STANDARD CONDITIONS FOR

INDIVIDUAL VOLUNTARY ARRANGEMENTS

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PART I: INTERPRETATION

1 Miscellaneous definitions

1(1) In the Arrangement, except where the context otherwise demands:

(a) "**the Act**" means the Insolvency Act 1986 as amended;

(b) "**the Arrangement**" means the Proposal and the Conditions read together;

(c) "**Associate**" shall have the meaning given to it in section 435 of the Act;

(d) "**the Conditions**" are these Conditions;

(e) "**the Court**" means any court having jurisdiction in respect of the Arrangement;

(f) "**Creditor**" is a person bound by the Arrangement to whom a Debt is owed;

(g) "**Debt**" has the meaning given to it in section 382 of the Act with the modifications necessary to refer to a voluntary arrangement;

(h) "**the Debtor**" means the person who makes the Proposal;

(i) **"Decision Date"** has the meaning given by Rule 15.2(1) of the Rules with the modifications necessary to refer to a voluntary arrangement.

(j) **"a Decision Procedure"** has the meaning given by Section 379ZA of the Act and paragraph 15.3 of the Rules with the modifications necessary to refer to a voluntary arrangement.

(k) **"Distress"** includes but is not limited to the use of the procedure according to section 72 of the Tribunals, Courts and Enforcement Act 2007 as set out in Schedule 12 of the said Act and references to levying distress, seizing goods and related expressions shall be construed accordingly.

(l) **"Dividend"** means a distribution to Creditors;

(m) "**Excluded Assets**" are those assets identified in the Proposal as being excluded from the Arrangement;

(n) "**Paragraphs**" are Paragraphs of these Conditions; and "**Sub-paragraph**" shall be construed accordingly;

(o) **"Preferential Creditor"** is a Creditor with a Debt falling within section 386 of the Act and "**Preferential Debt**" shall be construed accordingly;

(p) **"Proof"** means a proof of claim in accordance with Rules 14.2 to 14.4 of the Rules with the modifications necessary to refer to a voluntary arrangement.

(q) "**Property**" has the meaning given to it in section 436 of the Act;

(r) "**the Proposal**" is the document annexed hereto together with modifications and documents incorporated thereto, being a proposal under Part VIII of the Act;

(s) "**the Rules**" means the Insolvency (England and Wales) Rules 2016 as amended;

(t) "**Security**" has the meaning given to it in section 383 of the Act; and "**Secured Creditor**" shall be construed accordingly;

(u) "**the Secretary of State**" means the Secretary of State for Business, Energy and Industrial Strategy or any successor office;

(v) "**the Supervisor**" is the person or persons for the time being appointed to supervise the implementation of the Arrangement;

(w) **"the Trust Realisation Period"** is the period of time from commencement of the Arrangement and continues, notwithstanding expiry, termination or full

implementation of the Arrangement until the realisation and distribution of sums due to Creditors under the Arrangement terms.

1(2) References in the Arrangement to any statutory provision shall include a reference to any modification or re-enactment thereof for the time being in force.

2 The Conditions

2 The Conditions are an integral part of the Arrangement. In the event of any ambiguity or conflict between the Conditions and the Proposal and any modifications to it, the Proposal as modified shall prevail.

PART II: COMMENCEMENT, EFFECT AND DURATION OF ARRANGEMENT

3 Commencement of Arrangement

3 The Arrangement shall come into effect upon the approval thereof by the Creditors pursuant to the provisions of the Act and Rules.

4 Nature and effect of the Arrangement

4(1) [Nature of Arrangement] The Arrangement is a proposal under Part VIII of the Act for a scheme of arrangement of the Debtor's affairs or a composition in full and final satisfaction of the Debtor's Debts.

4(2) [Claims against third parties] Unless the Proposal indicates to the contrary, nothing in the Arrangement shall be construed as effecting a composition or satisfaction of any Debt owed by a person other than the Debtor, whether that Debt is owed jointly by the Debtor or otherwise.

4(3) [Restriction on Creditors' rights] After the commencement of the Arrangement, no Creditor shall, in respect of any Debt which is subject to the Arrangement:

(a) have any remedy against the property or person of the Debtor;

(b) commence or continue any action or other legal proceeding against the Debtor.

4(4) [Suspension of limitation period] The Debtor agrees that any limitation period accruing in respect of a Debt which is subject to the Arrangement shall be suspended until expiry, termination or full implementation of the Arrangement, whichever is sooner.

4(5) [Saving for certain rights] Nothing in this Paragraph or elsewhere in the Conditions shall be construed as affecting the following rights:

(a) the right of any Secured Creditor to enforce his Security, except with the Secured Creditor's consent;

(b) the right of the Supervisor or any Creditor to present a bankruptcy petition under section 264(1)(c) of the Act for default in connection with the Arrangement

(c) the right of any Creditor to bring or continue legal proceedings against the Debtor and to obtain a judgment against the Debtor in the full amount of its

Debt for the sole purpose of making a claim against an insurer of the Debtor by virtue of the Third Party (Rights Against Insurers) Act 2010.

5 Existing proceedings against Debtor

5(1) [Discontinuance of existing proceedings] Legal proceedings against the Debtor in existence at the commencement of the Arrangement in respect of Debts which are subject to the Arrangement shall, unless they are of a type contemplated by Paragraph 4(5) or the Supervisor otherwise directs, be discontinued by the Creditor with no order as to costs as soon after the commencement of the Arrangement as is practicable.

5(2) [Waiver of Debtor's costs entitlement on discontinuance] The Debtor confirms that no costs entitlement arising as a result of the discontinuance of any legal action in accordance with Sub-paragraph (1) will be enforced and the Debtor waives any such rights.

5(3) [Costs of existing proceedings] Legal costs of a Creditor in proceedings other than bankruptcy referred to in Sub-paragraph (1) shall be a Debt falling within the Arrangement.

5(4) [Costs of bankruptcy proceedings] Petition costs of a Creditor who presented a bankruptcy petition against the Debtor prior to the commencement of the Arrangement shall be treated as an expense of the Arrangement to rank after the costs of the Nominee but before those of the Supervisor.

5(5) [Prior distress – Interim order case] Where any person has distrained on the goods or effects of the Debtor in the period of three months prior to the making of the interim order, those goods or effects, or the proceeds of their sale, shall be charged with the Preferential Debts of the Debtor to the extent that the assets of the Arrangement are insufficient for meeting those debts.

5(6) [Prior distress - No Interim Order case] Where any person has distrained on the goods or effects of the Debtor in the period of three months prior to the commencement of the Arrangement, those goods or effects, or the proceeds of their sale, shall be charged with the Preferential Debts of the Debtor to the extent that the assets of the Arrangement are insufficient for meeting those debts.

6 Existing execution against Debtor's assets

6(1) [Partly-completed execution] A Creditor who, before the commencement of the Arrangement, has issued execution against the goods or land of the Debtor in respect of a Debt which is subject to the Arrangement, or has attached a Debt due to the Debtor from another person in respect of such a Debt shall, unless the execution or attachment was completed before the commencement of the Arrangement, discontinue the execution or attachment as soon after the commencement of the Arrangement as is practicable.

6(2) [Completion of execution or attachment] For the purposes of Sub-paragraph (1):

(a) an execution against goods is completed by seizure and sale or by the making of a charging order absolute under section 1 of the Charging Orders Act 1979;

(b) an execution against land is completed by seizure, by the appointment of a receiver or by the making of a charging order absolute under section 1 of the Charging Orders Act 1979;

(c) an attachment of a Debt is completed by the receipt of the Debt.

7 Mutual credit and set-off

7(1) [Application] This Paragraph applies where before the commencement of the Arrangement there have been mutual credits, mutual Debts or other mutual dealings between the Debtor and any Creditor other than in the circumstances to which Paragraph 79 of these Conditions apply.

