust income HouSA plc are (or will be) set out in the Supplementary Statement.

A Scheme Meeting of Scheme Creditors of Castle Trust Capital plc to consider and, if thought fit, agree to the Scheme in relation to that company, will be held at the time and on the date set out in the Supplementary Statement. Due to the Covid-19 outbreak there will not be a physical meeting. The means

by which the Scheme Creditors may remotely participate in the Scheme Meeting of Scheme Creditors of Castle Trust Capital plc are (or will be) set out in the Supplementary Statement

The actions you should take are set out in paragraph 11 (*What are Scheme Creditors required to do now?*) of Part 1 (*Letter from the Chief Executive Officer of Castle Trust Income HouSA plc and Castle Trust Capital plc*) of this Explanatory Statement. You are requested to Vote at each Scheme Meeting in accordance with the instructions and notes contained herein.

Scheme Creditors are requested to Vote on each of the two Schemes whether or not they intend to attend the Scheme Meetings.

If you wish to appoint the Chairman to Vote on your behalf at the Scheme Meetings, you should complete and submit a Proxy Form by making the appropriate selections via the Portal **or** by submitting a hard copy Proxy Form in accordance with the instructions and notes contained therein.

If you wish to appoint a person other than the Chairman to attend the Scheme Meetings and Vote on your behalf you may do so by submitting a hard copy Proxy Form in accordance with the instructions and notes contained therein.

Each Scheme Creditor has been supplied with a hard copy Proxy Form as an accompaniment to the copy of this Explanatory Statement sent to them by post. If so required, however, Scheme Creditors may request a replacement hard copy Proxy Form by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk.

Hard copy Proxy Forms may be submitted to the Scheme Companies by pre-paid first-class post (using the envelope supplied with this Explanatory Statement) or air mail with delivery receipt to Civica Election Services, London N81 1ER.

Proxy Forms should be submitted as soon as possible and, in any event, so as to be received by the Scheme Companies no later than the Proxy Deadline set out in the Supplementary Statement.

Scheme Creditors need only to complete a single Proxy Form to allow their appointee to Vote on their behalf at both Scheme Meetings. There is no need to complete two separate Proxy Forms.

Scheme Creditors may attend and Vote at the Scheme Meetings using the methods for doing so set out in the Supplementary Statement. If a Scheme Creditor is a company or corporation and wishes to attend the Scheme Meetings and Vote using the methods for doing so set out in the Supplementary Statement, it must appoint an individual as its representative at the Scheme Meetings and that representative must produce an appropriately certified copy of the resolution of directors or other governing body of the company or corporation evidencing that he or she is authorised to act as its representative at the Scheme Meetings. If an individual is appointed as a representative of a company or a corporation and wishes to attend the Scheme Meetings and Vote, then the individual must e-mail a copy of their appointment as a corporate representative to scheme@castletrust.co.uk.

There will no physical meeting to attend in person. If you do wish to attend the Scheme Meetings remotely using one of the methods for doing so set out in the Supplementary Statement, please let us know in advance by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk.

In the event that the Schemes are approved by Scheme Creditors, a hearing before the High Court is necessary in order to sanction the Schemes. All Scheme Creditors are entitled to attend the High Court hearing in person or through counsel to support or oppose the sanctioning of the Schemes. It is expected that the High Court hearing will be held on or around 3 June 2020.

Dated this 6th day of April 2020.

Important Notice to Scheme Creditors

This Explanatory Statement has been prepared solely to assist Scheme Creditors in respect of Voting on the proposed Schemes between the Scheme Companies and their respective Scheme Creditors. Nothing in this Explanatory Statement or any documents issued with or appended to it should be relied upon for any other purpose.

The statements contained herein are made as at the date of this Explanatory Statement, unless some other time is specified in relation to them, and the provisions of this Explanatory Statement shall not give rise to any implication that there has been no change in the facts set forth herein.

Certain of the statements in this Explanatory Statement are forward-looking statements with respect to the outcome of the Schemes. These forward-looking statements can be identified by the use of forward-looking expressions, which might include the terms such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty, and the factors described in the context of such forward-looking statements in this Explanatory Statement could cause actual results and developments to differ materially from those expressed in or otherwise implied by such forward-looking statements. You should review carefully paragraph 10 (*Risk Factors*) of Part 1 (*Letter from the Chief Executive Officer of Castle Trust Income HouSA plc and Castle Trust Capital plc*) of this Explanatory Statement for a more complete discussion of the risks associated with such statements and the Schemes. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. The Scheme Companies do not assume any obligation to update or correct or revise any forward-looking statements contained in this Explanatory Statement to reflect any change of expectations with respect thereto or any change in event, situation or circumstances on which any such forward-looking statement was based.

The summary of the principal provisions of the Schemes and related matters in Part 2 (*Key features of the Schemes*) of this Explanatory Statement is qualified in its entirety by reference to the Schemes Document, the full text of which is set out in Appendix F (*Schemes Document*) of this Explanatory Statement. Each Scheme Creditor is advised to read and consider carefully the text of the Schemes Document itself.

No person has been authorised by the Scheme Companies to make any representations concerning the Schemes which are inconsistent with the statements contained herein, and, if made, such representations may not be relied upon as having been so authorised.

Scheme Creditors should not construe the contents of this Explanatory Statement as legal, tax or financial advice. Scheme Creditors should consider consulting professional advisers as to legal, tax, financial or other relevant matters before taking any action in connection with the Schemes.

EXPLANATORY STATEMENT

under Part 26 of the Companies Act 2006

in relation to

SCHEMES OF ARRANGEMENT

between

CASTLE TRUST INCOME HOUSA PLC

- and -

CASTLE TRUST CAPITAL PLC

- and -

THE SCHEME CREDITORS

(as defined in the Schemes Document)

6 APRIL 2020

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PART 1

Letter from the Chief Executive Officer of Castle Trust Capital plc and Castle Trust Income HouSA plc

10 Norwich Street
London
EC4A 1BD

To all Scheme Creditors

1 Introduction

- 1.1 The Explanatory Statement, of which this letter forms part, explains the effect of the Schemes for which the Scheme Companies propose to seek the sanction of the High Court, subject to the necessary majority having been obtained at the meetings of the Scheme Creditors convened to consider the Schemes. It contains background information in relation to the Scheme Companies. It also provides background information about the Schemes and their main provisions.
- 1.2 Unless stated otherwise, defined terms used in this letter have the meanings given to them in Appendix A (*Glossary of Terms*).
- 1.3 Each Scheme Company has its own Liabilities to its own Scheme Creditors. Each is therefore entering into its own Scheme with its own Scheme Creditors. However, because (as explained further below) each Scheme Company's Liabilities to any given Scheme Creditor will arise out of the same set(s) of Income Housa Documents and because each Scheme Company's Liabilities to any given Scheme Creditor will be equal in amount, it is appropriate to deal with both Schemes within the same Schemes Document.
- 1.4 The terms of the Schemes are set out in the Schemes Document. This Explanatory Statement is intended to provide guidance to the Scheme Creditors on the terms of the Schemes, but has no legal effect in its own right. This Explanatory Statement should not therefore be relied upon as a substitute for reading the provisions of the Schemes themselves.

2 Covid-19 and attendance of Scheme Meetings by remote means

- 2.1 In the context of the Covid-19 outbreak, the Scheme Companies are mindful of the health and safety of the Scheme Companies and the social distancing measures taken by the UK government. Accordingly, the Scheme Meetings will not be held as physical meetings with in person attendance but by remote means.
- 2.2 The Scheme Companies are aware of the importance of the Scheme Creditors being able to participate and vote in the Scheme Meetings. The details of the timings, dates and arrangements for participation and Voting by the Scheme Creditors in the Scheme Meetings are (or will be) set out in the Supplementary Statement, which should be read in conjunction with and considered as part of this Explanatory Statement.

The Scheme Companies encourage the Scheme Creditors to appoint a proxy to Vote on their behalf if this is possible.

3 Background to the Scheme Companies

3.1 Castle Trust Capital plc

- 3.1.1 CTC is a company registered in England and Wales with company registration number 07454474.

- 3.1.2 CTC was incorporated on 29 November 2010 under the Companies Act 2006 as a private limited company under the name Morgan Trust Capital Limited. It was re-registered on 24 January 2011 as a private limited company under the name Castle Trust Capital Limited and re-registered on 24 November 2011 as a public limited company under the name Castle Trust Capital plc.
- 3.1.3 CTC has an issued share capital of £15,217,465.90.
- 3.1.4 CTC is a trading company whose activities include offering mortgages to borrowers in respect of UK property and, through its subsidiary OCRF, point-of-sale finance to consumers wishing to purchase products from suppliers. CTC funds its activities by (amongst other things) borrowing from CTIH
- 3.1.5 CTC's directors are Martin Paul Bischoff, Jonathan James Cox, Lord John Selwyn Deben, Andrew Spencer Doman, Patrick Nigel Christopher Gale, Timothy John Hanford, Paul Lloyd-Jones, Marian Macdonald Martin, Richard Alan Pym Eric Edward Anstee and Richard Alexander McGregor Ramsay each of 10 Norwich Street, London EC4A 1BD.

3.2 **Castle Trust Income HouSA plc**

- 3.2.1 CTIH is a company registered in Jersey with company registration number 108225.
- 3.2.2 It was re-registered as a public limited company on 19 December 2011.
- 3.2.3 CTIH has an issued share capital of £7,002.
- 3.2.4 CTIH is a single purpose vehicle which exists only to issue Income Housas and lend money to CTC.
- 3.2.5 CTIH's directors are Richard Alexander McGregor Ramsay, Martin Paul Bischoff and Paul Nicholas Lloyd-Jones each of 10 Norwich Street, London, EC4A 1BD.

4 **Background to the Schemes**

4.1 Historically, CTC has raised finance by selling Income Housas issued to it by CTIH to external investors. As part of the terms of sale CTC agrees to buy back any Income Housas which CTIH fails to redeem when required to do so. As such:

- 4.1.1 the Scheme Creditors of CTIH are Scheme Creditors of CTIH because of their respective interests in Income Housas issued by CTIH; and
- 4.1.2 the Scheme Creditors of CTC are Scheme Creditors of CTC because of, among other rights, CTC's agreement to buy back Income Housas issued by CTIH if CTIH should fail to repurchase those Income Housas,

in each case as further explained below.

4.2 In April 2018, CTC announced its intention to become a bank. CTC views this as a more suitable model for its business in the longer term as the business continues to grow. Since then, CTC has been working closely with both of its UK regulators, the PRA and the FCA, with a view to obtaining a Full Banking Licence.

4.3 As part of the transition to CTC's new status as a bank, the Income Housas issued by CTIH need to be converted into structured deposits in bank accounts held with CTC. A structured deposit is a special type of deposit where the principal sum payable at maturity is not fixed but is calculated according to a formula. This formula here would

replicate the formula used to calculate the Investment Return of the Income Housas. These structured deposits would also receive interest at the same rates as the corresponding Income Housas and would mature on the same date as the corresponding Income Housas.

- 4.4 In order to achieve this transition, the Scheme Companies, i.e. CTC and CTIH, are putting forward a proposal for linked and inter-conditional schemes of arrangement. The success of the Schemes will require a positive vote in favour by sufficient of the Scheme Creditors, i.e. the persons who hold Income Housas at the Record Time and who, as regards CTC, also have claims against CTC which would be payable in the event that CTIH should fail to redeem those bonds.

5 Other Relevant Companies

- 5.1 A number of other companies are also involved, or were historically involved, in the process by which CTC raises and applies finance as described in paragraph 4 (*Background to the Schemes*) above. These companies and their roles were accordingly also described in the Income Housa Documents.

- 5.2 However, these companies will not continue to be involved in this process following CTC's transition to a bank. The provisions of the Schemes accordingly also release certain of these companies from further Liability.

- 5.3 These companies, and their respective roles, are (or were) as follows:

5.3.1 The Registrar maintains the register of Noteholders. At present, the only registered Noteholder is CTCN, as the entity which holds legal title all of to the Income Housas.

5.3.2 CTCM is the company in the Group which holds the necessary authority to market Income Housas to investors. It also has a further role in arranging and dealing with investments that form part of an ISA-wrapped product, and CTCM rather than CTC duly receives and handles funds from investors whose investment is to be made in this form.

5.3.3 CTCN holds the legal title to the Income Housas issued by CTIH and therefore holds Income Housas as the nominee for whichever company or individual holds the beneficial interest in those Income Housas. Therefore CTC acquires the beneficial interest in the Income Housas when they are originally issued and, accordingly, when CTC then sells Income Housas to Investors, those Investors acquire their beneficial interests in those Income Housas. CTIH has issued a single global certificate for each series of Income Housas to CTCN. CTCN has then in turn maintained a record of all of the Investors holding beneficial interests in the Income Housas represented by that single global certificate. Given that that beneficial interest represents the entire economic value of the Income Housas concerned, this Explanatory Statement will refer generally to CTC and Investors as "holding" those Income Housas. The Schemes Document does, however, make the distinction between legal title and beneficial interests in the Income Housas.

6 The Scheme Process

6.1 What is a scheme of arrangement?

6.1.1 Under English law, a scheme of arrangement of the kind proposed by the Scheme Companies is a compromise or arrangement provided for by Part 26 of the Companies Act 2006, to take effect between a company and its creditors (or any class of them). It becomes legally binding on the company and on all the creditors to whom it applies if:

6.1.1.1 a majority in number representing three-fourths in value of the creditors (or class of creditors), present and voting in person (or, if a corporation, by a duly authorised representative) or by proxy, vote in favour of it at a meeting convened with the leave of the High Court; and

6.1.1.2 the High Court subsequently sanctions the compromise or arrangement and an office copy of the order of the High Court sanctioning the scheme of arrangement is delivered to the Registrar of Companies for registration.

6.1.2 Once a scheme of arrangement becomes effective, it binds the company and all creditors to which the scheme terms relate, irrespective of whether or not they voted in favour of the scheme of arrangement.

6.1.3 The Scheme is set out in full in the Schemes Document.

6.2 **Who will be affected and how will they vote on the Schemes?**

6.2.1 The Schemes are proposed between the Scheme Companies and their respective Scheme Creditors. For the reasons set out in paragraph 6.3, the Scheme Companies consider that the Investors will all be Scheme Creditors by virtue of being contingent creditors of both CTC and CTIH.

6.2.2 Although CTCN would also have parallel Scheme Claims under the terms of the Income Housa Documents, as explained further in paragraph 6.4, it has in practice agreed not to Vote on the Schemes and it will therefore not be a Scheme Creditor. The Scheme Companies therefore believe that the Investors will be the only Scheme Creditors.

6.2.3 A letter pursuant to the Practice Statement was sent to Scheme Creditors on 12 March 2020 and set out, amongst other things, the process by which Scheme Creditors will vote upon the Schemes. As set out in the letter, the Scheme Creditors of each Scheme Company will form a single class of creditors for the purpose of Voting upon the Scheme proposed by that Scheme Company at the relevant Scheme Meeting. This is because all Scheme Creditors have the same rights against that Scheme Company and are treated the same way under its Scheme, and because the Schemes will not apply to any of the Scheme Companies' obligations or liabilities other than in respect of the Scheme Claims.

6.2.4 It is intended that all creditors of the Scheme Companies in respect of such other obligations and liabilities will continue to be paid in full in the ordinary course of each Scheme Company's business, or otherwise when due.

6.3 **The Investors' status as Scheme Creditors**

6.3.1 Under the Income Housa Documents, Investors have direct rights against CTC in the event that CTIH should fail to pay on maturity. The Investors are therefore contingent creditors of CTC. The only contingency which would need to occur to render them full creditors of CTC is CTIH's failure to pay the sum due in respect of their Income Housas on maturity.

6.3.2 The roles of the Registrar and CTCN have already been described in paragraph 5.3. The mere fact that the Investors hold the beneficial interests in the Income Housas would not in itself make the Investors creditors of CTIH. However, under the Income Housas Documents, an Investor may request to be registered as Noteholder (and a consequence to receive physical delivery of its own individual certificate of title) in respect of those Income Housas in which that Investor holds the beneficial

interest and thus acquire full legal title to those Income Housas. The Investors are therefore also contingent creditors of CTIH.

6.4 **the Registrar, CTCM and CTCN**

6.4.1 The Registrar, CTCM and CTCN have each entered into bilateral contracts with the Scheme Companies which will operate alongside the Schemes. Under the terms of these contracts:

6.4.1.1 notwithstanding that they may have Scheme Claims, the Registrar, CTCM and CTCN have each agreed not to Vote on the Schemes; and

6.4.1.2 as from the Effective Date, each of the Registrar, CTCM and CTCN will release the Scheme Companies from any further Liabilities to them in return for the release which the Registrar, CTCM and CTCN will themselves receive under the Schemes.

6.4.2 In addition, the Registrar, CTCM and CTCN have each given an undertaking to the High Court not to Vote on the Schemes.

6.4.3 Apart from the releases they receive under the Schemes, none of the Registrar, CTCM or CTCN will acquire any rights under the Schemes.

6.5 **Scheme Consideration**

6.5.1 The Schemes will involve:

6.5.1.1 the Scheme Creditors' existing rights in respect of the Income Housas being replaced by rights in respect of Structured Deposits in Fixed Rate Accounts on the terms contained in the Schemes; and

6.5.1.2 the release of the Released Claims more generally by the Scheme Creditors in exchange for the Scheme Consideration.

6.5.2 The amount of the Scheme Consideration which will be received by each Scheme Creditor will be based upon the amount of its Scheme Claim as at the Record Time.

6.5.3 This is explained further in Part 2 (*Key Features of the Schemes*).

6.6 **When will the Schemes become effective?**

6.6.1 The CTIH Scheme and the CTC Scheme will be inter-conditional.

6.6.2 The Schemes will become effective only if:

6.6.2.1 the requisite statutory majorities of Scheme Creditors vote in favour of both Schemes at the respective Scheme Meetings;

6.6.2.2 following the Scheme Meetings, the High Court makes an order sanctioning each Scheme;

6.6.2.3 office copies of both of the High Court's orders are delivered for registration to the Registrar of Companies; and

6.6.2.4 CTC is granted its Full Banking Licence.

6.6.3 Delivery of an office copy of the order sanctioning the Schemes will be effected as soon as practicable after the High Court sanctions the Schemes, and it is anticipated that CTC will be granted its Full Banking Licence shortly after this.

6.6.4 The Effective Date will then occur five Business Days after the grant of the Full Banking Licence. The expected date on which the Schemes will become effective is set out in the Supplementary Statement.

6.6.5 Immediately after the Schemes become effective, the Scheme Companies will publish notice of the Effective Date on the Website.

6.7 **Interests of the Boards in the Schemes**

As explained in this Explanatory Statement, the Schemes are being used to effect a restructuring of the Income Housas. No members of the Board of either Scheme Company hold any Income Housas or hold any rights against, or shares in, the Scheme Companies which will be affected by the Schemes, nor will they obtain any direct personal benefit from the Schemes or receive any part of the Scheme Consideration.

7 **Advantages of the Schemes**

7.1 The Board of each Scheme Company believe that the Schemes, if implemented, will provide the following key advantages:

7.1.1 Account Holders will be able to manage their new Fixed Rate Accounts through a new, mobile banking app which is not available in relation to the Income Housas;

7.1.2 When Account Holders wish to withdraw money on maturity, they will be able to do so by way of a same day transfer rather than needing to wait for three working days, as they are required to do on the maturity of Income Housas;

7.1.3 Account Holders will have access to paperless statements, to a complete online document library and to a downloadable full transaction history, none of which are available for Income Housas;

7.1.4 Account Holders will enjoy an improved covenant from CTC for the following reasons:

7.1.4.1 as a bank, CTC will have access to the sterling monetary framework, which will make it a financially stronger company;

7.1.4.2 as a bank, CTC expects to be able to negotiate better rates with suppliers and other parties with which it transacts;

7.1.4.3 the market for deposit accounts is much deeper than the market for fixed term retail bonds, so CTC expects to be able to scale operationally more easily with access to a deeper pool of funding; and

7.1.4.4 some mortgage brokers are reluctant to deal with lenders who are neither banks nor building societies, so by becoming a bank CTC expects to increase Group's ability to market its mortgage products;

7.1.5 Account Holders will benefit from CTC becoming subject, as a bank, to increased prudential oversight by the PRA; and

7.1.6 in the unlikely event that CTC should fail, Account Holders can expect to receive reimbursement from the Financial Services Compensation Scheme within seven days, whereas it may take a period of months for a claim by a holder of an Income Housa.

8 Other matters to consider

8.1 Notwithstanding the advantages of the Schemes noted in paragraph 7 (*Advantages of the Schemes*) of this Part 1 (*Letter from the Chief Executive Officer of Castle Trust Capital plc and Castle Trust Income HouSA plc*), the Board of each Scheme Company does wish to highlight to Scheme Creditors certain other matters to consider:

8.1.1 While the Income Housas are transferable to third parties, the Structured Deposits (other than Structured Deposits held in Housa Accounts which are ISA Products) will not be transferable. However, the Board of each Scheme Company understands that historically transfers of Income Housas have been very rare in practice. Account Holders will in any case be free to withdraw their funds prior to the end of the term of their Housa Account.

8.1.2 While there is no restriction on who can hold Income Housas, only private individuals who are 18 or older will be able to hold Structured Deposits. However, where corporate entities currently hold Income Housas, this provision will be waived for the purpose of allowing those same corporate entities to hold Structured Deposits.

8.1.3 While the Income Housa Documents do allow the Scheme Companies to change the Sale Conditions, the Sale Conditions expressly specify that they may do so only in limited, stated circumstances. The Housa Account Terms and Conditions contain no equivalent express restrictions on when CTC will be able to make changes. However, in practice CTC anticipates that for both regulatory and reputational reasons it would only make future changes to the Housa Account Terms and Conditions in similar circumstances to those expressly set out in the Sale Conditions.

8.2 The Board of each Scheme Company does not therefore consider these matters to be disadvantages and any disadvantage is in fact far outweighed by the advantages of the Schemes.

9 What happens if the Schemes do not become effective?

9.1 The actions which the Scheme Companies would take if the Schemes did not become effective would depend in part on the reason(s) why the Schemes had failed to become effective and the responses of the PRA and FCA to this.

9.2 However if the Schemes did not become effective, it is unlikely that the PRA and the FCA would be prepared to grant a Full Banking Licence to CTC unless some alternative route could be found to convert Investors' interests in Income Housas into interests in Structured Deposits.

9.3 The Scheme Companies could conceivably continue their existing trading model. However, as conversion of CTC to a bank is the natural next stage in the development of the Group's business, simply continuing the existing trading model raises the potential for slower business growth and a potentially greater repayment risk.

9.4 In addition, the Scheme Companies cannot completely discount the possibility of regulatory intervention in a manner which could adversely affect the Scheme Companies' ability to continue their existing trading model in the longer term. The FCA

has evidenced in its recent action against mini-bonds an increased scrutiny of bonds and similar products aimed at retail investors and this increased scrutiny may extend in time even to regulated products such as Income Housas.

10 **Risk factors**

10.1 **Effectiveness of the Schemes requires the approval of the Scheme Creditors**

10.1.1 In order for each Scheme to be effective, a majority in number representing three-fourths or more in value of those Scheme Creditors, present and voting in person or by proxy/representative must vote in favour of it.

10.1.2 If the requisite majorities of Scheme Creditors do not vote in favour of the Scheme at the Scheme Meeting, the Scheme will not be implemented.

10.2 **The Schemes may not be implemented in accordance with the timeline set out in this Explanatory Statement (including the Supplementary Statement)**

Factors which are not known to the Board of either Scheme Company may result in delays to the implementation of the Schemes. Timings will also depend on the processes and requirements of the PRA and the FCA.

10.3 **To become effective, the Schemes require sanction by the High Court**

10.3.1 In order for the Schemes to become effective under English law, they must both receive the sanction of the High Court.

10.3.2 The High Court will not sanction a Scheme unless it is satisfied that the correct procedures have been followed, that the proposed arrangements are fair and that there are no other reasons why that Scheme should not be approved. For example, the High Court may not sanction a Scheme if it considers that the total number of Scheme Creditors Voting on the Scheme was too low to allow it to conclude that those Voting fairly represented the views of the Scheme Creditors as a whole. There can be no assurance that the High Court will sanction the Schemes.

10.3.3 If the High Court does not sanction the Schemes, or if it is only prepared to sanction it subject to conditions or amendments which the Board of either Scheme Company regards as unacceptable, the Schemes may not be implemented.

10.4 **The Fortress Schemes and the PCC Scheme**

10.4.1 It is possible that, even if the requisite number and majority of Scheme Creditors have voted in favour of the Schemes and the High Court is otherwise prepared to sanction the Schemes, the PRA and FCA may not be prepared to grant a Full Banking Licence to CTC if it appears that the requirements for the Fortress Schemes or the PCC Scheme to become effective will not be met.

10.4.2 Legally, these Schemes will not be interlinked with the Fortress Schemes and the PCC Scheme. However, CTC is conscious that, if the Scheme Creditors are to convert their interest in Income Housas into interests in Structured Deposits, for consistency the PRA and FCA may only be prepared to allow this to occur if it is clear that an equivalent process will also successfully occur for both CTD and PCC.

11 **What are Scheme Creditors required to do now?**

- 11.1 The Board of each Scheme Company urges Scheme Creditors to read the Schemes Document, the Housa Account Terms and Conditions and the remaining information contained in this Explanatory Statement carefully.
- 11.2 Scheme Creditors should then cast their votes in accordance with paragraph 4 of Part 3 of this Explanatory Statement and the Supplementary Statement. As the Scheme Meetings will not be held physically due to the Covid-19 outbreak the Scheme Companies encourage the Scheme Creditors to appoint a proxy using the Proxy Form, although voting at the Scheme Meetings will still be possible using the methods set out in the Supplementary Statement.
- 11.3 There are a number of ways in which Scheme Creditors may obtain further information and assistance from the Scheme Companies. These are set out more fully below. However, Scheme Creditors should also consider seeking professional advice in relation to the proposed Schemes if they remain in any doubt as to what is being proposed or what they should do.

12 **Recommendation**

- 12.1 For the reasons given above, and having already obtained leave of the High Court to convene meetings of the Scheme Creditors to approve the Schemes, the Board of each Scheme Company believes that the Schemes are in the best interests of Scheme Creditors.
- 12.2 Accordingly the Board of each Scheme Company recommends that Scheme Creditors vote in favour of both Schemes.

If you have any questions concerning the action you are required to take or the Schemes more generally, please contact Castle Trust by telephoning 0808 164 5000 or by e-mailing scheme@castletrust.co.uk.

Yours faithfully

Martin Bischoff
Chief Executive Officer

PART 2

Key features of the Schemes

1 Introduction

1.1 This Part 2 (*Key Features of the Schemes*) summarises the key features of the Schemes.

1.2 It is, however, a summary only. The Schemes Document contains all of the terms of the Schemes that will become binding on the Scheme Companies and the Scheme Creditors if the Schemes are sanctioned by the High Court and become effective. In the event of any inconsistency between the summary contained in this Part 2 (*Key Features of the Schemes*) and the Schemes Document, the Schemes Document will prevail.

2 The Scheme Creditors

The creditors who will be bound by the Schemes if they become effective are referred to in both this Explanatory Statement and in the Schemes themselves as the Scheme Creditors. Every Investor who holds one or more series of Income Housas at the Record Date will be a Scheme Creditor.

3 The key effects of the Schemes on the Scheme Creditors

3.1 New Housa Accounts

3.1.1 One new Housa Account will be opened with CTC in the name of each Scheme Creditor for each series of Income Housas which that Scheme Creditor currently holds.

3.1.2 Where a Scheme Creditor holds more than one series of Income Housas, therefore, more than one new Housa Account will be opened in that Scheme Creditor's name.

3.2 Replacement of terms and conditions

At and from the Effective Time, subject to the remaining provisions of this paragraph 3 (*The key effects of the Schemes on the Scheme Creditors*):

3.2.1 the Income Housa Terms and Conditions will no longer apply; and

3.2.2 the Housa Account Terms and Conditions will instead apply to the rights and interests which the Scheme Creditors acquire under the Schemes in substitution for their existing rights and interests.

3.3 Conversion of interests in Income Housas to interests in Structured Deposits

At and from the Effective Time:

3.3.1 Each Scheme Creditor will release each Scheme Company from its obligations under the Income Housa Terms and Conditions and otherwise in or in relation to the Income Housas.

3.3.2 In return:

3.3.2.1 each Scheme Creditor will receive a Structured Deposit in each new Housa Account equal to the Investment Value of each series of Income Housas which it held immediately prior to the Effective Time; and

3.3.2.2 CTC will additionally owe an amount of accrued but unpaid interest to each Scheme Creditor, in their new capacity as an Account Holder, on each such Structured Deposit which will be equal to the amount of accrued but unpaid interest owed to that Scheme Creditor on the corresponding series of Income Housas held by them immediately prior to the Effective Time.

3.4 **Maturity date**

On and from the Effective Time:

3.4.1 subject to paragraph 3.4.2 below, the term of each new Housa Account will be equal to the unexpired term of the Income Housas which were converted into a Structured Deposit in that Housa Account.

3.4.2 Scheme Creditors who have become Account Holders following the Effective Time will continue to be entitled to make early withdrawals in accordance with the terms of the Housa Account Terms and Conditions.

3.5 **Interest**

On and from the Effective Time each Structured Deposit in a Housa Account will continue to accrue interest at the same rate and which will be paid on the same interest payment date(s) as were previously applicable to the Income Housas which were converted into that Structured Deposit.

3.6 **Value on maturity**

The value of each Structured Deposit at the end of its term will be calculated by the same formula as is currently used to calculate the Investment Return, and its value at the end of the term will accordingly be the same as the value of the Investment Return would have been on the Maturity Date had the Scheme Creditor's interest in the relevant Income Housa not been converted into an interest in a Structured Deposit in a Housa Account.

3.7 **Taxation**

3.7.1 The objective of the existing Income Housa arrangements is to provide returns comprising of interest on a quarterly basis and capital on the maturity date.

3.7.2 The replacement of Scheme Creditors' Income Housas with Structured Deposits is expected to be a disposal of the Income Housa for capital gains tax purposes. This may trigger capital gains tax in respect of any gains credited to the Housa Accounts on the Effective Date (subject to the availability of any annual exempt amount or reliefs). As such, the Scheme may trigger a capital gains tax charge in an earlier tax year than would otherwise have been the case.