7(2) [Account to be taken] An account shall be taken of what is due from each party to the other in respect of the mutual dealings and the sums due from one party shall be set-off against the sums due from the other.

7(3) [No account where Creditor has notice] Sums due from the Debtor to another party shall not be included in the account taken under Sub-paragraph (2) if that other party had notice at the time they became due that a bankruptcy petition relating to the Debtor was pending or that an interim order was made in relation to the Debtor.

7(4) [Restriction on post-commencement set-off] Other than as provided for in this Paragraph, set-off shall not be available in respect of any Debt or item of Property.

7(5) [Balance provable or to be paid] Only the balance (if any) of the account taken under Sub-paragraph (2) is provable in the Arrangement or, as the case may be, to be paid to the Debtor or, if the Proposal so provides, to the Supervisor.

8 Duration and expiry of Arrangement

8(1) [General rule] Unless extended under the provisions of these Conditions, the Arrangement shall continue until the end of the period stated in the Proposal at which time it shall expire by effluxion of time.

8(2) [Extension of duration by Supervisor] The Supervisor may extend the duration of the Arrangement by sending a notice to this effect ("an Extension Notice") to the Debtor and all Creditors. This may be done on up to 2 occasions: for a period of up to 6 months in the first instance and for a period of up to 3 months in the second instance.

8(3) [Extension Notice] An Extension Notice shall be sent not less than 7 days prior to the date upon which the Arrangement is otherwise due to be fully implemented and must state the reason or reasons for the extension.

8(4) [Effect of extension] In the event of an Extension Notice being sent, the Arrangement shall continue for the period specified therein, or for the maximum allowable period for that extension (being 6 months for a first extension and 3 months for a second extension) commencing on the date immediately after that on which the Arrangement would otherwise have been fully implemented, whichever is sooner.

8(5) [Supervening notice of a decision procedure] If a Decision Procedure has been initiated by the Supervisor with a Decision Date after the Arrangement would otherwise have expired, the duration of the Arrangement shall be extended to the Decision Date.

8(6) [Further extension] Any extension for a period longer than that provided for under Sub-paragraph (2) shall require approval as a variation of the Arrangement.

9 Full Implementation of Arrangement

9(1) [Certificate of full implementation] Upon the full implementation of the Arrangement, the Supervisor shall, if the Debtor has complied with his obligations under the Arrangement, issue a notice ("the Certificate of full implementation") stating that the arrangement has been fully implemented.

9(2) [Effect of full implementation] Save to the extent provided in Paragraph 4(5), upon the issue by the Supervisor of a Certificate of full implementation, the Debtor shall be released from all Debts which are subject to the Arrangement.

9(3) [Notification of full implementation] Copies of the Certificate of full implementation issued under this Paragraph shall be sent by the Supervisor to the Debtor, the Creditors and the Secretary of State together with the Supervisor's report under Rule 8.31 (termination or full implementation of the IVA).

10 Substantial Compliance

10(1) [Issue of notice where substantial compliance] The Supervisor may issue a Certificate of full implementation notwithstanding that the Debtor has not complied with all of his obligations under the Arrangement provided the Debtor has:

(a) made all the payments required under the terms of the Arrangement;

(b) provided a full explanation of any breach of the terms of the Arrangement required by the Supervisor;

(c) paid to the Supervisor such sum (if any) as the Supervisor shall reasonably have required to compensate the Creditors for any reduction in Dividend caused by the Debtor's breach of the terms of the Arrangement.

10(2) [Notification to creditors] Where the Supervisor proposes to issue a Certificate of full implementation under Sub-paragraph (1), he shall notify the Creditors and invite them to submit any comments within 21 days from the date of notification.

10(3) [Treatment as full implementation] If the Supervisor issues a Certificate of full implementation under Sub-paragraph (1), the Arrangement shall be treated as fully implemented for the purposes of Rule 8.31 (termination or full implementation of the IVA).

11 Termination of Arrangement

11(1) [Termination in certain circumstances] The Arrangement shall terminate upon the earlier of:

(a) the Supervisor issuing a Notice of Termination under Paragraph 71;

(b) the making of a bankruptcy order against the Debtor;

(c) the Debtor's death.

11(2) [Notice of termination] The Supervisor shall, on discovering the occurrence of a terminating event, but in any event not more than 28 days after such discovery, give notice of such termination and its reason to the Debtor (or, if the Debtor has died, his representative), Creditors and the Secretary of State, together with the supervisor's report under Rule 8.31 (termination or full implementation of the IVA).

PART III: SUPERVISOR'S FUNCTIONS, POWERS ETC

12 Supervisor's functions

12(1) [Primary function] The Supervisor's primary function is to supervise performance of the Debtor's obligations under the Arrangement and to administer the Arrangement.

12(2) [Other functions] The Supervisor shall also undertake such functions as are given to him in the Proposal, Act and Rules.

13 Supervisor's powers

13(1) Subject to those powers more particularly given in the Arrangement, Act and Rules, the Supervisor shall have the following powers:

(1) [*Getting in assets*] power to take possession of, collect, get in and hold any or all of the assets which, under the terms of the Arrangement, the Supervisor is to hold as trustee;

(2) [*Realisation of assets*] power to sell or otherwise dispose of any asset referred to in Sub-paragraph (1) in such manner as may seem to the Supervisor expedient;

(3) [*Putting funds on deposit]* power to place money coming into the Supervisor's hands during the course of the Arrangement on deposit with any established United Kingdom clearing bank or building society;

(4) [*Appointing agents*] power to engage legal representatives, managers, agents and other persons to assist in the performance of the Supervisor's functions under the Arrangement;

(5) [*Delegation*] power to delegate to the Supervisor's firm and any appropriate partner, employee or agent thereof any or all of the Supervisor's duties and functions under the Arrangement save those which by law the Supervisor is required to perform personally;

(6) [*Insurance*] power to effect and maintain insurances in respect of any asset subject to the Arrangement;

(7) [*Power to claim*] power to prove, rank, claim and draw a dividend in respect of such debts owed to the Debtor as fall within the Arrangement;

(8) [*Power to direct Debtor*] power, in the event that the Supervisor is unable or it is impracticable to do any act or thing which the Supervisor is empowered to do himself, to direct the Debtor to do that act or thing;

(9) [*Ancillary power*] power to do any other act or thing which is necessary or expedient for the purposes of exercising the above powers or for carrying out the Supervisor's functions under the Arrangement.

13(2) Where more than one person is appointed as Supervisor, any act required or authorised to be done under any enactment or otherwise may be done by all or any one or more of the persons for the time being holding office.

14 Supervisor's powers after expiry, full implementation or termination

14(1) [Exercise of powers] The expiry, full implementation or termination of the Arrangement shall not affect the Supervisor's power to carry out such functions and to

exercise such powers as are necessary for the Supervisor to fully carry out the duties, obligations and responsibilities of the Supervisor under the Arrangement, Act and Rules and to resolve such matters as may have arisen during the course of the Arrangement. This includes, but is not limited to, any duties, obligations and responsibilities in respect of assets held by the Supervisor on trust.

14(2) [Retention of funds by Supervisor] Upon the expiry, full implementation or termination of the Arrangement, the Supervisor shall be entitled to retain, for such period as is reasonably necessary and from any funds under the Supervisor's control, such monies as the Supervisor reasonably thinks fit on account of fees, costs, charges, liabilities and expenses, and the Supervisor shall advise Creditors and the Debtor in writing of the quantum of the funds so retained and the reasons why.

15 Exercise of Supervisor's functions and powers

15(1) [Application of bankruptcy provisions] In the event that the Arrangement does not provide guidance to the Supervisor as to what action should be taken in any given situation, the Supervisor shall apply the provisions of the Act and Rules in so far as they relate to bankruptcy with necessary modifications to refer to a voluntary arrangement.