3.7.3 No further capital returns are expected on maturity of the Housa Accounts. Instead, UK Scheme Creditors will be subject to income tax and, as a result, Scheme Creditors may be subject to tax at a higher rate in respect of returns received on their Housa Account than would otherwise have been the case on their Income Housas.

3.7.4 Please refer to paragraph 11 (*Compensation for Increased Taxation*) of the Schemes Document for further information as to how CTC therefore proposes to ensure that no Scheme Creditor is placed in a worse position from a taxation perspective as a result of the Schemes.

3.8 Other relevant provisions

Notwithstanding any provisions of the Housa Account Terms and Conditions which might otherwise have applied, among other things:

The new Housa Accounts will be opened automatically. There will be no need for a Scheme Creditor to apply for a new Housa Account or to undergo verification checks in order to receive Structured Deposits in place of Income Housas. Similarly, there will be no funding period, as the Structured Deposit will be credited automatically at the Effective Time.

The Schemes Document contains a fuller analysis of the manner in which clauses of the Housa Account are to be construed or interpreted in relation to Housa Accounts to which CTC has credited a Structured Deposit pursuant to the Schemes.

3.9 What will happen to the new Housa Accounts following their respective maturity dates?

3.9.1 It is no longer possible for Investors to roll over their existing Income Housas into new Income Housas. However, prior to the Maturity Date of their Income Housas, Investors can presently provide instructions to CTC that on the Maturity Date:

3.9.1.1 all or part of their investment is to be rolled over into other investment products offered by the Group; or

3.9.1.2 some or all of their existing Income Housas are to be redeemed. In this case, an amount equal to the amount of those Income Housas together with any interest which remains due but unpaid will be remitted to the Investors either by transfer to a nominated account with another bank or by cheque in accordance with their instructions.

3.9.2 In the event that an Investor has provided no instructions to CTC by the Maturity Date, the amount of their Income Housas together with any interest will be retained by CTC pending receipt of further instructions.

3.9.3 Following the Effective Date, a similar arrangement will apply. It will not be possible for Investors to roll over their existing Housa Account into new Housa Account following the end of the term of their existing Housa Account. However, prior to the end of the term of their new Housa Account, Account Holders will be able to provide instructions to CTC that at the end of the term:

3.9.3.1 all or part of their funds are to be rolled over into a Fixed Rate Account or an Easy Access Account; or

3.9.3.2 some or all of their funds are to be withdrawn. In this case, an amount equal to the principal balance on the account together with any interest which remains due but unpaid will be remitted to the Account Holders either by transfer to a nominated account with another bank or by cheque in accordance with their instructions.

3.9.4 In the event that an Investor has provided no instructions to CTC by the Maturity Date, the amount of their funds together with any interest will be paid automatically into a Maturity Easy Access Account.

3.9.5 Investors may view a copy of the presently proposed terms and conditions for a Fixed Rate Account, an Easy Access Account or a Maturity Easy

Access Account, and of the General Terms and Conditions which will apply to all of those types of account, by way of the following link:

<https://www.castletrust.co.uk/scheme>

3.9.6 CTC will also supply a copy of these terms and conditions to by post to any Investor who so requests.

3.10 **Fuller comparison of the Income Housa Terms and Conditions and the Account Terms and Conditions**

A destination table showing where the individual clauses of the Sale Conditions which appear in CTIH's most recent Base Prospectus for the Income Housas are replicated in the New Account Terms and Conditions is included Appendix H (*Destination Table*) of this Explanatory Statement. The final column, headed "Comments", highlights any difference between the respective sets of terms.

4 **Other creditor claims**

The claims of creditors of the Scheme Companies which are not Scheme Claims will not be affected by the Schemes and will continue to be paid in full in the ordinary course of each Scheme Company's business or otherwise when due.

5 **Costs**

The Scheme Companies will pay, or procure the payment of, all of their own costs, charges, expenses and disbursements incurred in connection with the Schemes.

6 **Governing law and jurisdiction**

6.1 This Explanatory Statement is not a legally binding document. Its contents do not form part of the Schemes and are not intended to have any legal effect.

6.2 However, in the event that a Court should ever be called upon to interpret any of the contents of this Explanatory Statement, the provisions of clause 12.9 (*Governing law and jurisdiction*) of the Schemes Document will apply to this Explanatory Statement as if references to the Schemes were references to this Explanatory Statement.

PART 3

Implementing the Schemes

1 Introduction

This Part 3 (*Implementing the Schemes*) summarises, among other things, the process by which the total value of each Scheme Creditor's Scheme Claims are calculated and the process by which the Scheme Creditors may then Vote. This Part 3 (*Implementing the Schemes*) should be read in conjunction with the Supplementary Statement which sets out further details on timings and arrangements for voting and participation in the Scheme Meetings by remote means.

2 Timetable for implementing the Schemes

2.1 Key Dates

A table of key dates in relation to Voting and implementation of the Schemes is (or will be) set out in the Supplementary Statement. This will include (i) the date the Portal will be opened, (ii) the Record Time, (iii) the Proxy Deadline, (iv) the date and time of the Scheme Meetings and (iv) the date of the Sanction Hearing. The Effective Date will be 5 Business Days after the last Condition Precedent is satisfied (which will in practice be 5 Business Days after the grant of the Full Banking Licence).

2.2 Record Date and Record Time

The Record Date is the date when Scheme Creditors' claims are valued for the purposes of voting on the Schemes, as explained further in paragraph 4.1 below. The Record Time is the time on the Record Date when that valuation will take place.

2.3 Subscriptions for new Income Housas after the Record Date

CTIH will cease accepting subscriptions for new Income Housas after the Record Date. Any subscriptions for new Income Housas which have not been processed by 2 p.m. on the Record Date will be rejected and the money returned.

Accordingly, where an Investor's Income Housas matured prior to the Record Date and the Group is still holding the redemption proceeds on that Investor's behalf, but that Investor has not yet provided instructions prior to 2 p.m. on the Record Date as to how they wish to apply those redemption proceeds, that Investor will no longer be entitled to purchase new Income Housas and their money will be returned to them.

This is to ensure that that can be no change in the amount of the Scheme Claim for which a Scheme Creditor is entitled to Vote after the Record Time.

2.4 Proxy Deadline

This is the date by which Scheme Creditors wishing to submit a Proxy Form via the Portal must do so, as explained further in paragraph 4.3 below.

2.5 Effective Date

This is the date on which the Schemes will become effective in accordance with their terms and conditions.

2.6 The status of Income Housas between the Scheme Meetings and the Effective Date

Notwithstanding that the Schemes may have been approved at the Scheme Meetings, Investors will continue to hold their beneficial interests in Income Housas on their existing Income Housa Terms and Conditions until the Effective Date occurs.

3 **Valuation of Scheme Claims**

3.1 **The valuation process**

The value of each Scheme Creditor's total Scheme Claim for the purposes of Voting will be calculated as follows:

3.1.1 the aggregate of the Voting Values of each series of Income Housas held by that Scheme Creditor at the Record Time; plus

3.1.2 the aggregate of all accrued but unpaid interest owed to that Scheme Creditor at the Record Time,

in each case, based upon figures provided by CTCN and taken by CTCN from the records which it maintains of all of the Investors holding beneficial interests in the Income Housas represented by each single global certificate.

3.2 **Subsequent changes in the amounts owed to Scheme Creditors**

Where Income Housas are redeemed in whole or in part after the date of the Scheme Meetings, this will not affect the validity of any Votes cast at the Scheme Meetings by the Scheme Creditors who held the beneficial interests in those Income Housas.

3.3 **Subsequent transfers of Income Housas**

The person in whose name an Income Housa is shown on the Record Date in the records maintained by CTCN of all of the Investors holding beneficial interests in the Income Housas represented by each single global certificate shall be deemed to be the Scheme Creditor for the purposes of Voting at the Scheme Meetings notwithstanding any subsequent transfer of that Scheme Creditor's interests in that Income Housa or change in the records maintained by CTCN. Under the provisions of the Schemes, the Scheme Companies will be entitled not to recognise transfers made on or after the Record Date.

3.4 **Disputes**

If any Scheme Creditor disagrees with the records held by CTCN in respect of:

3.4.1 the total principal value of any series of Income Housas in respect of which that Scheme Creditor held a beneficial interest at the Effective Time;

3.4.2 the total amount of accrued but unpaid interest to which that Scheme Creditor was entitled prior to the Effective Time; or

3.4.3 the identity of the Scheme Creditor who was beneficially entitled to any series of Income Housas at the Effective Time

that disagreement can be dealt with pursuant to clause 8 (*Disputes*) of the Schemes Document. While this will not oust a Scheme Creditor's right to refer a complaint to the Financial Ombudsman Service if the Scheme Creditor wishes to do so, it is designed to produce an additional method of resolution by an independent third party which will be quicker and more streamlined than a referral to the Financial Ombudsman Service.

4 **The Voting Process**

4.1 **Voting at the Scheme Meetings**

4.1.1 Scheme Creditors are entitled to vote at the Scheme Meetings for the purpose of considering and, if thought fit, approving the Schemes.

- 4.1.2 A notice of each Scheme Meeting is included at Appendix D (*Notice of Scheme Meetings*) to this Explanatory Statement. Scheme Creditors may attend the Scheme Meetings by a duly authorised representative (using one of the means for remote participation set out in the Supplementary Statement), or may vote by proxy by completing a Proxy Form. Returning a Proxy Form will not prevent any Scheme Creditor from attending the Scheme Meetings and voting by representative (using one of the means for remote participation and voting set out in the Supplementary Statement) should they wish to do so.
- 4.1.3 Voting is by reference to the value of each Scheme Claim, one vote being available for each pound owed to a Scheme Creditor recorded in the list maintained by the Registrar at the Record Time.
- 4.1.4 Scheme Creditors may cast part of their votes in favour of the Schemes and/or part against and/or may abstain in part.

4.2 **Is it necessary to attend the Scheme Meeting in using a method for remote participation set out in the Supplementary Statement?**

It is not necessary for a Scheme Creditor to attend the Scheme Meeting using a method for remote participation set out in the Supplementary Statement in order to cast their Vote. A Scheme Creditor can:

- 4.2.1 appoint the Chairman as their proxy to vote on their behalf at the Scheme Meetings, either via the Portal or by returning a hard copy Proxy Form;
- 4.2.2 appoint a person other than the Chairman as their proxy to attend and vote on their behalf at the Scheme Meetings (using one of the means for remote participation and voting set out in the Supplementary Statement) by returning a hard copy Proxy Form; or
- 4.2.3 attend the Scheme Meetings and Vote using a method for remote participation and voting set out in the Supplementary Statement.

4.3 **Submitting Proxy Forms**

4.3.1 **Deadlines for submission**

Each Scheme Creditor should submit their duly completed Proxy Form so as to be received by the Scheme Companies no later than the Proxy Deadline set out in the Supplementary Statement.

4.3.2 **Submitting Proxy Forms via the Portal**

4.3.2.1 Scheme Creditors who wish to appoint the Chairman as their proxy and instruct the Chairman to Vote on their behalf at the Scheme Meetings should complete and submit their Proxy Forms electronically by the Proxy Deadline, by following the process set out in the Portal.

4.3.2.2 The completion and submission of a Proxy Form electronically via the Portal will constitute an electronic signature of such Proxy Form and therefore does not require the signature or submission of a hard copy Proxy Form.

4.3.3 **Submitting hard copy Proxy Forms**

4.3.3.1 Each Scheme Creditor has been supplied with a hard copy Proxy Form by post as an accompaniment to the copy of

this Explanatory Statement sent to them by post. If so required, however, Scheme Creditors may request a replacement hard copy Proxy Form by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk.

4.3.3.2 Where a Scheme Creditor has submitted a Proxy Form via the Portal appointing the Chairman as their proxy, it is not necessary for that Scheme Creditor also to submit a hard copy Proxy Form.

4.3.3.3 All Scheme Creditors who have not submitted a Proxy Form via the Portal (whether because they wish to appoint a person other than the Chairman as their proxy or otherwise) may complete and sign a hard copy Proxy Form in accordance with the instructions set out therein and return it by pre-paid first-class post (using the envelope provided with this Explanatory Statement) or air mail with delivery receipt to Civica Election Services, London N81 1ER.

4.3.4 **Single Proxy Form**

A Scheme Creditor need only to complete a single Proxy Form in order to allow their appointee to vote at both Scheme Meetings. There is no need to appoint a separate Proxy Form for each Scheme Meeting.

4.4 **Attending the Scheme Meetings**

4.4.1 Due to the Covid-19 outbreak and the UK government's social distancing measures there will not be physical Scheme Meetings. However, the Scheme Companies are taking comprehensive steps to ensure that Scheme Creditors may participate in the Scheme Meetings by remote means. The methods by which Scheme Creditors may participate in the Scheme Meetings are (or will be) set out in the Supplementary Statement.

4.4.2 If you do wish to attend the Scheme Meetings by remote means, please let us know in advance by telephoning 0808 164 5000 or by emailing scheme@castletrust.co.uk.

5 **Portal**

5.1 **Log on credentials**

Scheme Creditors will have been provided with log-on credentials which can be used to access the Portal.

5.2 **The function of the Portal**

The Portal provides a secure facility, accessible via the Website, for Scheme Creditors where they can complete and submit an electronic Proxy Form appointing the Chairman as their proxy and instructing the Chairman to Vote on their behalf at the Scheme Meetings.

5.3 **Difficulties in accessing the Portal**

Any Scheme Creditor who is unable to access the Portal should contact the Scheme Companies (using the contact details set out in paragraph 6 (*Communications with the Scheme Companies*) below as soon as possible to resolve any such issue.

6 **Communications with the Scheme Companies**

6.1 Information regarding the Schemes

This Explanatory Statement and its appendices have been designed to set out all of the information that CTIH and CTC believe that Scheme Creditors are likely to require in order to make a decision as to how to Vote and as to how then to Vote. Scheme Creditors will also be able to access and review the same documents and information on the Website.

6.2 Questions regarding the Schemes

CTIH and CTC appreciate, however, that Scheme Creditors may still have additional questions. All questions to the Scheme Companies regarding the Schemes before the Effective Date should be directed:

6.2.1 by telephone to 0808 164 5000; or

6.2.2 by e-mail to scheme@castletrust.co.uk.

6.3 Investors wishing to update their contact details

If Investors need to update their contact details at any time prior to the Effective Date, they should continue to do so in the manner stipulated in the Income Housas.

6.4 Other communications

As regards other communications:

6.4.1 any other communications made with the Scheme Companies regarding Income Housas may continue to be made in the manner stipulated in the Income Housas; and

6.4.2 any communications made with CTC regarding Housa Accounts after the Effective Date may be made in the manner stipulated in the Housa Account Terms and Conditions.