15(2) [Consultation of Creditors] If the Supervisor is uncertain as to what action should be taken in any situation, or wishes to ascertain the wishes of Creditors on a matter concerning the Arrangement, the Supervisor may seek the advice and/or direction of the Creditors' Committee and/or the majority or most material of the Creditors and he may act upon such advice and/or direction.

15(3) [Directions from the Court] This Paragraph is without prejudice to the Supervisor's right to refer matters concerning the Arrangement to the Court for guidance and/or directions.

16 Restriction upon Supervisor's duty and liability

16(1) [Supervisor's duty] The Supervisor shall be under no obligation to perform any act or carry out any function save for those expressly provided for in the Arrangement, the Act or Rules.

16(2) [Supervisor's liability] Neither the Supervisor, the Supervisor's firm or any of the Supervisor's agents or employees shall incur any personal liability in negligence or otherwise for any act or omission in connection with the Arrangement, unless such act or omission constitutes one of dishonesty or a breach of the Supervisor's obligations under the Act, Rules or the Arrangement.

17 Supervisor's fees, costs and expenses

17(1) [Amount of fees] The Supervisor shall be entitled to charge fees for services in accordance with the time actually and reasonably expended by the Supervisor and the Supervisor's staff in carrying out the Supervisor's functions under the Arrangement by reference to the ordinary hourly rates of the Supervisor and the Supervisor's staff as shall apply from time to time.

17(2) [Payment of fees, costs and expenses] The fees, costs, charges and expenses of the Supervisor shall be paid out of the assets of the Arrangement from time to time as

the Supervisor thinks fit. The Supervisor shall provide such information to any Creditors' Committee appointed in relation to the Arrangement as is reasonably necessary to explain how the fees, costs, charges and expenses were determined or incurred, as the case may be.

17(3)[Supervisor's right of recourse to Court] If the Supervisor is dissatisfied with a determination of the Creditors' Committee or a decision of Creditors on a matter involving fees, costs, charges and/or expenses, the Supervisor shall have the right to refer the matter to the Court, whose decision on the matter shall bind all parties.

18 Supervisor's resignation

18(1)[Methods of resignation] A Supervisor may resign from office with the approval of Creditors sought via a Decision Procedure, with the permission of the Court or in the circumstances set out in 18(3) below.

18(2)[Grounds of Supervisor's resignation] The sole Supervisor may only resign from office on one or more of the following grounds:

(a) ill health;

(b) cessation of practice as an insolvency practitioner;

(c) change of circumstances rendering it impracticable for him to continue in office.

18(3) [More than one supervisor] Where there is more than one supervisor in office, a supervisor may resign without seeking the approval of the creditors or permission of the court where it is considered to be impracticable or no longer necessary to have the present number of persons acting as Supervisor to the Arrangement and at least one supervisor shall remain in office notwithstanding the resignation. In these circumstances notice of the resignation of a supervisor shall be given in the next report to creditors when otherwise due.

18(4)[Report of Supervisor's administration] The notice to Creditors in a Decision Procedure for the purpose of receiving the resignation of a sole supervisor shall specify the grounds upon which the Supervisor wishes to resign and shall be accompanied by a report of the Supervisor's administration of the Arrangement which includes an up to date summary of his receipts and payments.

19 Removal of Supervisor from office

19(1)[Methods of removal] The Supervisor may be removed from office by only an order of the Court, or by a decision of the Creditors requested specifically for that purpose.

19(2)[Notice of requisitioned decision procedure] Any notice served by a Creditor upon the Supervisor under Paragraph 61(5) (content of notice requisitioning a decision) for the purpose of initiating a decision of Creditors to remove the Supervisor from office must set out the grounds upon which removal is sought.

19(3)[Report of Supervisor's administration] The notice sent out by the Supervisor to Creditors convening such a decision procedure shall specify the grounds upon which removal is sought and shall be accompanied by a report of the Supervisor's administration of the Arrangement including an up to date summary of receipts and payments.

20 Vacation of Office by Supervisor

20(1) [Resignation/removal of Supervisor where more than one acting] If the Creditors resolve to remove a Supervisor from office, or a joint supervisor resigns, and there will be another person in the office of Supervisor for the time being, the Supervisor who is resigning or being removed shall vacate office immediately.

20(2) [Resignation/removal of Supervisor where no other acting] If the Creditors resolve to accept a Supervisor's resignation or to remove a Supervisor from office, and there is no other person in the office of Supervisor for the time being, that resignation and/or removal shall not take effect and the Supervisor shall not vacate office unless and until the Creditors, by a Decision Procedure or the Court, appoints a replacement Supervisor.

20(3) [Loss of qualification] The Supervisor shall vacate office immediately if the Supervisor ceases to be a person who is for the time being qualified to act.

20(4) [Notice of vacation of office] A Supervisor who, for any reason other than as set out in paragraph 18(3), vacates office shall forthwith give notice of that fact to the Debtor, the Creditors and the Secretary of State.

20(5) [Duties of Supervisor upon vacation of office] A Supervisor who, for any reason, vacates office shall, as soon as practicable, deliver up to any successor all books, records and papers relating to the Arrangement and the Supervisor's administration thereof together with all assets of which the Supervisor is a trustee under the terms of the Arrangement.

20(6) [Continuing duty of former Supervisor] Former Supervisors shall be obliged to give such assistance to the Supervisor of the Arrangement from time to time as may be reasonably required for ascertaining what transpired during the tenure of office by the former Supervisor.

21 Vacancy in the office of Supervisor

21(1) [Decision of Creditors to fill vacancy] If, for any reason, there is a vacancy in the office of Supervisor, that vacancy may be filled by the Creditors by way of a Decision Procedure, or by the Court.

21(2) [Seeking appointment where no Supervisor acting] If no Supervisor is in office, the Debtor, any Creditor, any person who was in partnership with the Supervisor immediately before the vacancy occurred, the former Supervisor's authorising body, or any other interested party may convene a Decision Procedure to fill the vacancy.

21(3) [Chair where no Supervisor acting] In the event that a meeting of Creditors is called when no Supervisor is in office, the convenor shall act as chair of the meeting.

22 Release of Supervisor

22(1) Upon the termination or full implementation of the Arrangement and the Supervisor having dealt with the assets in his possession in accordance with the terms of the Arrangement, the Supervisor shall be released from any further obligations or liability in respect of the Arrangement or any trusts created thereby.

PART IV: DEBTOR'S WARRANTY, DUTIES & OBLIGATIONS

23 Debtor's warranty

23(1) [Disclosure in Proposal] The Debtor warrants that the Proposal discloses full and complete particulars of all matters required under the Act and Rules including (without prejudice to the generality of the foregoing) particulars of all of the Debtor's assets, debts and liabilities, whether actual, contingent or prospective.

23(2) [Accuracy of Proposal] The Debtor warrants that the contents of the Proposal are true and accurate in all material respects as at the date of the commencement of the Arrangement, subject only to those qualifications that may be disclosed by the Debtor to the Creditors considering the approval of the Arrangement and recorded by the Supervisor in his report under Rule 8.24 (report of the creditors' consideration of a proposal).

23(3) [Disclosure of third party information] The Debtor authorises any Creditor to disclose to the Supervisor such information relating to the Debtor and the Debtor's dealings or property as may reasonably be required to assist in the implementation of the Arrangement.

24 Debtor's duties in relation to the Supervisor

24(1) [Duty to co-operate with Supervisor] The Debtor undertakes and agrees to:

(a) give to the Supervisor such information as to the Debtor's assets, liabilities and other affairs;

(b) attend on the Supervisor and the Supervisor's agents, representatives or nominees at such times; and

(c) do all such other things;

as the Supervisor shall reasonably require for the purpose of carrying out the Supervisor's functions and duties under the Arrangement, including as trustee and/or following the expiry, full implementation or termination of the Arrangement.

24(2) [Duty to submit accounts] The Debtor undertakes and agrees to furnish the Supervisor with accounts relating to the Debtor's affairs of such nature, as at such date and for such period as the Supervisor may reasonably require.

24(3) [Notice of after-acquired assets and increased income] Where at any time during the subsistence of the Arrangement any After-Acquired Assets of a description falling within Paragraph 28 are acquired by or devolve upon the Debtor, or there is an increase in the Debtor's income if the Debtor is under an obligation to make contributions out of income, the Debtor shall forthwith give the Supervisor notice of the property or, as the case may be, of the increase.

25 Further Documents

25 Without prejudice to the generality of the Debtor's other duties under the Arrangement, the Debtor shall, at the request of the Supervisor, execute such Mortgages, Charges, Deeds, Transfers, Trusts, Powers of Attorney or other documents as may reasonably be required by the Supervisor for the protection and/or realisation

of assets, to secure the Debtor's compliance with the Debtor's obligations under the Arrangement, or otherwise to facilitate the implementation of the Arrangement.

26 Debtor's acknowledgement

26(1) [Agreement to be bound] The Debtor undertakes to carry out the obligations imposed upon the Debtor under the Arrangement in full and at the times provided for.

26(2) [Consequences of breach] The Debtor acknowledges that the likely consequence of failure to comply with the Debtor's obligations hereunder in full and at the times provided for is that the Arrangement will fail and the Debtor will be adjudged bankrupt on a petition presented by the Supervisor.

26(3) [Section 262A] The Debtor acknowledges that the Debtor commits an offence if any false representation is made or any other fraud is committed for the purpose of obtaining the approval of Creditors to the Arrangement.

PART V: ARRANGEMENT ASSETS

27 Arrangement assets

27 Property other than Excluded Assets belonging to or vested in the Debtor at the date of commencement of the Arrangement which would form part of the Debtor's estate in a bankruptcy shall be subject to the Arrangement and be an asset thereof.

28 After-acquired assets

28(1) [After-acquired property subject to Arrangement] The Supervisor may claim as an asset of the Arrangement any Property acquired by the Debtor between the commencement date of the Arrangement and the date of its full implementation and/or termination which would have been an asset of the Arrangement if it had belonged to or was vested in the Debtor at the date of commencement of the Arrangement ("After-Acquired Assets"). Any such asset shall be subject to the Arrangement and be an asset thereof.

28(2) [Proviso for excess assets] After-Acquired Assets shall only be sold or realised to the extent necessary to repay the Creditors in full together with interest, if any, to which Creditors are entitled pursuant to the Arrangement.

29 Trust of Arrangement assets

29(1) [Assets in the possession of the Debtor] Property constituting an asset of the Arrangement in the possession, custody or control of the Debtor shall be held by the Debtor upon trust for the purposes of the Arrangement during the Trust Realisation Period in accordance with the Arrangement.

29(2) [Assets in the possession of the Supervisor] Property constituting an asset of the Arrangement in the possession, custody or control of the Supervisor shall be held by the Supervisor upon trust for the purposes of the Arrangement.

29(3) [Actions during the Trust Realisation Period] The Supervisor will get in and realise assets which are subject to the trust and which are capable of being realised during the Trust Realisation Period.

29(4) [Effect of expiry or termination] The trusts referred to in Sub-paragraphs (1) and (2) shall not come to an end upon expiry or termination of the Arrangement but such assets as are contained within the trust shall be dealt with in accordance with Paragraph 29(3) above. At the expiry of the Trust Realisation Period, the trust shall come to an end.

29(5) [Effect of full implementation] Upon the issuing of a Certificate of full implementation under Paragraph 9, the trusts referred to in Sub-paragraphs (1) and (2) shall not come to an end but such assets as are contained within the trust shall be dealt with in accordance with Paragraph 29(3). At expiry of the Trust Realisation Period, the trust shall come to an end.

29(6) [Effect of bankruptcy] In the event that a Bankruptcy Order is made against the Debtor, any assets got in and realised by the Supervisor prior to the making of that Order shall be applied and distributed in accordance with the terms of the Arrangement and the trust shall terminate solely in respect of assets of the Debtor not yet realised.

30 Restriction on dispositions

30(1) The Debtor shall not sell, charge or otherwise dispose of any interest in any asset subject to the Arrangement without the Supervisor's written consent, such consent ought not to be unreasonably refused.

30(2) The Debtor hereby consents, agrees to procure that any co-owner also consents, and hereby requests the Chief Land Registrar to register a restriction on the Proprietorship Register of any registered land which is subject to the Arrangement in the following form: "No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a written consent signed by [*name of Supervisor*] of [*address*] (or his conveyancer)."

PART VI: PROOFS OF DEBT

31 Notice to submit Proofs

31 As soon as practicable after the commencement of the Arrangement, and provided no application under Section 262 of the Act (challenge of creditors' decision) or an appeal under Rule 15.35 (appeals against decisions) is pending, the Supervisor shall send a notice ("a Notice to Submit Proofs") to every Creditor and other person to whom the Debtor may be indebted of whom the Supervisor has notice requiring them to provide such details of their Debts as the Supervisor thinks fit.

32 Submission of Proofs

32 Creditors shall submit their Proofs in writing to the Supervisor in the form, if any, required by the Supervisor, or one which is substantially similar.

33 Withdrawal and variation of Proofs

33(1) [Withdrawal by written notice] A Creditor may withdraw a Proof at any time by delivering a written notice to the Supervisor.

33(2) [Variation of amount by agreement] The amount claimed by a Creditor's Proof may be varied at any time by agreement between the Creditor and the Supervisor.

34 Production of documents

34 The Supervisor may call for any document or other evidence to be produced for the purpose of substantiating the whole or any part of the Proof.

35 Witness statement substantiating Proof

35 The Supervisor may require a Proof to be verified by witness statement with a statement of truth.

36 Supervisor to allow inspection of Proofs

36 The Supervisor shall, so long as Proofs are in the Supervisor's possession, allow them to be inspected, at all reasonable times on any business day, by:

(a) any Creditor who has delivered a Proof (unless the Proof has been wholly rejected for the purposes of Dividend, or otherwise); and

(b) a person acting on behalf of any such Creditor.

37 Admission and rejection of Proofs for Dividend

37(1) [Admission] The Supervisor may admit or reject a Proof for Dividend in whole or in part.

37(2) [Rejection] If the Supervisor rejects a Proof in whole or in part, the Supervisor must deliver to the Creditor a written statement of reasons for so doing, as soon as reasonably practicable.

38 Appeal against decision on Proof

38(1) [Application by Creditor] If a Creditor is dissatisfied with the Supervisor's decision with respect to the Creditor's own Proof (including a decision whether the Debt is preferential), the Creditor may apply to the Court, within 21 days (or such longer period as the Court shall, in the special circumstances, allow) of receiving the statement sent under Paragraph 37(2), for the decision to be reversed or varied.

38(2) [Application by other parties] The Debtor or any other Creditor may, if dissatisfied with the Supervisor's decision admitting or rejecting the whole or any part of a Proof or agreeing to revalue a Creditor's security, make such an application within 21 days (or such longer period as the Court shall, in the special circumstances, allow) of becoming aware of the Supervisor's decision.

38(3) [Costs of appeal] The Supervisor is not personally liable for the costs incurred by any person in respect of an appeal under this Paragraph unless the Court so orders.

39 Debts of uncertain and small value

39(1) [Estimation of Debt or liability] The Supervisor shall estimate the value of any Debt which, by reason of its being subject to a contingency or for any other reason, does not bear a certain value.