APPENDIX A

Glossary of Terms

Terms defined in the Schemes Document have the same meaning when used in this Explanatory Statement. In addition, the following terms used in this Explanatory Statement have the following meanings:

Account Holder	a person who holds one or more Housa Accounts as a result of their interests in Income Housas having been converted into interests in those Housa Accounts under the Schemes
Accrued Interest	interest which has accrued, or which is treated by the Schemes as having accrued, on a Structured Deposit but which has not yet been credited to an Account Holder's Housa Account
Applicable Final Terms	in relation to any series of Income Housas, the terms set out in the Final Terms applicable to that series of Income Housas;
Base Prospectus	a base prospectus listed in Part 2 of Appendix C (<i>Income Housa Documents</i>);
Banking Licence	permission to carry on the activity of accepting deposits pursuant to Part 4A of Financial Services and Markets Act 2000
Board	in relation to a Scheme Company, the board of directors of that Scheme Company
Business Day	a day (other than a Saturday or Sunday) on which banks are open for general business in London and Jersey
Chairman	the chairman of the Scheme Meetings
Conditions Precedent	(a) an office copy of the order of the Court sanctioning the Schemes is delivered to the Registrar of Companies in England and Wales for registration; and (b) a Full Banking Licence is granted to CTC
Court Order	an order of the High Court sanctioning a Scheme under Section 899 of the Companies Act 2006
CTC	Castle Trust Capital plc, a company registered in England and Wales (registered number 09046984) whose registered office is at 10 Norwich Street, London EC4A 1BD
CTCM	Castle Trust Capital Management Limited, a company registered in England and Wales (registered number 07504954) whose registered office is at 10 Norwich Street, London EC4A 1BD
CTCN	Castle Trust Capital Nominees Limited, a company registered in England and Wales (registered number 07801931) whose registered office is at 10 Norwich Street, London EC4A 1BD
CTD	Castle Trust Direct plc, a company registered in England and Wales (registered number 09046984) whose registered office is at 10 Norwich Street, London EC4A 1BD
CTIH	Castle Trust Income HouSA plc, a company registered in Jersey with registered number 108225

Easy Access Account	an Easy Access Account held with CTC
Effective Date	the fifth Business Day after the date on which the last of the Conditions Precedent has been satisfied
Effective Time	7.00 a.m. on the Effective Date
Explanatory Statement	the statement so titled set out on pages 1 to 18 of this document and the Supplementary Statement
FCA	the Financial Conduct Authority
FCA Handbook	the rules, guidance and glossary contained in the FCA handbook of rules and guidance, as amended or replaced from time to time
Final Terms	a set of final terms listed in Part 3 of Appendix C (<i>Income Housa Documents</i>);
Fixed Rate Account	a Fixed Rate Account held with CTC
Fortress Schemes	the creditors' schemes of arrangement in respect of CTD and CTC under Part 26 of the Companies Act 2006 in its present form or with or subject to any modifications, additions or conditions that the Court may approve and that are consented to by CTD and CTC.
Full Banking Licence	a Banking Licence which no longer has a restriction on mobilisation attached to it
Group	CTC and its subsidiaries
High Court	the High Court of Justice of England and Wales
Housa Account	a structured deposit account held with CTC
Housa Account Terms and Conditions	the Fixed Rate Accounts Product Specific Terms and Conditions in the form set out as Appendix G (<i>The Housa Account Terms and Conditions</i>)
Income Housas	the notes issued pursuant to the Income Housa Documents
Income Housa Documents	the documents listed in Appendix C (<i>Income Housa Documents</i>)
Income Housa Terms and Conditions	the terms and conditions which together govern the Scheme Creditors' interests in the Income Housas, and being, in the case of any given series of Income Housas, the Note Conditions, Sale Conditions and Applicable Final Terms relating to that series of Income Housas
Investment Return	has the meaning given to it in the Income Housa Terms and Conditions
Investment Value	means a principal amount equal to the Investment Return which a Scheme Creditor would have received had they redeemed their beneficial interests in the corresponding series of Income Housas on the Effective Date
Investor	a person shown in the records maintained by CTCN as holding a beneficial interest in Income Housas

ISA Product	has the meaning given to it in the Housa Account Terms and Conditions
Jersey Court	The Royal Court of Jersey
Liabilities	all present, future, actual or contingent liabilities, however, wherever and in whatever capacity and under whatever law or legal theory so arising (including in contract, debt, tort, restitution or by statute and in whatever jurisdiction), whether or not its amount is fixed or undetermined, whether sole or joint and whether or not it involves the payment of money or the performance of any other act or obligation whatsoever and whether known or unknown
Maturity Date	has the meaning given to it in the Income Housa Terms and Conditions
Maturity Easy Access Account	A Maturity Easy Access Account held with CTC
Note Conditions	in relation to any series of Income Housas, the terms set out in “Part VI – Terms and conditions of the Notes” of the Base Prospectus applicable to that series of Income Housas, as amended by any Supplementary Prospectus applicable to that series of Income Housas
Noteholder	has the meaning given to it in the Income Housa Documents
OCRIF	Omni Capital Retail Finance Limited, a company registered in England and Wales (registered number 07232938) whose registered office is at 10 Norwich Street, London EC4A 1BD
PCC	Castle Trust PCC, a protected cell company registered in Jersey with company number 108697
PCC Scheme	the members’ scheme of arrangement in respect of PCC under Article 125 of the Companies (Jersey) Law 1991 in its present form or with or subject to any modifications, additions or conditions that the Jersey Court may approve and that are consented to by PCC
Portal	a secure online facility made available to Scheme Creditors and which is accessible via the Website
PRA	the Prudential Regulation Authority
Practice Statement	the practice statement issued by the High Court on 15 April 2002 in relation to schemes of arrangement
Proceeding	any action, claim, process, legal or other proceeding including any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, set-off, combination of accounts, demand for cash collateral, demand for mandatory prepayment, execution, restraint, forfeiture, re-entry, seizure, lien, enforcement of judgment, giving of notice, acceleration of debt, enforcement of any security or enforcement of any documentary credit
Proxy Deadline	has the meaning given to it in the Supplementary Statement
Proxy Form	a proxy form substantially in the form set out in an appendix to the Supplementary Statement

Record Date	the date which is three Business Days before the date of the Scheme Meetings or such later date as the Scheme Companies may determine (and which will be notified in writing by the Scheme Companies to the Scheme Creditors)
Record Time	5.00 p.m. on the Record Date
Registrar	JTC (Jersey) Limited, a company registered in Jersey (registered number 37293) whose registered office is at 28 Esplanade, St Helier, Jersey, JE2 3QA
Released Claims	any and all further liability or claims under the Income Housa Documents or otherwise in connection with the Income Housas
Sale Conditions	in relation to any series of Income Housas, the terms set out in “Part XVIII – Income Housa terms and conditions” of the Base Prospectus applicable to that series of Income Housas, as amended by any Supplementary Prospectus applicable to that series of Income Housas
Schemes	the creditors’ schemes of arrangement in respect of the Scheme Companies under Part 26 of the Companies Act 2006 in the form set out in the Schemes Document or with or subject to any modifications, additions or conditions that the High Court may require or approve and that are consented to by the Scheme Companies
Scheme Claim	a claim against a Scheme Company in respect of Liabilities arising under or in connection with Income Housas and the Income Housa Documents
Scheme Companies	CTC and CTIH
Scheme Consideration	the Structured Deposits, the Accrued Interest, the interests in Housa Accounts and all other rights in relation to the foregoing received by the Scheme Creditors under the Schemes
Scheme Creditor	a person who holds a Scheme Claim, but excluding any person who has undertaken not to Vote
Schemes Document	the document setting out the terms of the Schemes in the form set out in Appendix F (<i>Schemes Document</i>)
Scheme Meeting	the meeting of a Scheme Company’s Scheme Creditors convened by the order of the High Court pursuant to Section 896 of the Companies Act 2006 for the purposes of considering, and if thought fit, approving the terms of the Scheme proposed by that Scheme Company
Structured Deposit	a structured deposit in a Housa Account (for which purposes the term “structured deposit” has the meaning given to it in the FCA Handbook)
Supplementary Statement	the statement supplementary to the Explanatory Statement setting out, among other things, timings and arrangement for Voting and how the Scheme Creditors may participate in the Scheme Meetings by remote means
Supplementary Prospectus	a supplementary prospectus listed in Part 2 of Appendix C (<i>Income Housa Documents</i>)

Voting	the exercise of a Scheme Creditor's vote to approve or reject a Scheme at a Scheme Meeting and "Vote" shall be construed accordingly
Voting Value	means a principal amount equal to the Investment Return which a Scheme Creditor would have received had they redeemed their beneficial interests in the corresponding series of Income Housas on the Record Date
Website	https://www.castletrust.co.uk/scheme

APPENDIX B

List of Documents available for Inspection

- 1 Orders of the High Court dated 3 April 2020 directing the convening of the Scheme Meetings.
- 2 Audited annual financial statements of the Scheme Companies as at 30 September 2019.

The above documents or copy documents will be available for inspection on the Website. Any Scheme Creditor that wishes to see the above documents and is unable to access them on the Website may contact the Scheme Companies by telephone on 0808 164 5000 or by e-mail to scheme@castletrust.co.uk no later than 7 days before the date of the Scheme Meetings to request that a copy be posted to them.

APPENDIX C

Income Housa Documents

Part 1 – Material Contracts

1. A set-off agreement entered into between CTC, CTCM and CTIH dated 1 May 2014.
2. A deed of covenant entered into by CTIH originally dated 22 September 2012, as amended by a deed of amendment dated 26 September 2013.
3. A marketing services agreement entered into between CTCM and CTIH dated 24 September 2012.
4. An ISDA master agreement entered into between CTC and CTIH dated 24 September 2012.
5. A schedule to the ISDA master agreement entered into between CTC and CTIH dated 24 September 2012.
6. An amendment and restatement agreement of the master HHPI swap confirmation entered into between CTC and CTIH dated 24 September 2012.
7. A registrar and administration agreement entered into between CTIH and JTC (Jersey) Limited dated 25 September 2012.
8. A sponsorship agreement entered into between CTIH and JTC Listing Services Limited dated 28 September 2012.
9. An amended supplemental HHPI swap confirmation entered into between CTC and CTIH.
10. A loan note redemption proceeds letter to CTCN from CTC dated 1 November 2012.

Part 2 - Prospectuses

- 1 Base prospectus relating to the £1,800,000,000 programme for the issuance of Notes by Castle Trust Income HouSA plc dated 3 October 2012.
- 2 Supplementary prospectus dated 28 December 2012 supplementary to the base prospectus dated 3 October 2012.
- 3 Base prospectus relating to the £1,800,000,000 programme for the issuance of Notes by Castle Trust Income HouSA plc dated 30 September 2013.
- 4 Supplementary prospectus dated 31 December 2013 supplementary to the base prospectus dated 30 September 2013.
- 5 Supplementary prospectus dated 30 April 2014 supplementary to the base prospectus dated 30 September 2013.

Part 3 – Final Terms

The documents constituting the final terms of the Income Housas for each of series 1 to 22 (inclusive) of the Income Housas and which in each case take the form of the proforma set out in “Part V – Pro forma Final Terms” of the Base Prospectus applicable to that series of Income Housas.

APPENDIX D

Notices of Scheme Meetings

The Notice of Scheme Meetings appended at Appendix D is displayed in final form as an Appendix to the Supplementary Statement.

APPENDIX E

Proxy Form

The Proxy Form appended at Appendix E is displayed in final form as an Appendix to the Supplementary Statement.

APPENDIX F
Schemes Document

THE SCHEMES

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)**

No. CR-2020-001729

IN THE MATTER OF CASTLE TRUST INCOME HOUSA PLC

- and -

IN THE MATTER OF CASTLE TRUST CAPITAL PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 2006

**SCHEMES OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)**

- between -

CASTLE TRUST INCOME HOUSA PLC

- and -

CASTLE TRUST CAPITAL PLC

- and -

**THE SCHEME CREDITORS
(as defined below)**

1 Definitions and Interpretation

1.1 Definitions

In the Schemes, unless the context requires otherwise:

Account Holder: a person who holds one or more Housa Accounts as a result of their interests in Income Housas having been converted into interests in those Housa Accounts under the Schemes;

Applicable Final Terms: for any series of Income Housas, the set of Final Terms applicable to that series of Income Housas;

Banking Licence: permission to carry on the activity of accepting deposits pursuant to Part 4A of the Financial Services and Markets Act 2000;

Base Prospectus: a base prospectus listed in Part 2 of Appendix 3 (*Income Housa Documents*) to these Schemes;

Business Day: a day (other than a Saturday or Sunday) on which banks are open for general business in London and Jersey;

Conditions Precedent:

- (a) an office copy of the order of the Court sanctioning the Schemes is delivered to the Registrar of Companies in England and Wales for registration; and
- (b) a Full Banking Licence is granted to CTC;

CTC: Castle Trust Capital plc, a company registered in England and Wales (registered number 07454474) whose registered office is at 10 Norwich Street, London EC4A 1BD;

CTCM: Castle Trust Capital Management Limited, a company registered in England and Wales (registered number 07504954) whose registered office is at 10 Norwich Street, London EC4A 1BD;

CTCN: Castle Trust Capital Nominees Limited, a company registered in England and Wales (registered number 07801931) whose registered office is at 10 Norwich Street, London EC4A 1BD;

CTIH: Castle Trust Income HouSA plc, a company registered in Jersey with registered number 108225;

Compensation: has the meaning given to it in clause 11 (*Compensation for increased taxation*);

Court: the High Court of Justice of England and Wales;

Effective Date: the fifth Business Day after the date on which the last of the Conditions Precedent has been satisfied;

Effective Time: 7.00 a.m. on the Effective Date;

Expert: has the meaning given to it in clause 8.2 (*Resolution by Expert*);

Explanatory Statement: the statement dated on or about 6 April 2020 explaining the effect of the Schemes to the Scheme Creditors in compliance with section 897 of the Companies Act 2006 and including the Supplementary Statement;

FCA Handbook: the rules, guidance and glossary contained in the FCA handbook of rules and guidance, as amended or replaced from time to time;

Final Terms: a set of final terms listed in Part 3 of Appendix 3 (*Income Housa Documents*) to these Schemes;

Full Banking Licence: a Banking Licence which no longer has a restriction on mobilisation attached to it;

Housa Account: a bank deposit account held with CTC;

Housa Account Terms and Conditions: the Housa Terms and Conditions in the form set out at Appendix 1 (*The Housa Terms and Conditions*) to these Schemes;

Income Housa: the notes issued pursuant to the Income Housa Documents;

Income Housa Documents: the documents listed in Appendix 3 (*Income Housa Documents*) to these Schemes;

Income Housa Terms and Conditions: the terms and conditions which together govern the Scheme Creditors' interests in the Income Housas, and being, in the case of any given series of Income Housas, the Note Conditions, Sale Conditions and Applicable Final Terms relating to that series of Income Housas;

Investment Return: has the meaning given to it in the Income Housa Terms and Conditions;

Investment Value: means a principal amount equal to the Investment Return which a Scheme Creditor would have received had they redeemed their beneficial interests in the corresponding series of Income Housas on the Effective Date;

ISA Product: has the meaning given to it in the Housa Account Terms and Conditions;

Jersey Court: the Royal Court of Jersey;

Liabilities: all present, future, actual or contingent liabilities, however, wherever and in whatever capacity and under whatever law or legal theory so arising (including in contract, debt, tort, restitution or by statute and in whatever jurisdiction), whether or not its amount is fixed or undetermined, whether sole or joint and whether or not it involves the payment of money or the performance of any other act or obligation whatsoever and whether known or unknown;

Maturity Date: has the meaning given to it in the Income Housa Terms and Conditions;

Note Conditions: in relation to any series of Income Housas, the terms set out in "Part VI – Terms and conditions of the Notes" of the Base Prospectus applicable to that series of Income Housas, as amended by any Supplementary Prospectus applicable to that series of Income Housas;