39(2) [Notification to Creditor] The Supervisor shall notify the Creditor in writing of any such estimate. If the Creditor is dissatisfied with the Supervisor's decision the Creditor may exercise the right of appeal under paragraph 38.
39(3) [Claim of Debts of uncertain value] Where the value of any Debt is estimated by the Supervisor under Sub-paragraph (1), the amount provable in the Arrangement shall be the amount of the estimate.
39(4) [Small Debts] Any Creditor whose Debt does not exceed £1,000 need not (unless so required by the Supervisor) submit a Proof to the Supervisor and the Supervisor may admit such Debt and pay a Dividend accordingly.

40 Secured Creditors
40(1) [Proving for balance of Debt] A Secured Creditor may submit a Proof for the balance of Debt (if any) after deducting the value of that Creditor's Security.
40(2) [Voluntary surrender of Security] If a Secured Creditor voluntarily surrenders his Security for the general benefit of the Creditors, that Creditor may submit a Proof for the whole Debt as if it were unsecured.
40(3) [Altering value of Security] A Secured Creditor may, with the agreement of the Supervisor or the permission of the Court, at any time alter the value put upon that Creditor's Security in a Proof.
40(4) [Test of Security's value] If the Supervisor is dissatisfied with the value which a Secured Creditor puts on a Security in the Creditor's Proof, the Supervisor may require any property comprised in the Security to be professionally valued by a person agreed as between the Creditor and the Supervisor, or in default of such agreement by the Court.
40(5) [Professional valuation treated as amended valuation] Where a professional valuation has been carried out under the previous Sub-paragraph, that valuation shall be treated as an amended valuation of the Creditor.
40(6) [Realisation of Security] If a Creditor who has valued Security subsequently realises it:

(a) the Creditor shall forthwith notify the Supervisor and shall give the Supervisor such information relating thereto as the Supervisor may reasonably require;
(b) the net amount realised shall be substituted for the value previously put by the Creditor on the Security, and
(c) that amount shall be treated in all respects as the Creditor's amended valuation.

41 Foreign currency Debts
41 [Conversion into sterling] For the purpose of proving for a Debt incurred or payable in a currency other than sterling, the amount of the Debt shall be converted into sterling at a single rate for each currency determined by the Supervisor by reference to the exchange rate prevailing at the date of commencement of the Arrangement.

42 Interest on Debts
42 Where a Debt bears interest, that interest is provable as part of the Debt except in so far as it is payable in respect of any period after the commencement of the Arrangement.

43 Cost of submitting proofs

43(1)[Creditor bears cost of submitting Proof] Every Creditor bears the cost of submitting that Creditor's own Proof, including costs incurred in providing any document or evidence to the Supervisor.

43(2)[Supervisor's costs] Costs incurred by the Supervisor in estimating the value of a Debt of uncertain value shall be an expense of the Arrangement.

PART VII CREDITORS WHO DO NOT HAVE NOTICE

44 Proof arising where funds available

44 If, at the time the Proof is notified to the Supervisor, the Arrangement is continuing and the Supervisor is holding sufficient funds to pay a Dividend to such Creditor or Creditors, then the Supervisor will (subject to agreement of the Proof) forthwith pay to the Creditor a Dividend of an amount which is on the same basis as the Dividends already paid. Such payments will be made before any further payments to any other Creditors and will be paid so as to bring about an equalisation in Dividends between Creditors who fall within section 260(2)(b)(i) on the one hand and section 260(2)(b)(ii) on the other hand.

45 Proof arising where no funds available

45 If a Proof is notified to the Supervisor at a time when the Supervisor is holding no funds available for payment of a Dividend, then as and when any funds are received the Supervisor will (subject to agreement of the Proof) out of such funds first make such payment to such Creditors so as to bring about an equalisation as aforesaid.

46 Effect of Proof on Debtor

46(1)[Proof not to constitute default] The notification to the Supervisor of any such Proof shall not constitute an act of default unless the failure to give notice to such Creditor was a deliberate act on the part of the Debtor.

46(2)[Obligation to provide further funds] Unless the Proposal otherwise provides, there shall be no obligation upon the Debtor to pay to the Supervisor any further sums of money or make any further assets available (other than already provided for in the Proposal) so as to meet the Proof falling to be dealt with under Rule 8.3(v) unless the Proposal as agreed provides for a minimum Dividend to be paid to Creditors.

47 Notification of Proof to Creditors

47 On receipt of any such Proof, the Supervisor will notify all Creditors bound of such receipt, the name of the Creditor, the amount of the Proof and will provide such other information as may be relevant, including particulars as to the Debtor's explanation why the Creditor was not given notice and the impact which such Proof is likely to have on the outcome of the Arrangement. Such notification may, if the Supervisor considers it appropriate, be included in the progress report to Creditors, provided that such report is due to be circulated within a period of three months from the date on which the Proof is notified. Where, in the opinion of the Supervisor, the

Proof, whether taken alone or in conjunction with other such Proofs, will not materially reduce the amount of the estimated Dividend, the Supervisor may defer notification and include it in the next progress report.

48 Proof arising after Arrangement ceases to have effect

48 If the Proof is notified to the Supervisor after the date on which the Arrangement ceases to have effect, then the Creditor shall be entitled to rely upon section 260(2A) of the Act and shall be entitled to recover from the Debtor such sum as the Creditor would have received had the Proof been notified to the Supervisor prior to the date on which the Arrangement ceased to have effect and the Supervisor had been able to include the Proof in the Arrangement for the purpose of payment of Dividends or distributions. The Supervisor shall be under no obligation to agree any such Proof, or take any action in respect thereof, other than to furnish the Creditor who relies on section 260(2A) with a certificate as to the Dividend or distribution the Creditor would have received had the Proof been included in the Arrangement for Dividend or distribution purposes and on the assumption that the Proof would have been agreed in the sum claimed.

PART VIII: PAYMENT OF DIVIDENDS

49 Distribution by Dividend

49(1) [Duty to declare and distribute Dividends] At the time or times specified in the Proposal or, if none, whenever the Supervisor has sufficient funds in hand for the purpose, the Supervisor shall, subject to the retention of such sums as may be necessary for payment of the expenses of the Arrangement, declare and distribute Dividends among the Creditors in respect of the Debts which they have proved.

49(2) [Calculation and distribution of Dividend] In the calculation and distribution of a Dividend the Supervisor shall make provision:

(a) for any Debts which are the subject of Proofs which have not yet been determined; and

(b) for any disputed Debts.

50 Notice of intended Dividend

50(1) [Notice to Creditors who have not proved] No more than three months before declaring a Dividend to non-preferential Creditors, the Supervisor shall give notice of his intention to do so to all such Creditors whose addresses are known to him and who have not proved.

50(2) [Last date for submitting proofs] Any notice sent out to Creditors under Sub-paragraph (1) shall specify a date ("the Last Date for Submitting Proofs") up to which a Proof may be delivered. The Last Date for Submitting Proofs shall be the same for all Creditors and not less than 21 days from the date of the notice.

51 Notice of declaration

51(1)[Notice to Creditors who have proved] The Supervisor shall give notice of the Dividend to all Creditors who have proved for their Debts.

51(2)[Particulars in notice] The notice shall include the following particulars:

(a) amounts realised from the sale of assets subject to the Arrangement, indicating (so far as practicable) amounts realised by the sale of particular assets and/or amounts paid by the Debtor to the Supervisor under the Arrangement;
(b) payments made by the Supervisor during the course of the Arrangement;
(c) provision (if any) made for unsettled claims and funds (if any) retained for particular purposes;
(d) the total amount to be distributed and the rate of Dividend;
(e) whether, and if so when, any further Dividend is expected to be declared.

51(3)[Simultaneous distribution] The Dividend may be distributed simultaneously with the notice declaring it.

51(4)[Method of payment] Payment of Dividend may be made by post, or arrangements may be made with any Creditor for it to be paid in another way, or held for collection.

51(5)[Endorsement in negotiable instrument] Where a Dividend is paid on a bill of exchange or other negotiable instrument, the amount of the Dividend shall be endorsed on the instrument, or on a certified copy of it, if required to be produced by the holder for that purpose.