Portal: a secure online facility made available to Scheme Creditors and which is accessible via the Website;

Proceeding: any action, claim, process, legal or other proceeding including any arbitration, mediation, alternative dispute resolution, judicial review, adjudication, set-off, combination of accounts, demand for cash collateral, demand for mandatory prepayment, execution, restraint, forfeiture, re-entry, seizure, lien, enforcement of judgment, giving of notice, acceleration of debt, enforcement of any security or enforcement of any documentary credit;

Record Date: the date which is three Business Days before the date of the Scheme Meetings or such later date as the Scheme Companies may determine (and which will be notified in writing by the Scheme Companies to the Scheme Creditors);

Record Time: 5.00 p.m. on the Record Date;

Registrar: JTC (Jersey) Limited, a company registered in Jersey (registered number 37293) whose registered office is at 28 Esplanade, St Helier, Jersey, JE2 3QA;

Sale Conditions: in relation to any series of Income Housas, the terms set out in “Part XVIII – Income Housa terms and conditions” of the Base Prospectus applicable to that series of Income Housas, as amended by any Supplementary Prospectus applicable to that series of Income Housas;

Schemes: the two inter-linked schemes of arrangement in this document in their present form or with or subject to any modifications, additions or conditions that the Court may approve and that are consented to by the Scheme Companies;

Scheme Claim: a claim against a Scheme Company in respect of Liabilities arising under or in connection with Income Housa and the Income Housa Documents;

Scheme Companies: CTC and CTIH;

Scheme Consideration: the Structured Deposits, the Accrued Interest, the Compensation, the interests in Housa Accounts and all other rights conferred on the Scheme Creditors under these Schemes;

Scheme Creditor: a person who holds a Scheme Claim, but excluding CTCM, CTCN, the Registrar, the Trustee and any other person who has undertaken to the Court not to Vote;

Scheme Meeting: the meeting of a Scheme Company's Scheme Creditors convened by the order of the High Court pursuant to Section 896 of the Companies Act 2006 for the purposes of considering, and if thought fit, approving the terms of the Scheme proposed by that Scheme Company;

Structured Deposit: a structured deposit in a Housa Account (for which purposes the term “structured deposit” shall have the meaning given to it in the FCA Handbook);

Supplementary Statement: the statement supplementary to the Explanatory Statement setting out, among other things, timings and arrangements for Voting and how the Scheme Creditors may participate in the Scheme Meetings by remote means;

Supplementary Prospectus: a supplementary prospectus listed in Part 2 of Appendix 3 (*Income Housa Documents*) to these Schemes;

Voting: the exercise of a Scheme Creditor's vote to approve or reject a Scheme at a Scheme Meeting and “Vote” shall be construed accordingly; and

Website: <https://www.castletrust.co.uk/scheme>.

1.2 Interpretation

In these Schemes, unless the context otherwise requires:

1.2.1 references to law include common or customary law, principles of equity and any constitution, code of practice, decree, judgment, decision, legislation, order, ordinance, regulation, by-law, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, guideline, request, rule or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive, regulation, guideline, request, rule or requirement is intended to apply) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

1.2.2 references to any provision of any law or regulation are to be construed as referring to that provision as it may have been, or may from time to time be,

amended or re-enacted, and as referring to all by-laws, instruments, orders and regulations for the time being made under or deriving validity from that provision;

- 1.2.3 a reference to any party or person shall be construed as including its and any subsequent successors in title, permitted transferees and permitted assigns, in each case in accordance with their respective interests;
 - 1.2.4 references to rights include all rights, title, benefits, powers, privileges, interests, claims, authorities, discretions, remedies, liberties, easements, quasi-easements and appurtenances (in each case, of every kind, present and future, actual and contingent);
 - 1.2.5 references to including mean including without limitation;
 - 1.2.6 a defined term includes its other cognate forms;
 - 1.2.7 references to indebtedness include any obligation or claim for the payment or repayment of money, whether present or future, actual or contingent;
 - 1.2.8 unless otherwise stated, references to annexes, recitals, parts, schedules, clauses, appendices and paragraphs are references to the annexes, recitals, parts, schedules, clauses, appendices and paragraphs respectively of or to the Schemes;
 - 1.2.9 references to a person include references to an individual, firm, partnership, company, corporation, other legal entity, unincorporated body of persons or any state or state agency;
 - 1.2.10 references to an agreement, deed or document shall be construed also to refer to such agreement, deed or document as amended, supplemented, restated, varied, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant to it;
 - 1.2.11 the singular includes the plural and vice versa and words importing one gender include the other gender;
 - 1.2.12 headings to recitals, parts, appendices and clauses are for ease of reference only and shall not affect the interpretation of the Schemes;
 - 1.2.13 to the extent that there is any conflict or inconsistency between the terms of the Schemes and the Explanatory Statement, the terms of the Schemes shall prevail;
 - 1.2.14 references to the Schemes or its cognate forms means the Schemes, on the terms of this document;
 - 1.2.15 if any obligation is to be performed under the terms of the Schemes on a date other than a Business Day, the relevant obligation shall be performed on the next Business Day
 - 1.2.16 a reference to the Schemes is to the Schemes as modified with the consent, or by the order, of the Court; and
 - 1.2.17 all references to time in the Schemes are to London time.
- 1.3 The directors, officers, employees and agents of the Scheme Companies, and CTCM, CTCN, the Registrar and their respective directors, officers, employees and agents, shall be entitled under the Contracts (Rights of Third Parties) Act 1999 to enforce all of the rights and benefits accruing to them under the Schemes at all times as if they were party to the Schemes.

2 **Application and effectiveness of the Schemes**

2.1 The Schemes shall become effective at the Effective Time.

2.2 The Scheme Companies will promptly notify the Court, the Scheme Creditors, CTCN, the Registrar, the Financial Conduct Authority and the Prudential Regulatory Authority that the Effective Time has occurred.

3 **Compromise and arrangement**

3.1 **Housa Accounts**

3.1.1 At or before the Effective Time for each series of Income Housas in respect of which a Scheme Creditor is shown in the records maintained by CTCN as holding a beneficial interest, CTC shall open a corresponding Housa Account in the name of that Scheme Creditor.

3.1.2 Where that Scheme Creditor is showing as holding their beneficial interest in relevant series of Income Housas through an ISA, that Housa Account will be an ISA Product for the purposes of the Housa Account Terms and Conditions. That Housa Account not will otherwise be an ISA Product for the purposes of the Account Terms and Conditions.

3.1.3 In the event of a dispute as to the identity of the Scheme Creditor for whom that beneficial interest was held prior to the Effective Time, CTC shall open a Housa Account in the name of such Scheme Creditor as is agreed by the Scheme Companies, or failing that determined by the Expert in accordance with clause 8 (*Disputes*), to have held that beneficial interest, if necessary in substitution for the account opened in accordance with clause 3.1.1.

3.2 **Replacement of terms and conditions**

At and from the Effective Time, subject to the remaining provisions of this clause 3 (*Compromise and Arrangement*):

3.2.1 the Income Housa Terms and Conditions shall be discharged and of no effect such that the Scheme Creditors have no claim thereunder against either Scheme Company;

3.2.2 the Scheme Creditors shall in place of the rights so discharged acquire under the Schemes rights against CTC under a banking contract governed by the Housa Terms and Conditions; and

3.2.3 each Scheme Creditor on the one hand and CTC on the other hand shall be bound by the Housa Account Terms and Conditions in relation to all matters concerning the Housa Accounts, and accordingly for these purposes references in the Housa Account Terms and Conditions to “you” shall be construed as references to the relevant Scheme Creditor and references in the Housa Account Terms and Conditions to “we or “us” shall be construed as references to CTC.

3.3 **Conversion of interests in Income Housas to interests in Structured Deposits**

At and from the Effective Time, in consideration of the above discharge and substitution and for the releases given by each Scheme Creditor pursuant to clause 4.1 (*Release of each Scheme Company and their affiliates*):

3.3.1 CTC will credit each Housa Account in the name of a Scheme Creditor:

3.3.1.1 with a Structured Deposit equal in amount to the total Investment Value of the corresponding series of Income

Housas in respect of which that Scheme Creditor is shown in the records maintained by CTCN as holding a beneficial interest at the Effective Time; or

3.3.1.2 (in the event of a dispute as to the total Investment Value of the corresponding series of Income Housas in respect of which that Scheme Creditor holds a beneficial interest), with a Structured Deposit equal in amount to such total Investment Value of the corresponding series of Income Housas in respect of which such Scheme Creditor is agreed by the Scheme Companies, or failing that determined by the Expert in accordance with clause 8 (*Disputes*), as having held a beneficial interest at the Effective Time; and

3.3.2 CTC will additionally credit each Housa Account in the name of a Scheme Creditor:

3.3.2.1 with an amount of accrued but unpaid interest equal to the amount of accrued but unpaid interest to which that Scheme Creditor is shown in the records maintained by CTCN as having been beneficially entitled in relation to the corresponding series of Income Housas immediately prior to the Effective Time; or

3.3.2.2 (in the event of a dispute as to amount of accrued but unpaid interest to which that Scheme Creditor was beneficially entitled immediately prior to the Effective Time) with an amount of accrued but unpaid interest equal to the amount of accrued but unpaid interest in respect of which such Scheme Creditor is agreed by the Scheme Companies, or failing that determined by the Expert in accordance with clause 8 (*Disputes*), as having held a beneficial interest at the Effective Time.

3.4 **Term**

At and from the Effective Time, the “term” (as that term is used in the Housa Account Terms and Conditions) for each Housa Account to which CTC has credited a Structured Deposit pursuant to clause 3.3.1 (*Conversion of interests in Income Housas to interests in Structured Deposits*) shall be the period of time commencing on the date on which the Scheme Creditor (or its predecessor) first purchased its beneficial interest in the relevant series Income Housas from CTC and ending on the Maturity Date of that series of Income Housas prior to the Effective Time.

3.5 **Interest rate**

At and from the Effective Time, the “interest rate” (as that term is used in the Housa Account Terms and Conditions) for each Housa Account to which CTC has credited a Structured Deposit pursuant to clause 3.3.1 (*Conversion of interests in Income Housas to interests in Structured Deposits*) shall be the annual rate of interest applicable to the corresponding series of Income Housas prior to the Effective Time.

3.6 **Original T&Cs**

At and from the Effective Time, the “Ongoing T&Cs” (as that term is used in the Housa Account Terms and Conditions) for each Housa Account to which CTC has credited a Structured Deposit pursuant to clause 3.3.1 (*Conversion of interests in Income Housas to interests in Structured Deposits*) shall be the Income Housa Terms and Conditions applicable to the corresponding series of Income Housas prior to the Effective Time.

3.7 Value of the Structured Deposits

As and from the Effective Time, the value of each Structured Deposit will be calculated by the same formula as is currently used to calculate the Investment Return. The value of each Structured Deposit at the end of its term will accordingly be equal to the value which the Investment Return would have taken on the Maturity Date had the Scheme Creditor's interest in the relevant Income Housa not been converted into an interest in a Structured Deposit in a Housa Account.

4 Releases

4.1 Release of each Scheme Company and their affiliates

At and from the Effective Time, in consideration for having received from CTC the Scheme Consideration which is due to them under the Schemes and any other rights which they may have as result of the Schemes each Scheme Creditor:

4.1.1 releases each Scheme Company, CTCM, CTCN, the Registrar and their respective directors, officers, employees and agents from any and all further Liability under the Income Housa Documents or otherwise in connection with the Income Housas;

4.1.2 waives any and all claims they may have against either Scheme Company, CTCM, CTCN, the Registrar and their respective directors, officers, employees and agents under the Income Housa Documents or otherwise in connection with the Income Housas;

4.1.3 without prejudice to the releases and waivers set out in clauses 4.1.1 and 4.1.2, in their capacity as a Scheme Creditor of CTC releases CTIH from any and all further Liability, and waives any and all claims they may have against CTIH, under the Income Housa Documents or otherwise in connection with the Income Housas; and

4.1.4 irrevocably and unconditionally waives and releases any right that they may have to argue the releases and waivers set out in clauses 4.1.1, 4.1.2 and 4.1.3 are or might be ineffective.

4.2 Release of each Scheme Creditor

At and from the Effective Time, each Scheme Company:

4.2.1 releases each Scheme Creditor from any and all further Liability under the Income Housa Documents or otherwise in connection with the Income Housas;

4.2.2 waives any and all claims they may have against any Scheme Creditor under the Income Housa Documents or otherwise in connection with the Income Housas; and

4.2.3 irrevocably and unconditionally waives and releases any right that they may have to argue the releases and waivers set out in clauses 4.2.1 and 4.2.2 are or might be ineffective.

5 Persons bound

5.1 The compromise and arrangement effected by the Schemes shall apply to all Scheme Claims and shall be binding on all Scheme Creditors, the Scheme Companies, CTCM, CTCN, the Registrar, any other person who has given an undertaking to the Court to be bound by the terms of the Schemes substantially in the form set out in Appendix 4 (*Form of Undertaking*) and, in each case, their respective successors and assigns.

5.2 Claims of creditors of the Scheme Companies which are not Scheme Claims will not be affected by the Schemes and will continue to be paid in full in the ordinary course of each Scheme Company's business or otherwise when due.

6 **Instructions, Authorisations and Directions**

On and from the Effective Time, each Scheme Creditor irrevocably instructs and authorises each of the Scheme Companies to execute any documents and to take all such other actions which are required to be executed to give effect to the Schemes.

7 **Scheme Claims**

7.1 **Scheme Claim amounts for the purposes of Voting**

The value of each Scheme Creditor's total Scheme Claim for the purposes of Voting will be calculated as the aggregate of the principal values of each series of Income Housas in which that Scheme Creditor holds a beneficial interest at the Record Time based upon figures provided by CTCN.

7.2 **Authority to disclose information**

Each Scheme Creditor irrevocably authorises, empowers and appoints CTCN to provide the Scheme Companies with the amounts of each Scheme Claim held by such Scheme Creditor as stated in the books and records of CTCN. The Scheme Creditors agree that the Scheme Companies shall use the information provided by CTCN from such books and records to calculate and determine:

7.2.1 the entitlement of each Scheme Creditor to Vote; and

7.2.2 the value of the Scheme Consideration to be received by that Scheme Creditor,

and that any such determination shall, in the absence of manifest error, be conclusive and binding on that Scheme Creditor and the other parties to these Schemes.

7.3 **Effect of payment of Scheme Claims prior to the Effective Time**

7.3.1 The fact that that a Scheme Creditor's Scheme Claim may be reduced or extinguished during the period between the Record Time and the Effective Time as a result of that Scheme Creditor being paid the proceeds of any Income Housas during that period shall not retrospectively affect the validity of any Vote cast by that Scheme Creditor at the Scheme Meeting.

7.3.2 The Scheme Consideration to be received by any Scheme Creditor shall, however, be calculated and determined in accordance with clause by reference to the total value of that Scheme Creditor's beneficial interests as at the Effective Time in accordance with clause 3 (*Compromise and Arrangement*), not by reference to the value of that Scheme Creditor's Scheme Claim for the purposes of Voting as at the Record Time.

8 **Disputes**

8.1 **Disagreements regarding CTCN's records**

If any Scheme Creditor disagrees with the records held by CTCN in respect of:

8.1.1 the total principal value of any series of Income Housas in respect of which that Scheme Creditor held a beneficial interest at the Effective Time;

8.1.2 the total amount of accrued but unpaid interest to which any Scheme Creditor was entitled prior to the Effective Time; or

8.1.3 the identity of the Scheme Creditor who was beneficially entitled to any series of Income Housas at the Effective Time

that Scheme Creditor shall notify CTC within 14 days of the Effective Date setting out the reasons why they disagree.

8.2 Resolution by Expert

In the event that a Scheme Creditor gives notice in accordance with clause 8.1 and the Scheme Creditor and CTC fail to resolve any dispute within 28 days, then either CTC or the Scheme Creditor may notify the other that they wish to refer the dispute to an independent chartered accountant with not less than ten years' professional experience (an "Expert"). CTC shall accordingly then refer the dispute to the Expert as soon as the relevant Expert has been chosen in accordance with clause 8.3. The Expert's opinion shall be final and binding on the Scheme Companies and the Scheme Creditor, subject to clause 8.5 (*Financial Ombudsman Service*) and insofar as the law otherwise allows. The Expert shall act as an expert and not as an arbitrator. In so far as the law allows, there shall be no right of appeal from a decision of the Expert.

8.3 Choice of Expert

CTC shall notify the Scheme Creditor which is counterparty to the relevant dispute of its choice of Expert. If the counterparty notifies CTC in writing that they object to the Expert selected by CTC within five Business Days of such notice from CTC, the counterparty and CTC shall use reasonable efforts to agree upon an Expert. If the counterparty and CTC do not agree upon an Expert within seven days of such notice of objection having been given by the counterparty (or if such notice of objection is not given within the period of five Business Days referred to above in this clause) CTC's choice of Expert shall be binding, subject to clause 8.5 (*Financial Ombudsman Service*) and in so far as the law otherwise allows.

8.4 Bar Date

Subject to clause 8.5 (*Financial Ombudsman Service*), a Scheme Creditor who fails to notify CTC that they disagree with the records held by CTCN in respect of any of the matters stipulated in clause 8.1 within the 14-day period stipulated in that clause 8.1 shall have no further right to pursue any remedy against the Scheme Companies in respect of any matter stipulated in clause 8.1 save to the extent that the Scheme Companies, in their sole discretion, may agree otherwise.

8.5 Financial Ombudsman Service

Nothing in this clause 8 (*Disputes*) shall prevent a Scheme Creditor from referring a complaint to the Financial Ombudsman Service in circumstances where that Scheme Creditor has the right to do so.

9 Assignments and transfers

9.1.1 Notwithstanding any provision of the Income Housa Documents but subject to clause 9.1.2 below, no assignment or transfer of any beneficial entitlement to any Income Housas or of any other rights or obligations under or in respect of any of the Scheme Claims on after the Record Time shall be recognised by the Scheme Companies for the purpose either of determining the entitlements of the Scheme Creditors to Vote in relation to the Schemes at the Scheme Meetings or of determining the entitlements of the Scheme Creditors to receive the Scheme Consideration.

9.1.2 Where a Scheme Company has received from any person believed to be a Scheme Creditor notice in writing of an assignment or transfer of any beneficial entitlement they may have to any Income Housas or of any other rights or obligations under or in respect of any of the Scheme Claims after the

Record Time, the Scheme Companies may, in their sole discretion and subject to the production of such other evidence as the Scheme Companies may reasonably require, agree to recognise such assignment or transfer for the purpose of determining entitlements under the Schemes. It shall be a term of such recognition that the assignee or transferee of a Scheme Claim so recognised by the Scheme Company shall be bound by the terms of the Schemes and for the purposes of the Schemes shall be a Scheme Creditor.

10 **Scheme Creditor Undertakings**

10.1 Each Scheme Creditor:

10.1.1 irrevocably authorises, consents to, ratifies and confirms everything which the Scheme comprises and the Scheme Companies may lawfully do or cause to be done or purport to do pursuant to the authority conferred by clause 6 (*Instructions, Authorisations and Directions*);

10.1.2 irrevocably consents to:

10.1.2.1 the terms and conditions of, and compromise and arrangement effected by, the Schemes;

10.1.2.2 the receipt by itself and each other Scheme Creditor of the Scheme Consideration; and

10.1.2.3 the allocation of the Scheme Consideration and the matters necessary to implement such allocation in accordance with the terms of the Schemes.

10.2 To the extent permitted by law, no Scheme Creditor shall be entitled to challenge the validity of any act done or omitted to be done in good faith by a Scheme Company in connection with its actions or omissions pursuant to the authority granted to it under clause 6 (*Instructions, Authorisations and Directions*) in accordance with the provisions of the Schemes or the exercise by the Scheme Companies or an Expert (or any of their respective authorised signatories, directors, officers, agents, employees and/or delegates) in good faith of any power conferred upon them for the purposes of the Schemes if exercised in accordance with the provisions of the Schemes.

10.3 Neither the Scheme Companies nor any Expert shall be liable for any cost, loss or liability in connection with the Schemes, or their formulation, promotion or implementation unless such loss is attributable to the gross negligence, wilful misconduct, or fraud of the relevant Scheme Company or that Expert (or any of their respective authorised signatories, agents, employees and/or delegates). Neither the Scheme Companies nor any Expert shall be liable for any consequential loss or liability incurred by any person in connection with the Schemes.

11 **Compensation for Increased Taxation**

11.1 CTC will advance to any Scheme Creditor an amount equal to any capital gains tax liability of that Scheme Creditor that, as a result of the Schemes, arises in respect of the disposal of any Income Housa in an earlier tax year than would otherwise be the case and is payable before the Maturity Date (as defined in clause 3.4). Any such advance will be repayable on the Maturity Date.

11.2 CTC will compensate any Scheme Creditor who is subject to tax at a higher effective rate in respect of interest received on their Housa Account than they would have been on their return on any Income Housa had the Schemes not been implemented.

11.3 The obligations on CTC in clauses 11.1 and 11.2 are conditional on receipt by CTC of reasonably satisfactory evidence that the tax liability in question has arisen.

11.4 CTC may, at its option, set off the repayment of any amounts advanced to any Scheme Creditor under clause 11.1 against any amount standing to the credit of that Scheme Creditor's Housa Account or any compensation amount which is due to that Scheme Creditor under clause 11.2.

12 **General Scheme Provisions**

12.1 **Costs**

The Scheme Companies shall pay, or procure the payment of, the costs, charges, expenses and disbursements incurred by them in connection with the Schemes, including the costs, charges, expenses and disbursements of any Expert.

12.2 **Modifications of the Schemes**

The Scheme Companies may, at any time after the Effective Time may make such non-material and/or technical modifications of the Schemes as they may consider necessary provided such modifications would not in the opinion of the Scheme Companies (acting reasonably) have an adverse effect on the interests of any Scheme Creditor under the Schemes. Where the Scheme Companies make any such modification, they will promptly publish details of that modification on the Website.

12.3 **Prohibition on Proceedings**

12.3.1 Subject to clause 11.3.2 below, no Scheme Creditor may commence, support any person commencing, or instruct any person to commence or take any Proceeding against either Scheme Company or any of their respective directors, officers or advisors in respect of or arising from or relating to the terms of the Income Housa Documents or the formulation, promotion or implementation of the Schemes.

12.3.2 A Scheme Creditor may take Proceedings against a Scheme Company to enforce its rights under the Schemes provided that:

12.3.2.1 such Proceedings do not relate to a dispute regarding any of the matters outlined in clause 8.1 (*Disagreements regarding CTCN's records*); or

12.3.2.2 (so far as such Proceedings relate to the Schemes) such Scheme Creditor provides ten Business Days' notice of its intention to commence such Proceedings to the Scheme Company concerned.

12.3.3 Each Scheme Creditor will hold on trust for the benefit of the Scheme Company or (as applicable) its directors, officers or advisers (including Advisers) any recovery made pursuant to any Proceeding in breach of this clause 11.2 and will turn over any such recovery forthwith upon demand being made by the relevant Scheme Company without set-off, counterclaim or deduction. To the extent that the asset comprising the recovery cannot be held on trust by the Scheme Creditor, the Scheme Creditor shall pay to the Scheme Company an amount equal to that recovery immediately upon demand being made by the Scheme Company without set-off, counterclaim or deduction, to be held on trust by the Scheme Company for the person(s) entitled to it.

12.3.4 Nothing in this clause 11.3 shall restrict the ability of a Scheme Creditor, in their new capacity as an Account Holder following the Effective Time, from taking Proceedings against CTC where they considers that CTC has failed to comply with its ongoing obligations under the Account Terms and Conditions.

12.4 **Obligations on days other than a Business Day**

If any obligation is to be performed under the terms of the Schemes on a day other than a Business Day, the relevant obligation shall be performed on the next Business Day.

12.5 **Notices**

12.5.1 Any notice or other written communication to be given under or in relation to the Schemes shall be given in writing and shall be deemed to have been duly given if:

12.5.1.1 it is sent by post, and by airmail where it is addressed to a different country from that in which it is posted, to:

- (i) in the case of either Scheme Company, PO Box 6965, Basingstoke RG24 4XE, and marked "For the attention of the Scheme Administrator" or to such replacement postal address as may be notified by the Scheme Companies (or either of them) to the Scheme Creditors in order to receive postal correspondence in connection with the Schemes; and
- (ii) in the case of a Scheme Creditor, its postal address according to the records maintained by CTCN or to such replacement postal address as may be notified by that Scheme Creditor to the Scheme Companies in order to receive postal correspondence more generally in connection with the Income Housas and/or Housa Accounts;.

12.5.2 Any notice or other written communication to be given under the Schemes shall be deemed to have been served:

12.5.2.1 if delivered by hand, on the first Business Day following delivery; and

12.5.2.2 if sent by post, on the second Business Day after posting if the recipient is in the country of dispatch, otherwise on the seventh Business Day after posting.

12.5.3 Any communication to be made under or in connection with the Schemes, may be made by electronic mail or other electronic means:

12.5.3.1 in the case of the Scheme Companies, to scheme@castletrust.co.uk or to such replacement electronic mail address as may be supplied by the Scheme Companies (or either of them) to the Scheme Creditors in order to receive electronic mail correspondence in connection with the Schemes; and

12.5.3.2 in the case of a Scheme Creditor, to such electronic mail address as has most recently been notified by that Scheme Creditor to the Scheme Companies in order to receive electronic mail correspondence more generally in connection with the Income Housas and/or Housa Accounts.

12.5.4 Any electronic communication made in respect of the Schemes will be effective only when actually received in readable form.

12.5.5 In proving service, it shall be sufficient proof, in the case of a notice sent by post, that the envelope was properly stamped, addressed and placed in the post.

12.5.6 The accidental omission to send any notice, written communication or other document in accordance with this clause 11.4 or the non-receipt of any such notice by any Scheme Creditor, shall not affect the provisions of the Schemes.

12.6 **Severability**

If any provision of either Scheme is or at any time becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity nor enforceability in such jurisdiction of any other provision of that Scheme, nor the legality, validity or enforceability under the laws of any other jurisdiction of any provision of that Scheme, shall be affected or impaired.

12.7 **Delegation**

12.7.1 The Scheme Companies may perform their rights, powers, duties, discretions and/or obligations, through such one or more authorised signatories, acting jointly or severally, as they may appoint from time to time.

12.7.2 The Scheme Companies may also delegate their rights, powers, duties, discretions and/or obligations (including the execution and delivery of any document or instrument) to any person they deem appropriate, in their sole discretion.

12.8 **Future liquidations or dissolution**

The Schemes shall be unaffected by any liquidation, dissolution or similar process in its jurisdiction of incorporation of either Scheme Company after the Effective Time and shall, in those circumstances, continue according to its terms.

12.9 **Governing law and jurisdiction**

12.9.1 The Schemes and all matters arising from or in connection with it (including any contractual or non-contractual obligations) shall be governed by, and construed in accordance with, the laws of England and Wales.

12.9.2 Subject to the provisions of clause 8 (*Disputes*) and clause 11.2 (*Prohibition on Proceedings*), each Scheme Creditor irrevocably agrees that the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding (including any Proceeding which is permitted by the terms of the Schemes) and to settle any dispute which may arise out of or in connection with any provision of the Schemes or their implementation, or out of any action taken or omitted to be taken under the Schemes or their administration or any non-contractual obligations arising out of or in connection with the Schemes. For such purposes, the Scheme Creditors irrevocably submit to the jurisdiction of the Court.

Dated this 6th day of April 2020

APPENDIX 1

The Housa Account Terms and Conditions

The Housa Account Terms and Conditions are displayed at Appendix G of the Explanatory Statement.

APPENDIX 2

Income Housa Documents

Part 1 – Material Contracts

1. A set-off agreement entered into between CTC, CTCM and CTIH dated 1 May 2014.
2. A deed of covenant entered into by CTIH originally dated 22 September 2012, as amended by a deed of amendment dated 26 September 2013.
3. A marketing services agreement entered into between CTCM and CTIH dated 24 September 2012.
4. An ISDA master agreement entered into between CTC and CTIH dated 24 September 2012.
5. A schedule to the ISDA master agreement entered into between CTC and CTIH dated 24 September 2012.
6. An amendment and restatement agreement of the master HHPI swap confirmation entered into between CTC and CTIH dated 24 September 2012.
7. A registrar and administration agreement entered into between CTIH and JTC (Jersey) Limited dated 25 September 2012.
8. A sponsorship agreement entered into between CTIH and JTC Listing Services Limited dated 28 September 2012.
9. An amended supplemental HHPI swap confirmation entered into between CTC and CTIH.
10. A loan note redemption proceeds letter to CTCN from CTC dated 1 November 2012.

Part 2 - Prospectuses

- 1 Base prospectus relating to the £1,800,000,000 programme for the issuance of Notes by Castle Trust Income HouSA plc dated 3 October 2012.
- 2 Supplementary prospectus dated 28 December 2012 supplementary to the base prospectus dated 3 October 2012.
- 3 Base prospectus relating to the £1,800,000,000 programme for the issuance of Notes by Castle Trust Income HouSA plc dated 30 September 2013.
- 4 Supplementary prospectus dated 31 December 2013 supplementary to the base prospectus dated 30 September 2013.
- 5 Supplementary prospectus dated 30 April 2014 supplementary to the base prospectus dated 30 September 2013.

Part 3 – Final Terms

The documents constituting the final terms of the Income Housas for each of series 1 to 22 (inclusive) of the Income Housas and which in each case take the form of the proforma set out in “Part X – Pro forma Final Terms” of the Base Prospectus applicable to that series of Income Housas.

APPENDIX 3
Form of Undertaking

[To go on the headed paper of the sender]

[Judge]
Rolls Building
Business and Property Courts of England
and Wales
7 Rolls Buildings
Fetter Lane
London EC4A 1NL

[•] 2020

Our ref

Dear Judge

**In the matter of Castle Trust Income HouSA plc; in the matter of Castle Trust Capital plc;
and in the matter of the Companies Act 2006
No. CR-2020-
[name of company] (“we” or “[abbreviation]”) - undertaking to court**

We refer to the schemes of arrangement proposed to be made between Castle Trust Income HouSA plc and Castle Trust Capital plc (each a “**Scheme Company**” and together, the “**Scheme Companies**”) and their respective Scheme Creditors pursuant to Part 26 of the Companies Act 2006 (the “**Schemes**”).