52 Proof altered after payment of Dividend

52(1)[Amount claimed increased] If, after payment of the Dividend, the amount proved for by a Creditor is increased, the Creditor is not entitled to disturb the distribution of the Dividend; but is entitled to be paid, out of any money for the time being available for the payment of any further Dividend, any Dividend or Dividends which the Creditor has failed to receive before that money is applied to the payment of any such further Dividend.

52(2)[Proof withdrawn, disallowed, reduced] If, after a Creditor's Proof has been admitted, the Proof is withdrawn or disallowed, or the amount of it is reduced, the Creditor shall repay to the Supervisor any amount overpaid by way of Dividend.

53 Secured Creditors

53(1)[Application of Paragraph] The following applies where a Creditor re-values Security at a time when a Dividend has been declared.

53(2)[Reduction in unsecured claim] If the re-valuation results in a reduction of the Creditor's unsecured claim ranking for Dividend, the Creditor shall, as soon as practicable, repay to the Supervisor any amount received as Dividend in excess of that to which the Creditor would be entitled having regard to the re-valuation of the Security.

53(3)[Increase of unsecured claim] If the re-valuation results in an increase of the Creditor's unsecured claim, the Creditor is entitled to receive from the Supervisor, out of any money for the time being available for the payment of a further Dividend, before any such Dividend is paid, any Dividend or Dividends which the Creditor has failed to receive, having regard to the re-valuation of the Security. However, the Creditor is not entitled to disturb any Dividend declared (whether or not distributed) before the date of the revaluation.

54 Assignment of Debts or rights to Dividend

54(1)[Notice of assignment] If a Creditor entitled to a Dividend gives notice to the Supervisor that the Creditor wishes the Dividend to be paid to another person, or that the Creditor has assigned his entitlement or Debt to another person, the Supervisor shall pay the Dividend to that other person accordingly.

54(2)[Contents of notice] A notice given under this Paragraph must specify the name and address of the person to whom payment is to be made.

55 Debts payable at future time

55(1) [Debts payable at a future time] A creditor may prove for a Debt of which payment was not yet due at the date of commencement of the Arrangement.

55(2) [Entitlement to Dividend] Where a Creditor has claimed for a Debt of which payment is not due at the date of the declaration of Dividend, the Creditor is entitled to the Dividend equally with other Creditors, but subject as follows.

55(2)[Calculation of amount of reduction] For the purpose of Dividend (and no other purpose), the amount of the Creditor's admitted Proof (or, if a distribution has previously been made to the Creditor, the amount remaining outstanding in respect of the Creditor's admitted claim) must be discounted by applying the following formula:

$$\frac{X}{1.05^n}$$

where X is the value of the admitted Proof; and 'n' is the period beginning with the relevant date and ending with the date on which the payment of the Creditor's Debt would otherwise be due, expressed in years.

56 Debts of unpaid Creditors

56(1)[Creditors not entitled to Dividend] Creditors who do not prove in the Arrangement (with the exception of any Debts admitted by the Supervisor under Paragraph 39(4)) shall not be entitled to receive any Dividend.

56(2)[Unclaimed Dividends paid to the Debtor] Dividends due to Creditors who have proved in the Arrangement but to whom the Supervisor has been unable to pay shall, at the end of the Arrangement, be paid to the Debtor or, if there is one, the Debtor's trustee in bankruptcy.

56(3)[Debtor liable for unclaimed Dividends] Once a Dividend has been paid to the Debtor or the Debtor's trustee in bankruptcy under the previous Sub-paragraph, the Creditor must claim it from the Debtor or, as the case may be, the Debtor's trustee in bankruptcy and no other person.

PART IX: PRIORITY OF PAYMENTS AND DISTRIBUTIONS

57 Costs and Expenses of the Arrangement

57(1)[Expenses to be paid first] Subject to Paragraphs 5(4) and 72 the fees, costs, charges, expenses and liabilities properly charged or incurred by or on behalf of the Nominee or the Supervisor are expenses of the Arrangement and shall be paid in priority to all other charges, expenses, liabilities and Debts.

57(2)[Charge in relation to expenses] The Supervisor shall have a charge on the assets subject to the Arrangement in respect of the expenses of the Arrangement.

58 Priority of Debts and application of surplus

58(1)[Priority of Preferential Debts] In the distribution of sums due to be paid to Creditors under the terms of the Arrangement, Preferential Debts shall be paid in priority to other Debts.

58(2)[Ranking of Preferential Debts] Preferential Debts rank equally between themselves after the expenses of the Arrangement.

58(3)[Ranking of Ordinary Debts] Debts other than Preferential Debts rank equally between themselves and, after the Preferential Debts, shall be paid in full unless the sums due to be paid to Creditors are insufficient for meeting them, in which case they abate in equal proportions between themselves.

58(4)[Surplus after payment] Any surplus remaining after the payment of the Preferential and other Debts shall first be applied in paying interest on those Debts in respect of the periods during which they have been outstanding since the commencement of the Arrangement (for this purpose interest on Preferential Debts ranks equally with interest on Debts other than Preferential Debts) and thereafter returned to the Debtor.

58(5)[Interest rate on surplus] The rate of interest payable under Sub-paragraph (4) in respect of any Debt is whichever is the greater of the following:

(a) the rate specified in section 17 of the Judgments Act 1838 at the commencement of the Arrangement; and

(b) the rate applicable to that Debt apart from the Arrangement.

PART X: THE CREDITORS' COMMITTEE, WEBSITES & CREDITOR DECISIONS

59 The Creditors' Committee

59(1)[Establishment] In the event that the nominee has invited creditors to form a committee, or the creditors have so decided the following provisions will apply;

Creditors may establish a committee ("the Creditors' Committee"), consisting of not less than 3 and not more than 5 members to represent the interests of the Creditors and to provide such assistance and guidance to the Supervisor as may reasonably be required. The Nominee may invite Creditors to form a committee at the same time the Creditors' approval for the proposal is sought.

59(2)[Eligibility] All the members of the Creditors' Committee must be Creditors of the Debtor; and any Creditor (other than one who is fully secured) may be a member, so long as:

(a) the Creditor has delivered a Proof, and

(b) the Creditor's Proof has neither been wholly disallowed for voting purposes, nor wholly rejected for the purposes of distribution or Dividend.

59(3)[Application of the Rules] The provisions relating to the Creditors' Committee in Rules 17.1 to 17.29 shall apply to the Arrangement with any necessary modifications.
59(4)[Expenses of members] The reasonable travelling expenses directly incurred by any member of the Creditors' Committee or their representatives in respect of their attendance at the meetings of the Creditors' Committee, or otherwise on the Creditors' Committee's business, shall rank as an expense of the Arrangement.

60 Use of websites
60(1) [Use of websites] Where the Supervisor is required to give, deliver, furnish or send a notice or other document or information to any person, that requirement may be satisfied by making the notice, document or information available on a website.
60(2) [Application of the Rules] The provisions of Rules 1.49-1.51 relating to use of websites shall apply to the Arrangement with any necessary modifications.

61 Power to seek a decision of Creditors
61(1) [Supervisor's power to seek a decision] The Supervisor may seek a decision of Creditors for any purpose connected with the Arrangement.
61(2) [Choice of Decision Procedure] A decision of Creditors may be made by any Decision Procedure provided for in Rule 15.3 (the prescribed decision procedures) except that it may not be made by physical meeting unless Sub-paragraph (3) applies.
61(3) [Power to require physical meeting] If 10% in value, or 10% in number or 10 of the Creditors request in writing that a decision of Creditors be taken at a physical meeting, the Supervisor shall, unless relieved by the Court from so doing, convene such a meeting within 21 days from the receipt of such request.
61(4) [Power to requisition a decision] If 25% in value of the Creditors request in writing that a decision of Creditors be sought, the Supervisor shall, unless relieved by the Court from so doing, initiate a Decision Procedure within 21 days from the receipt of such request. This is subject to any deposit for costs required under Paragraph 63 having been paid.
61(5) [Content of notice requisitioning a decision] A notice served upon the Supervisor under Sub-paragraph (4) shall state the decision of Creditors for which the Decision Procedure is requested.
61(6) [Debtor request] If the Debtor requests in writing that the Supervisor seek a decision of Creditors the Supervisor shall not unreasonably refuse such a request. If the Supervisor considers the request to be reasonable the Supervisor shall convene such Decision Procedure as he considers appropriate to consider the decision.

62 Procedure for seeking Creditor decisions
62(1) [Notice of a decision procedure] Notice of a Decision Procedure shall be given by the convenor to every Creditor whose address is known to him or identified in the Proposal at least 14 days before the Decision Date, or such shorter period as the Court may allow.
62(2)[Contents of notice and procedure] The notice and procedure shall follow, so far as applicable, the requirements of Rules 15.4 (electronic voting), 15.5 (virtual

meetings), 15.6 (physical meetings) and 15.8 (notices to creditors of decision procedure).

62(3)[Convenience of participants] The convenor must have regard to the convenience of those invited to participate when making arrangements for a Decision Procedure.

62(4)[Time of meeting] Meetings of Creditors shall be convened for commencement between the hours of 10.00 and 16.00 on a business day.

62(5)[Chair of meeting] Unless Paragraph 21(3) (chair where no Supervisor acting) applies, the Supervisor, or a person experienced in insolvency matters and nominated by him, shall be chair of the meeting.

62(6) [Non-receipt of notice] Where a decision is sought by a notice in accordance with Sub-paragraph (1), the Decision Procedure is presumed to have been duly initiated and conducted, even if not everyone to whom the notice is to be delivered has received it.

62(7) [Exclusions from meetings] The provisions of Rules 15.36-15.38 relating to persons excluded from meetings shall apply to the Arrangement with any necessary modifications.

63 Cost of requisitioned decisions

63(1)[Security for payment of expenses] Subject to Sub-paragraph (3) below, the cost of requisitioning a decision of Creditors at the instance of the Debtor or Creditors shall be paid by that person or persons, who shall deposit security for their payment with the Supervisor.

63(2)[Appropriate security] The sum to be deposited shall be such as the Supervisor determines to be appropriate; and the Supervisor shall be under no obligation to act without the deposit having been paid.

63(3)[Vote for cost to be an expense of arrangement] Where a Decision Procedure is requisitioned, the Creditors may vote that the expenses of convening and taking it shall rank as an expense of the Arrangement.

63(4)[Repayment of deposit] To the extent that any deposit made under this Paragraph is not required for the payment of expenses of convening and taking the Decision Procedure, it shall be repaid to the person who made it.

64 Participation in Creditor decisions

64(1)[Conditions for voting] Subject as follows, in order to be counted in a Decision Procedure other than where votes are cast at a meeting, votes must :

(a) be received by the convenor on or before the Decision Date; and

(b) accompanied by a Proof in respect of the Creditor's claim, unless it has already been provided to the convenor.

64(2)[Unliquidated and unascertained claims] A Debt for an unliquidated or unascertained amount is to be valued at £1 for the purpose of voting unless the convenor, or in the case of a meeting the chair, decides to put a higher value on it.

64(3)[Secured Creditors] A Secured Creditor is entitled to vote only in respect of the balance (if any) of Debt after deducting the value of Security as estimated by the Secured Creditor.

64(4) [Vote cast not changeable] A vote cast in a Decision Procedure which is not a meeting may not be changed.
64(5) [Decision to be made] For the decision to be made, the convenor must receive at least one valid vote on or before the Decision Date.

65 Admission and rejection of Proofs
65(1)[Power to admit] The convenor, or chair in the case of a meeting, has the power to admit or reject a Creditor's Proof for the purpose of entitlement to vote. The power is exercisable with respect to the whole or any part of the Proof, and whether the claim is secured or unsecured.
65(2)[Appeal from decision] The convenor or chair's decision on entitlement to participate is subject to appeal to the Court by any Creditor, or by the Debtor, within 28 days of the record of the decision being given, or such longer period as the Court shall, in the special circumstances, allow.
65(3)[Voting subject to objection] If the convenor or chair is in doubt whether a Proof should be admitted or rejected, it shall be marked as objected to and the Creditor shall be allowed to vote, subject to the vote being subsequently declared invalid if the objection to the claim is sustained.
65(4)[Where decision reversed] If, on an appeal, the convenor or chair's decision is reversed or varied, or a Creditor's vote is declared invalid, the Court may order another Decision Procedure to be convened, or make such other order as it thinks fit, provided that the Court considers the matter is such as to give rise to unfair prejudice or a material irregularity.
65(5)[Costs of appeal] The convenor or chair is not personally liable for the costs incurred by any person in respect of an appeal under this Paragraph unless the Court so orders.

66 Majorities required for Creditor decisions
66(1)[Decisions by majority in value] Subject as follows, a decision in a Decision Procedure is made when a majority of more than half in value of Creditors voting have voted in favour of it.
66(2)[Decisions varying terms of Arrangement] In the case of a decision varying the terms of the Arrangement, a majority of three-quarters or more in value of Creditors voting in favour of it is required.
66(3)[Votes rendering decision invalid] A decision is not made if those voting against it include more than half of the total value of Creditors who are not Associates of the Debtor.
66(4)[Resolution for the appointment of Supervisor] In the case of a decision for the appointment of a Supervisor:

(a) if on any vote there are 2 nominees for appointment, the person who obtains the most support is appointed, provided that such support represents a majority in value of all those voting; and
(b) if there are 3 or more nominees, and one of them has a clear majority over both or all of the others together, that one is appointed; and
(c) in any other case, the convenor or chair shall continue to take votes (disregarding at each vote any nominee who has withdrawn and, if no nominee

has withdrawn, the nominee who obtained the least support last time), until a clear majority is obtained for any one nominee.

66(5)[Resolution for joint appointment] The chair may put to a meeting a resolution for the joint appointment of any 2 or more nominees.

67 Chair of meeting as proxy-holder

67 Where the chair at a meeting holds a proxy for a Creditor which requires him to vote for a particular resolution, and no other person proposes that resolution, he shall himself propose it

68 Suspension/adjournment of meetings

68(1)[Suspension] The chair may, without an adjournment, declare the meeting suspended for one or more periods not exceeding one hour in total (or, in exceptional circumstances, such longer total period during the same day at the chair's discretion).

68(2)[Adjournment] The chair may (and must if the meeting so resolves) adjourn the meeting, provided that if the chair is the Supervisor and a resolution has been proposed for the Supervisor's removal, the chair shall not adjourn the meeting without the consent of at least one half in value of the Creditors attending and entitled to vote.

68(3)[Period of adjournment] An adjournment under this Paragraph shall not be for a period of more than 14 days after the date on which the meeting was originally held, or such longer period as the Court may allow.

68(4)[Use of Proofs and proxies at adjourned meeting] Where a meeting is adjourned under this Paragraph, Proofs and proxies may be used if lodged at any time up to or at the adjourned meeting.

69 Record of Creditor decisions

69(1)[Record of a decision] The convenor, or chair in the case of a meeting, must cause a record of the Decision Procedure to be kept. In the case of a meeting, the record must be in the form of a minute of the meeting. The record must be signed by the convenor or chair and retained as part of the records of the Arrangement.

69(2)[List of Creditors participating] The convenor or chair shall also cause to be made and kept a list of all the Creditors who participated and the amount of their claims.

69(3)[Record of decision made] The record of the decision shall include a record of the decisions made and how creditors voted.

69(4)[Record of decision to be circulated] The record of the decision referred to in Sub-paragraph (3) shall be sent to the Creditors and the Debtor.