All capitalised terms used in this letter have the same meanings as those set out in the document containing the operative provisions of the Schemes, the proposed form of which as at the date of this letter was lodged with the Court as pages [] to [] of Exhibit MPB 1 to the First Witness Statement of Martin Paul Bischoff dated [], and as may be subsequently amended from time to time between the date of this letter and the Effective Time.

[In connection with the Schemes we entered into a deed of termination on [•] 2020 with [relevant Scheme Company] by which all of the obligations and liabilities of the parties thereto in relation to [describe agreement] will cease as from the Effective Time.]

[Pursuant to that deed, we also provided an undertaking to [relevant Scheme Company] that, notwithstanding that we may have a Scheme Claim, we would not Vote at either Scheme Meeting and that we would provide an equivalent undertaking to the Court.]

Accordingly, by way of this letter, [company] hereby undertakes to the Court that we shall not Vote at either Scheme Meeting.

We understand that failure to keep to the terms of this undertaking may result in [company] being found to be in contempt of court. We confirm that we understand the consequences of this.

Yours faithfully

[•]

Director
for and on behalf of
[company]

APPENDIX G

The Housa Account Terms and Conditions

Housa Terms & Conditions

Terms and conditions-effective from 20 March 2020

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1. Introduction

- 1.1 This document contains the terms and conditions (the “**Housa Terms and Conditions**”) applicable to our **Converted Income Housa and Converted Growth Housa** (each a “**Product**” and together the “**Products**”).
- 1.2 Separate terms apply to Converted Income Housa and Converted Growth Housa. If any term of this agreement is found to be unenforceable, this will not affect the validity of any others.
- 1.3 Please read the Housa Terms and Conditions carefully. If you want to refer to them in future, you can access them on our website at www.castletrustbank.co.uk, via online banking, on our mobile banking app, by telephone on 0808 164 5000 or by post at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.
- 1.4 We will deal with you solely on an execution only basis which means that we do not provide any advice to you in relation to your Maturity Instructions or the reinvestment instructions for any of the Products. By accepting your Maturity Instructions for any of the Products, we are not confirming that the Product you have selected is suitable for you. If you are in any doubt about any of our Products and their suitability to you, please speak to your financial adviser.
- 1.5 In this agreement:
 - (a) “Business Day” means Monday to Friday excluding English Bank Holidays;
 - (b) “Cancellation Event” means a customer instruction which would result in us breaching a law, regulation or sanction;
 - (c) “Converted Products” means any of the Income Housa and Growth Housa converted into Converted Income Housa and Converted Growth Housa following the scheme of arrangement;
 - (d) “Early Encashment” means an accepted request from a customer upon which a customer is allowed to withdraw funds from a Product before the end of the term;
 - (e) “Growth Housa” means any Maturity Growth and Foundation Loan Note Product held by Castle Trust customers prior to the scheme of arrangement;
 - (f) “Income Housa” means any Quarterly Loan Note held by Castle Trust customers prior to the scheme of arrangement;
 - (g) “Index Adjustment Event” means any event, as defined or described in the Original T&Cs, upon which the interest rate would be changed in accordance with the terms of your Original T&Cs;
 - (h) “Housa ISA Products” means any ISA variations offered for Growth Housa and Income Housa;
 - (i) “Maturity Accounts” means any Easy Access Maturity Account and Easy Access Maturity ISA;
 - (j) “Nominated Account” means a UK based current account, held in the name of one or both of the applicants, that will be used as the receiving account for any withdrawals from your Castle Trust Bank account;
 - (k) “Original T&Cs” means the set of terms and conditions relevant to your Product at the time of your application;
 - (l) “Privacy Policy” means the form of Castle Trust Bank Privacy Policy active at the date of the Housa Terms and Conditions;
 - (m) “Self Service Portal” means the self-service platform accessed via the Castle Trust mobile app

and the Castle Trust Bank website;

(n) "we", "our" and "us" means Castle Trust Bank; and

(o) "you" and "your" means our customer.

2. Confidentiality and Data Protection

Privacy

- 2.1 Your privacy is important to us and the information you give us is treated confidentially, in line with data protection laws.
- 2.2 Where necessary, and to help us improve our Products or service delivery, we may share your information with parties outside of Castle Trust Bank. Our Privacy Policy explains how we obtain and use and keep your information safe. We'll provide you with a copy of the Privacy Policy when you open your Product, or you may find it on our website at www.castletrustbank.co.uk.

How to contact us

- 2.3 Our Customer Services team is available Monday to Friday 9am to 5pm. You can contact us in the following ways:
 - a) Online via the Self Service Portal;
 - b) Email us at savings@castletrustbank.co.uk;
 - c) Phone us on 0808 164 5000; and
 - d) Send a letter to: Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.

How we'll contact you

- 2.4 Where possible, we'll contact you in line with your communication preference. Communication can be via post, email, secure message, messaging within the app, push notifications, SMS, or over the telephone.
- 2.5 We will only send you each text or email once. If you delete a text or email, we cannot send it again. We cannot guarantee that all letters, text messages and emails sent as part of our service will be received in a timely manner (or in exceptional circumstances at all) due to factors outside of our control.
- 2.6 You should inform us as soon as possible if any of your contact details change.
- 2.7 All the information we give you and all communications from us will be in English. We'll only accept communications and instructions from you in English.

3. Product basics

Availability of Products

- 3.1 All of our Products are subject to availability and, from time to time, we may be unable to offer you a specific Product.
- 3.2 We are not accepting further applications for the Products.

Paying from your Product

- 3.3 If we have reason to believe a payment from your Product might break any law, regulation or sanction we reserve the right to accept or reject the payment or delay processing the payment until further Verification Checks are satisfied.

Product limits

- 3.4 Withdrawal requests that would result in the Product balance falling below the minimum balance for the Product will be treated as a request to close the Product and we will return the remaining funds to you. The minimum balance for each Product is detailed within the Product Summary Sheet.

Statements

- 3.5 We'll provide statements annually on the anniversary of the conversion of your Product and in accordance with the terms set out in your Original T&Cs. You can also request a statement at any time - just call us on 0808 164 5000, Monday to Friday 9 am to 5 pm, or contact us by post at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE - or download a statement online.

How do I manage my Product?

- 3.6 You can manage your Product in a number of ways:
- Online via the Self Service Portal;
 - By phone, calling us on 0808 164 5000, Monday to Friday 9 am to 5 pm;
 - By secure message through your online account;
 - By sending an email to us at savings@castletrustbank.co.uk; and
 - By post, sending a letter to Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.
- 3.7 If you get in touch via email, we may contact you to confirm your instruction your is genuine.

Closing your Product

- 3.8 You can close your Product at any time, without incurring any fees.
- 3.9 If you decide to close your Product, we will calculate the amount due to you. The balance of funds will be transferred to your **Nominated Account** or another easy access account you own except in the following circumstances:
- 3.9.1 If there is no valid **Nominated Account** or **Easy Access Savings Account**, then funds will be returned by cheque addressed to the Product holder or Product holders.
- 3.10 For full details on when and how you can close your Product, please refer to the Product specific guidelines.

When we can close your Product

- 3.11 We reserve the right to close your Product immediately and without notice, if you:
- have given us false or misleading information;
 - have used (or could be using) the Product for an illegal purpose, or allowed someone else to do this; or
 - instruct us to do something that would cause us to break any law, regulation or sanction or that would result in a **Cancellation Event**.
- 3.12 Upon the occurrence of a **Cancellation Event**, we may not return the funds in your Product, or in the event that we do return the funds in your Product, the payment may not include interest.

Can I withdraw my money?

- 3.13 Withdrawals from your Product are permitted at any time.

How long is my Product fixed for?

3.14 Your Product is fixed for a specific length of time (“the term”), determined by the product you applied for. The term applicable to your Product is set out in your Original T&Cs .

What is the interest rate?

3.15 The interest rate on your Product is fixed for the term of the product, determined by the product you applied for. The interest rate for your Product is set out in your Original T&Cs.

How is interest calculated?

3.16 Interest is calculated in accordance with the terms set out in your Original T&Cs.

3.17 Interest is paid for every day the Product remains open with a balance. Therefore, if the term of the Product spans a leap year day, interest will be accrued for the extra day.

Can Castle Trust Bank change the interest rate?

3.18 Castle Trust Bank cannot change the interest rate on our Products, however Index Adjustment Events are applicable to the Products in accordance with the relevant terms set out in your Original T&Cs.

When will interest be paid?

3.19 The frequency of interest payment on your Product is determined by the Product you applied for. Please refer to your Original T&Cs for further details.

What happens at maturity?

3.20 Before your Product reaches maturity, you’ll need to provide us with your maturity instructions. You don’t need to do anything until we get in touch with you, which will be about a month before your Product matures.

3.21 You can provide us with your maturity instructions:

- Online via the Self Service Portal;
- By phone, calling us on 0808 164 5000, Monday to Friday 9 am to 5 pm;
- Sending us a secure message through your online account;
- By post, sending a letter to Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.

3.22 There are a number of options available to you at maturity:

- Payment of the amounts due to you in accordance with the terms set out in your Original T&Cs;
- Roll all of the funds into a new **Fixed Rate Account**;
- Roll part of the funds into a new **Fixed Rate Account**;
- Withdraw all of the funds by bank transfer to your **Nominated Account** or an **Easy Access Account**;
- Withdraw part of the funds by bank transfer to your **Nominated Account** or an **Easy Access Account**, with the balance rolled into a new **Fixed Rate Account**.

3.23 If we do not receive your instructions before your Product matures, your Product will automatically convert to a **Maturity Easy Access Account**. This Product has a different set of terms and conditions and a different interest rate, which is typically lower than the **Fixed Rate Account**. We will write to you with a copy of the terms and conditions if this happens.

ISA Specific Features

The terms and conditions in this section are only applicable to the **Housa ISA Products** and are additional to the terms and conditions above.

Is my Product eligible for ISA status?

3.24 **Housa ISA Products** are eligible for Cash ISA status, subject to certain requirements being met:

- ISAs must be held in a sole name;
- The product-holder must be resident in the UK for tax purposes; and
- You can only open one Cash ISA per tax year.

What is the tax treatment of my ISA?

3.25 **Housa ISA Products** are subject to HMRC ISA rules. HMRC may change these rules each tax year.

3.26 Castle Trust Bank is the ISA Plan Manager and **Housa ISA Products** will be managed in accordance with the ISA Plan Manager rules.

3.27 In the event that we are notified by HMRC to complete an 'ISA Repair' or 'Void' on your Product, if we cannot move your funds into an equivalent non-ISA Product we will contact you to discuss the options available.

3.28 We will report ISA subscriptions made into a Castle Trust Bank product to HMRC on an annual basis.

Can I transfer my ISA to another ISA provider?

3.29 If you wish to transfer your ISA to another provider, you must first contact the other ISA provider who will advise you of their requirements. They will then contact us to initiate the transfer which we will complete within 5 **Business Days** once a valid transfer instruction is received. We will not be able to 'cancel' a transfer once it is underway and care should be taken to ensure the instructions are accurate and correct at the time of submission.

3.30 You are permitted to transfer your ISA to another provider at any time.

3.31 We will only be liable for delays to transfer instructions that are caused by our own negligence or by our own breach of contract. We cannot be responsible for any delays arising through the actions or inactions of you or the other ISA provider.

Can I make withdrawals from or close my ISA?

3.32 You may make withdrawals from your ISA at any time.

3.33 You may close your ISA at any time. You should be aware that closing your ISA Product may impact its tax-free status. Your Product cannot be reinstated once it is closed and care should be taken to ensure the closure instruction is appropriate for your circumstances.

What happens to my ISA if I die?

3.34 Your ISA will end when:

- 3.34.1 your executor closes it; or
- 3.34.2 the administration of your estate is complete.

Please refer to section Death of the General Terms and Conditions for further details regarding the treatment of your Product in the event of your death.

4. Accountability

4.1 We are not liable for any payment from the Product, or for access to the Product, if this is because you:

- have acted fraudulently;
 - have told anyone your password or other security information; or
 - have deliberately or with gross negligence failed to keep your password or other security information secret.
- 4.2 After you have told us that your security details are no longer secure, you are not responsible for any loss, unless you have acted fraudulently.
- 4.3 We do not accept liability for any scenario where the value of your Product could have been increased, or where the value of your Product was reduced unless this was as a result of gross negligence, deliberate breach of our obligations or fraud by us.
- 4.4 We are also not liable for loss that was caused by abnormal or unforeseen circumstances that we couldn't reasonably control.
- 4.5 We are not liable for acting upon any instructions which are forged or fraudulent and shall be entitled to assume that all signatures are genuine. If in any case we agree to accept instructions by telephone or electronic means, we may assume the identity of the caller is genuine, having taken reasonable steps to identify them, unless it shall be obvious that he or she was not a genuine caller or sender.
- 4.6 If we cannot provide our service due to circumstances beyond our reasonable control, we will, where possible, take such reasonable steps as we can to bring those circumstances to an end. We shall not be liable for any losses or expenses suffered by you as a result of such circumstances or as a result of a delay or failure in the provision of our services caused by such circumstances.

Records of instructions we've received

- 4.7 We keep written records of all the instructions received from you and record all the telephone communications.
- 4.8 In case of a dispute or a complaint, unless there's an obvious error, our own records of what you've asked us to do are conclusive.

Tax status

- 4.9 We currently report to HMRC.
- 4.10 In order to enable us to report to the relevant tax authorities we may need to disclose your personal information.
- 4.11 It is your responsibility to tell us if you are required to pay tax or report to tax authorities in other countries. If your circumstances change and impact your tax status please let us know straight away.

5. Transferring the agreement and waiving our rights

When the agreement may be transferred

- 5.1 We can transfer any of our rights and duties under this agreement to another person. We may also arrange for any other person to carry out our rights or duties under this agreement. This will not affect your rights under this agreement or your legal rights.
- 5.2 In the event that we transfer our rights or duties, you may read these Housa Terms and Conditions such that any reference to "we", "us" or "Castle Trust Bank" in this agreement, to also mean the party / parties we have transferred our rights or duties to.
- 5.3 You may not transfer or charge the benefit of this agreement to anyone else.

Waiving our rights

- 5.4 In the event that you do not operate your Product within the agreed terms and conditions, we may pursue the recovery of any losses arising from your actions. Even if we decide not to take action at the time, we reserve the right to take action at any point in the future.

6. Notices, communications, change of details

- 6.1 You should send any notices (including cancellation notices) requests for information or instructions for us to the address below, quoting your full name and your Product number in all correspondence with us:
- 6.2 **Castle Trust Bank,
PO Box 6965,
Basingstoke,
RG24 4XE
Tel: (Freephone) 0808 164 5000
(Monday-Friday, 9am-5pm)**
- 6.3 Once you have registered with our Self Service Portal, you can also contact us via the portal's secure messaging service.
- 6.4 For your protection and to help us improve our service we may record and monitor phone calls.
- 6.5 We will send any notices or other correspondence to the address you have given in your application or to a new permanent residential address provided you have notified us of the change. You should notify us of any change of name or address as soon as possible, providing us with appropriate supporting documentation, e.g. in the case of a change of name, the deed poll or marriage certificate.
- 6.6 All communications sent to you by us will be treated as received by you two **Business Days** after posting.
- 6.7 Any documents or cheques sent to you by us and any documents or cheques sent by you to us will be sent at your own risk and we accept no liability prior to receipt of any document or cheque or after despatch of any document or cheque to you.
- 6.8 We will not send you any documents if their distribution may be prohibited by any applicable law.

7. If things go wrong

If you have a complaint

- 7.1 Call us on 0808 164 5000, Monday to Friday 9 am to 5 pm, if something's concerning you or to make a complaint and we'll do our best to put things right. Our complaints procedure can be found on our website at www.castletrustbank.co.uk.
- 7.2 In order to make a complaint, you can also reach us by sending us a secure message via the Self Service Portal, emailing us at savings@castletrustbank.co.uk or writing to us at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.
- 7.3 If you have a complaint and aren't satisfied with how we deal with it or it's been over 8 weeks since you raised it, you can refer your complaint to the Financial Ombudsman Service. There are details of how to do this at www.financial-ombudsman.org.uk but we'll also give you these details at the time.

Our supervisory authority

- 7.4 We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Our Financial Services Register number is 541910.

Compensation scheme

- 7.5 Your Product is protected by the Financial Services Compensation Scheme (FSCS). The current FSCS limit (£85,000) relates to the combined amount in all of your Products with Castle Trust Bank, including

your share of any joint Product, and not to each separate Product.

- 7.6 You can find out more about how the scheme works, and how much of your savings this covers in the FSCS information sheet in your welcome pack, or by visiting www.fscs.org.uk.

8. Online and Mobile Banking

- 8.1 With online banking and mobile banking, you can access information about your Product, give us instructions, set up alerts and use other functionality that we make available from time to time.
- 8.2 We will provide or ask you to set security details for access to online banking and mobile banking. These could include a password, security code or memorable information. We may change these requirements at any time.
- 8.3 If you are a joint Product holder, each person named on the Product can register for online banking and mobile banking. Each joint Product holder will have separate security details to access and use the service.
- 8.4 You can access online banking by logging on at our website www.castletrustbank.co.uk.
- 8.5 You can access mobile banking using the mobile app (available on Android and iOS).
- 8.6 Between the hours of 00:00 and 07:00 am the Self Service Portal will show the status and balance of your account as of 00:00. During that time, you will not be able to make amendments to your accounts, add or withdraw your funds, transfer money, change details or open additional accounts.

9. The mobile banking app end user licence agreement

- 9.1 You use the mobile banking app under licence from us on the terms set out below. This licence is non-transferable, non-assignable and non-exclusive.
- 9.2 You are not permitted, and will not be able to, download, install or use the mobile app on a device which has been jail-broken, rooted or which has had its security settings compromised in any other way. Jail-broken or rooted means that the device has deliberately had its security settings changed, making it less secure and more vulnerable to fraudulent attacks. If we detect that your device has been jail-broken, rooted or had its security settings compromised in any other way we shall be entitled to prevent you from using the mobile banking app.
- 9.3 In using the app, you must:
- a) use the app only on a device that you own or control and only to access the mobile banking service;
 - b) not sub-licence, assign or claim to exercise any rights in relation to the app;
 - c) not copy or reverse engineer, amend, alter or adapt any part of the app, and
 - d) accept the terms of this licence without making any amendment to them.
- 9.4 The licence commences when you first install the mobile app and will continue until you stop using mobile banking. If you stop using mobile banking, you should delete the mobile app from your devices. By using the app, you will be deemed to accept the terms of this licence.
- 9.5 Any updates to the mobile app will be made available through the Apple app store and Google Play or other application stores the mobile app is available from. We will not be responsible for providing updates to you in any other way.
- 9.6 We are solely responsible for the mobile app and should you wish to raise any complaint concerning the operation of the mobile app, you should contact us rather than the relevant app store.
- 9.7 If a third-party claims that the mobile app or your use of it infringes their rights, you will give us any reasonable assistance we require to investigate and defend that claim.

- 9.8 By using the mobile app, you confirm that you are not located in a country which is subject to any embargo by the United States of America (“the US”), is considered a terrorist-supporting country by the US and you are not prohibited from accessing the app as a result of being listed on any US Government restricted parties lists.
- 9.9 You understand that by using the mobile app the authorised app providers and their subsidiaries are third party beneficiaries of the licence and may enforce the licence in this capacity.

10. Access to Online and Mobile Banking

- 10.1 We may make changes to the way that the services are accessed at any time. We will tell you about such changes by either placing a message on our website, via your mobile device, or by text, email or by post.
- 10.2 You are responsible for maintaining your computer or mobile device, for ensuring that it is compatible with the particular service and for downloading the latest version of the app.
- 10.3 Occasionally, we may need to carry out maintenance that could limit the availability of the services. As far as is possible, we will provide you with advance notice of any scheduled maintenance. While we will limit service downtime, we do not accept liability for any losses arising from the services being unavailable.
- 10.4 We shall use reasonable endeavours to keep the services free from viruses and corrupt files but cannot guarantee this. You should ensure that you have appropriate anti-virus software installed on any computer or mobile devices that you use to access the services. We shall not be liable for any loss or damage you suffer if your device is infected by a virus or corrupt file unless such loss or damage is the direct result of our negligence or deliberate default.

11. One Time Passcodes

- 11.1 In order to access many aspects of the services you will need to register your mobile phone number and email address to receive one-time passcodes (“**OTP**”) that we will send to your phone or email address. You will need to input this code to verify and complete certain transactions.
- 11.2 You must take all reasonable precautions to prevent anyone else from accessing the passcode and must never disclose it to anyone, even if they claim to be our employees or agents or the police. We will never ask you to disclose your OTP.

12. Security

- 12.1 You must take reasonable security precautions to keep your Product safe when using mobile banking or online banking, including:
- a) not choosing a PIN or other security details which may be easy to guess, such as your date of birth;
 - b) memorising security details or writing them down only in a way that cannot be understood by others (you should not store them on your device);
 - c) only providing security details to us when asked through mobile banking or online banking (we will ask for details if you call us but will never ask for them over email);
 - d) only responding to an email if you are confident it came from us (we will address emails to you personally and quote your postcode or last four digits of the Product number to identify ourselves);
 - e) only accessing our mobile banking or online banking service via our website or app (you should

never go to our online banking service from a link in an email and enter your security details);

f) ensuring any information shown or stored on your device is kept secure, that the device is locked when you are not using it and that you log out when exiting the service;

g) protecting your device with up-to-date anti-virus and firewall software; and

h) not accessing your Product from a device using public Wi-Fi.

12.2 Our digital services may use your location data or information about your device in order to prevent and detect fraud. For example, we may check if you are in the country where your payments are being made in instances where we suspect fraud on your Product. We will not use this information for any other purpose.

12.3 Further details on keeping your Products safe can be found on our website and at www.getsafeonline.org (<http://www.getsafeonline.org>). You must follow any other the guidance we give you about keeping your security details and mobile device or computer secure.

12.4 If you receive a suspicious email please do not open it or click on any links contained within it, instead report this immediately by forwarding the email to savings@castletrust.co.uk.

12.5 You must contact us immediately if:

12.5.1 you believe someone else knows your security details or think they have been misused;

12.5.2 you change your phone number;

12.5.3 your phone is lost or stolen; or

12.5.4 you have received a text or email confirming a change to your Product and you have not asked to change your details.

12.6 If you don't follow these procedures, we may withdraw or suspend your ability to access online banking or mobile banking until we are satisfied that your Product is secure.

13. Using the service abroad

13.1 Online banking and mobile banking services use a high level of encryption, which may be illegal in some countries outside of the UK. You should not access the services from countries where this is not permitted by local law. We shall not be liable for any loss, damage or other outcome suffered by you as a result of you breaking any local law by using the services from outside the UK.

14. Termination and suspension of services

14.1 You can cancel your online banking and mobile banking service at any time by calling us or writing to us at Castle Trust Bank, PO Box 6965, Basingstoke, RG24 4XE.

14.2 If you cancel online banking, you will not be able to access any online-only Products and you will no longer be able to use mobile banking.

14.3 You can end your use of mobile banking at any time by deleting the app from your device.

14.4 We may terminate your use of any of the services at any time by giving you at least two months' written notice (including email or text alerts). We may also terminate or suspend your use of the services if we terminate or suspend your use of your Products in accordance with the Product terms.

15. Death

15.1 In the event of Castle Trust being notified of death of an Product-holder, we commit to dealing with the

situation in a compassionate and understanding manner.

- 15.2 When notified of a death associated to a Product we will ask the notifier to provide legal documents a) evidencing the death, and b) confirming the authority of the executor on the Product.
- 15.3 When acting upon the instruction of the executor on a sole Product, we will:
 - 15.3.1 Transfer the Product balance in accordance with the instructions of the executor;
 - 15.3.2 Alternatively, the executor may instruct us to retain the Product balance until the Product matures.
- 15.4 In relation to ISA Products, we do not allow the transfer of the ISA to your surviving spouse or civil partner. We will however, provide the relevant valuations upon the request of an alternative ISA provider, selected by the spouse or civil partner, to facilitate the transfer of the Additional Permitted Subscriptions in accordance with HMRC rules.
- 15.5 Upon receipt of a Product-holder's death certificate, we will take reasonable steps to ensure that online services and notifications are terminated.

16. Changes to these conditions

- 16.1 We can change any of these terms and conditions, including introducing or changing levels of fees, provided we give you at least two months' notice in advance of the change.
- 16.2 We may also make changes to online banking or mobile banking from time to time that we ask you to agree to through the website or app, for example software updates or improvements in functionality.
- 16.3 We can give you notice of any changes on the log on page of online banking, via the mobile banking app, by post, email, text or by any other means we agree with you.

17. Enforcement and Jurisdiction

- 17.1 These legal terms (English law applies, and disputes will be settled by English courts) are between you and Castle Trust Bank

APPENDIX H

Destination Table

Heading in Income Housa Terms and Conditions	Paragraph number in Income Housa Notes Terms and Conditions	Corresponding provision paragraph number in Housa Account Terms and Conditions	Comments
Definitions	1	Housa Account Terms and Conditions 1 (<i>Introduction</i>)	
Introduction	2	Housa Account Terms and Conditions 1 (<i>Introduction</i>)	
Your application	3	Housa Account Terms and Conditions 2 (<i>Product basics</i>)	See paragraph 8.1.2 (<i>Other matters to consider</i>) of Part 1 (<i>Letter from the Chief Executive Officer of Castle Trust Capital plc and Castle Trust Income HouSA plc</i>)
Cancellation	4	Housa Account Terms and Conditions 13 (<i>Termination and suspension of services</i>)	
Cash held before the Investment Date	5	-	
How we hold your Investment	6	-	
Interest on your Investment	7	Housa Account Terms and Conditions 2.15 (<i>What is the interest rate?</i>) 2.16-2.17 (<i>How is interest calculated?</i>) 2.18 (<i>Can Castle Trust change the interest rate?</i>) 2.19 (<i>When will interest be paid?</i>)	
Maturity of the Housa	8	Housa Account Terms and Conditions	

Heading in Income Housa Terms and Conditions	Paragraph number in Income Housa Notes Terms and Conditions	Corresponding provision paragraph number in Housa Account Terms and Conditions	Comments
		2.20 (What happens at maturity?)	
Transferring your Investment	9	Housa Account Terms and Conditions 4.1-4.3 (When the agreement may be transferred)	See paragraph 8.1.1 (Other matters to consider) of Part 1 (Letter from the Chief Executive Officer of Castle Trust Capital plc and Castle Trust Income HouSA plc)
Early encashment	10	Housa Account Terms and Conditions 1.5 (Introduction)	See paragraph 8.1.1 (Other matters to consider) of Part 1 (Letter from the Chief Executive Officer of Castle Trust Capital plc and Castle Trust Income HouSA plc)
Death	11	Housa Account Terms and Conditions 14 (Death)	
Charges and expenses	12	-	
Statements	13	Housa Account Terms and Conditions 2.5 (Statements)	
Company information	14	-	
Joint holders	15	-	
Corporate and trustee holders	16	-	See paragraph 8.1.2 (Other matters to consider) of Part 1 (Letter from the Chief Executive Officer of Castle Trust Capital plc and Castle Trust Income HouSA plc)
Power of attorney	17	-	
Validity of instructions	18	-	
Liabilities	19	Housa Account Terms and	

Heading in Income Housa Terms and Conditions	Paragraph number in Income Housa Notes Terms and Conditions	Corresponding provision paragraph number in Housa Account Terms and Conditions	Comments
		Conditions 3.1-3.6 (<i>Accountability</i>)	
Termination	20	Housa Account Terms and Conditions 13 (<i>Termination and suspension of services</i>)	
Changing the Terms and Conditions	21	Housa Account Terms and Conditions 15 (<i>Changes to these conditions</i>)	See paragraph 8.1.3 (<i>Other matters to consider</i>) of Part 1 (<i>Letter from the Chief Executive Officer of Castle Trust Capital plc and Castle Trust Income HouSA plc</i>)
Conflicts of interest	22	-	
Delegation	23	-	
Complaints	24	Housa Account Terms and Conditions 6.1-6.3 (<i>If you have a complaint</i>)	
Compensation	25	Housa Account Terms and Conditions 6.5 (<i>Compensation scheme</i>)	
Notices, communications; change of details	26	Housa Account Terms and Conditions 5 (<i>Notices, communications, change of details</i>)	
Your electronic information	27	-	See also Castle Trust Bank Privacy Policy
How we use your information and with whom we share it	28	Housa Account Terms and Conditions 1.7-1.8 (<i>Privacy</i>)	See also Castle Trust Bank Privacy Policy
Fraud prevention agencies	29	-	
Who we are	30	-	

Heading in Income Housa Terms and Conditions	Paragraph number in Income Housa Notes Terms and Conditions	Corresponding provision paragraph number in Housa Account Terms and Conditions	Comments
Client categorisation	31	-	
Waiver	32	Housa Account Terms and Conditions 4.4 (<i>Waiving our rights</i>)	
Severability	33	-	
Assignment	34	Housa Account Terms and Conditions 4.1-4.3 (<i>When the agreement may be transferred</i>)	
Third Party Rights	35	-	
Law and jurisdiction	36	Housa Account Terms and Conditions 16 (<i>Enforcement and Jurisdiction</i>)	
The Castle Trust ISA	1	Housa Account Terms and Conditions 2.24-2.34 (<i>ISA Specific Features</i>)	
Payments into your ISA	2	-	
Investment	3	Housa Account Terms and Conditions 2.24 (<i>Is my Product eligible for ISA status?</i>)	
Ownership	4	-	
How we hold your investment	5	-	
Transfer to another ISA provider	6	Housa Account Terms and Conditions 2.29-2.31 (<i>Can I transfer my ISA to another ISA provider?</i>)	
Records	7	Housa Account Terms and Conditions	

Heading in Income Housa Terms and Conditions	Paragraph number in Income Housa Notes Terms and Conditions	Corresponding provision paragraph number in Housa Account Terms and Conditions	Comments
		3.7-3.8 (<i>Records of instructions we've received</i>)	
Charges and commission	8	-	
Closing the account	9	Housa Account Terms and Conditions 2.32-2.33 (<i>Can I make withdrawals from or close my ISA?</i>)	
Withdrawals form the account	10	Housa Account Terms and Conditions 2.32-2.33 (<i>Can I make withdrawals from or close my ISA?</i>)	
Information	11	-	
Delegation	12	-	
Communication	13	-	
Risk warnings	14	-	
Changing these ISA Terms	15	-	
Cancellation	16	-	
Governing law	17	-	
Appointing a new ISA manager	18	-	
Administration	19	-	

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