PART XI: PROVISIONS FOLLOWING BREACH OF THE ARRANGEMENT

70 Breach by the Debtor of the terms of the Arrangement

70 The Debtor shall be regarded as in breach of the Arrangement if:

(a) the Debtor fails to comply with any obligation under the Arrangement;

(b) information which was false or misleading in any material particular or contains any material omissions:

(i) was contained in any statement of affairs or other document supplied by the Debtor under Part VIII under the Act to any person, or

(ii) was otherwise made available by the Debtor to the Creditors at or in connection with any meeting of Creditors held, or any decision taken, in connection with the Arrangement, or

(c) the Debtor fails to do all such things as may for the purposes of the Arrangement have been reasonably required by the Supervisor.

71 Procedure following breach

71(1)[Notice of Breach] If, at any time, it appears to the Supervisor that the Debtor is in breach of the Arrangement, then, unless such breach is remedied forthwith or the Supervisor has already presented a petition for the Debtor's bankruptcy, the Supervisor shall as soon as practicable issue to the Debtor a notice ("Notice of Breach") identifying the breach and requiring the Debtor within one month of sending the notice:

(a) to remedy the breach if it is capable of being remedied, and,

(b) if the Supervisor thinks fit, to give a full explanation of the breach.

71(2)[Remedy of breach] If, within the one month period referred to in Sub-paragraph (1), or such longer period not exceeding a further one month as the Supervisor shall reasonably allow, the Debtor:

(a) remedies the breach of the Arrangement;

(b) if so required in the Notice of Breach, provides a full explanation of the breach, and

(c) pays to the Supervisor such sum (if any) as the Supervisor may reasonably require to compensate the Creditors for any reduction in Dividend caused by the Debtor's breach,

no further action shall be taken against the Debtor save that the Supervisor shall report the breach to the Creditors in the next progress and prospects report under Rule 8.28 (Supervisor's accounts and reports), or on the next convenient occasion, if earlier.

71(3)[Notice of Termination/bankruptcy petition] If the Debtor has not done those things specified in Sub-paragraph (2) by the time specified or allowed, the Supervisor shall as soon as practicable seek a decision of the creditors to resolve whether or not to do the following things:

(i) issue a notice ("Notice of Termination") terminating the Arrangement by reason of the Debtor's breach;

(ii) present a petition for the Debtor's bankruptcy;

(iii) vary the terms of the Arrangement under Paragraph 81;

(iv) take no action.

71(4)[Supervisor's duty] If the Creditors decide to issue a Notice of Termination and/or to present a bankruptcy petition against the Debtor, the Supervisor shall do so as soon as practicable.

71(5)[Copies of Notice of Termination] A copy of any Notice of Termination issued by the Supervisor shall be sent to the Debtor and Creditors as set out in Paragraph 11.

72 Retention of funds by Supervisor

72 The Supervisor shall, at all times during the course of the Arrangement, retain sufficient of the funds coming into the Arrangement as represents the Supervisor's best estimate of the costs of petitioning for the Debtor's bankruptcy should the Creditors so decide under the previous Paragraph hereof. Such costs shall be provided for in priority to any other costs of the Arrangement.

PART XII: CONDITIONS WHERE TAX AUTHORITIES ARE CREDITORS

73 Claims by HM Revenue and Customs

73(1) HM Revenue and Customs' provisional claim in the Arrangement will include (i) any tax credit overpayment and (ii) Self-Assessment payments on account due for the tax year which the Arrangement is approved, PAYE/SC/NIC deductions due to the date of approval, plus any other earlier unpaid liabilities

73(2) HM Revenue and Customs' final claim in the Arrangement will additionally include the Self-Assessment balancing adjustment for the tax year in which the Arrangement is approved due with the Self-Assessment Return on the 31 January of the following year.

74 Income commencing after approval

74 The Debtor shall be responsible for payment of Self-Assessment/NIC on any source of income that commences after the date of approval of the Arrangement.

75 Post approval statutory returns and payments

75 All statutory returns and payments due to HM Revenue and Customs post approval shall be provided on or before the date they fall due.

76 Overdue accounts and returns

76 All statutory accounts and returns overdue at the date of the approval of the Arrangement must be provided to HM Revenue and Customs within 3 months of the approval date together with any other information or explanations required.

77 Funds to be paid to Supervisor

77 The Debtor's monthly provision for income tax/NIC as it appears in the income and expenditure statement shall, from the date of approval of the Arrangement to the 5 April ending the tax year in which the Arrangement is approved, be paid to the Supervisor for the benefit of the Arrangement.

78 Restriction on payment of dividend

78 No non preferential Dividend will be made until (i) the HM Revenue and Customs Self-Assessment return for the tax year in which the Arrangement is approved (ii) a VAT or other levy or duty return due to HM Revenue and Customs to the approval date, has been filed or (iii) an HM Revenue and Customs Determination

and/or a Customs assessment has been made and the Supervisor has admitted their final claims.

79 Set-off of repayments

79 During the currency of the Arrangement, any tax/excise/VAT or other repayments that become due to the Debtor by HM Revenue and Customs for periods for which claims may arise under the Arrangement, shall be offset against either department's claims in the Arrangement. Any remaining surplus shall be similarly applied to the claims of other government departments before being offered to the Supervisor for the benefit of the Arrangement. Any repayments for any later periods shall be offset against any post approval debts due to HM Revenue and Customs. Any remaining surplus will then be treated as a windfall and offered to the Supervisor for the benefit of the Arrangement.

PART XIII: MISCELLANEOUS PROVISIONS

80 Third Party obligations

80(1)[Application of Paragraph] This Paragraph applies where the Proposal includes any obligation on the part of a person other than the Supervisor or Debtor to pay moneys, transfer assets or do any other thing.

80(2)[Evidence of agreement] The third party shall sign the Proposal or such other document evidencing the agreement to be bound by the obligation as the Supervisor shall reasonably require.

80(3)[Enforcement of obligation] The obligations of the third party shall be enforceable by the Supervisor, or by the Debtor at the direction of the Supervisor.

80(4)[Failure a default of arrangement] The failure by the third party to carry out the obligation when due shall constitute a breach of the Arrangement.

81 Variation of the Arrangement

81(1)[Variation with Creditors' approval] The provisions of this Arrangement may be amended by a Decision Procedure of the Creditors.

81(2)[Consent of Debtor/third party to variation required] No variation of the terms of the Arrangement shall be of any effect unless made with the consent of the Debtor and any third party affected thereby.

81(3)[Saving for certain rights] No variation which restricts the following rights shall be of effect:

(a) the right of any Secured Creditor to enforce Security, except with the Secured Creditor's consent;

(b) the right of any Creditor to present a bankruptcy petition under section 264(1)(c) of the Act for default in connection with Arrangement;

(c) the right of a Preferential Creditor to be paid in priority to other Creditors, except with that Creditor's consent;

(d) the right of a Preferential Creditor to be paid pro rata with other Preferential Creditors, except with that Creditor's consent.

81(4)[Unfair prejudice and material irregularity] No variation shall be of effect if it unfairly prejudices the rights of any Creditor or if there has been any material irregularity in the operation of the provisions of this Paragraph.
81(5)[Restriction on variation] No variation shall be of effect if it causes the Arrangement to cease to be a voluntary arrangement within Part VIII of the Act.

82 Tax liabilities arising on realisations
82[Tax to be paid out of proceeds] Taxation liabilities of the Debtor arising on the sale or other realisation of any asset subject to the Arrangement shall, in so far as those proceeds are sufficient, be discharged out of the sale proceeds of the asset in question.

83 Invalidity and/or illegality
83 If any provision or part of the Arrangement is found to be contrary to the Act or Rules, illegal, invalid or contrary to public policy, that will not affect the validity of the remainder of the Arrangement and the provision or part of the Arrangement in question shall be construed accordingly.

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