



GLENWYVIS

DISTILLERY

LOAN NOTE INSTRUMENT

constituting

£375,000 6.5% fixed rate Members' unsecured loan notes 2024
(Series E repayable 2032-34)

issued by

GlenWyvis Distillery Limited

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This deed is dated 28 March 2024

by **GlenWyvis Distillery Limited**, a Community Benefit Society registered in the United Kingdom under the Co-operative and Community Benefit Societies Act 2014 (Registered Number RS007305) and having its address at Upper Dochcarty, Dingwall, IV15 9UF (**Society**)

BACKGROUND

The Society has, by resolution of its Management Committee passed on 19 January 2023, resolved to create up to a maximum nominal amount of £490,000 6.25% fixed rate Members' unsecured loan notes 2023 (series C - maturing 2031-33). Subsequently, by a resolution of its Management Committee passed on 27 March 2024 it was resolved that the Series C offer should be ceased, to be replaced by a new Series E bearing an increased rate of 6.5%, to be constituted in the manner set out below

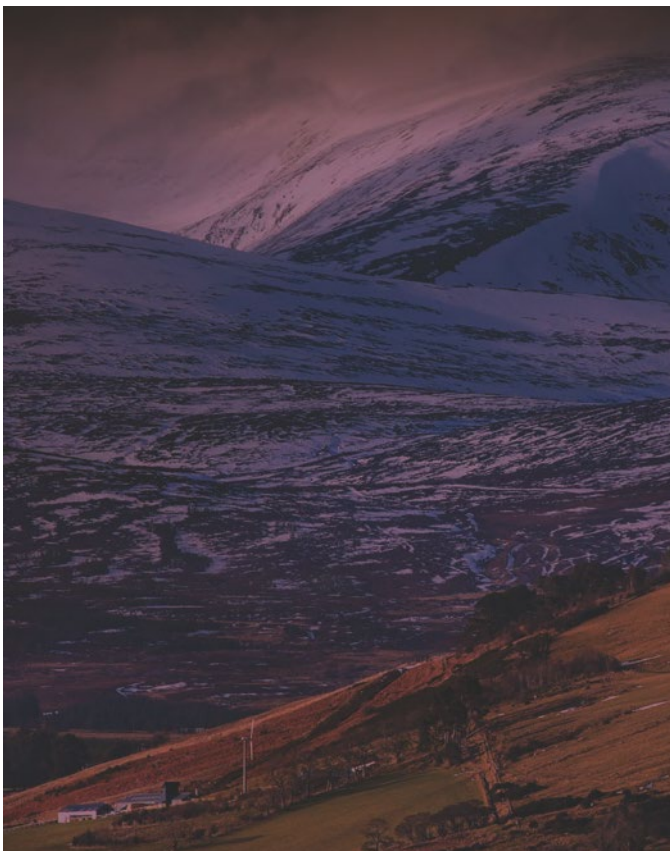
THE OFFER

Beginning April 2nd 2024 member shareholders will be eligible for the purchase of unsecured loan notes, issued by GlenWyvis Distillery Limited. Available in increments of £1,000, Series E notes will pay a fixed rate interest of 6.5% per annum.

Interest will be paid every 6 months from a starting date of April 30th 2024. Notes will be eligible for redemption on the 8th, 9th and 10th anniversary of issue with a maximum of 1/3 payable each year.

Once £375,000 of notes have been issued, Series E will close for applications.

Full terms and conditions are listed within this document. Please read through them carefully and submit the attached application form to proceed with a purchase. An official loan note certificate will be issued from 30 April 2024, recognising you as a noteholder in accordance with this instrument.



TERMS AND CONDITIONS

1. Definitions and interpretation

1.1 The definitions and rules of interpretation in this clause apply in this instrument.

Business Day: a day other than a Saturday, Sunday or public holiday in Scotland when banks in Edinburgh are open for business.

Conditions: the conditions set out in Schedule 2 as from time to time amended and Condition: shall be construed accordingly.

Directors: the Management Committee of the Society for the time being.

Event of Default: any of those events specified in clause 10.

Information: Noteholders are entitled to receive information about the Society and its business as provided for in the Society's Rules. Information may be sent or supplied by electronic means to those noteholders providing prior consent to the Society to receive information in this way.

Noteholder: each person for the time being entered in the Register as a holder of any Notes.

Noteholders' Meetings: the Society may hold a partial or fully virtual Noteholders' Meeting by telephone or video conference.

Notes: up to £375,000 6.5% fixed rate unsecured loan notes 2024 Series E constituted by this instrument or, as the case may be, the amount of such loan notes for the time being issued and outstanding.

Register: the register of Noteholders kept and maintained by the Society in accordance with clause 9.

Repayment Dates: each of 30 April 2032, 30 April 2033 and 30 April 2034.

Rules: the rules of the Society registered under the Co-operative and Community Benefit Societies Act 2014 from time to time.

Special Resolution: a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of this instrument and carried by a majority consisting of not less than 75% of the persons voting at such meeting on a show of hands or, if a poll is demanded, by a majority consisting of not less than 75% of the votes given on such poll.

1.2 Any term given a defined meaning in the Rules shall have the same meaning in this instrument, unless that term is otherwise defined in this instrument (in which case it shall instead have the

meaning given in this instrument) or the context requires otherwise.

1.3 Any reference in this instrument to:

- (a) the **assets** of any person shall be construed as a reference to all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital;
- (b) an **encumbrance** shall be construed as a reference to a mortgage, charge, assignment, assignation in security, pledge, lien (save as arising in the ordinary course of business), hypothec, right of set-off (save as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind;
- (c) **indebtedness** shall be construed as a reference to any obligation for the payment or repayment of money, whether as principal or as cautioner and whether present or future, actual or contingent;
- (d) this **instrument** or to any other instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to this instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case, in accordance with its terms;
- (e) a **month** shall be construed as a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day that is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day provided that, if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month;
- (f) a **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality);
- (g) **repayment** includes redemption and vice versa and the words **repay**, **redeem**, **repayable**, **redeemed** and **repaid** shall be construed accordingly;
- (h) **tax** shall be construed so as to include any present and future tax, levy, impost, deduction,

withholding, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

(i) the **winding-up, dissolution or administration** of a person shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or of any jurisdiction in which such person carries on business; and

(j) **£** denotes the lawful currency of the United Kingdom.

1.4 References to any statute or statutory provision:

(a) shall be construed as a reference to it as amended, extended or re-enacted from time to time;

(b) shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.5 In construing this instrument general words introduced by the word **other** shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word **including** shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.6 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

1.7 References to the **Notes** include references to all and/or any of the Notes.

1.8 Clause, Schedule and paragraph headings shall not affect the interpretation of this instrument.

1.9 References to clauses and Schedules are to the clauses of and Schedules to this instrument and references to paragraphs are to paragraphs of the relevant Schedule.

1.10 The Schedules (including, for avoidance of doubt, the Conditions) form part of this instrument and shall have effect as if set out in full in the body of this instrument. Any reference to this instrument includes the Schedules.

2. Prerequisite for holding Notes

2.1 No person may become a Noteholder unless they are also a Member of the Society who has paid for the minimum number of shares in the Society required by the Rules, or such other amount as may from time to time be required.

2.2 If any Noteholder ceases to be a Member of the Society for any reason, or suffers their holding of shares in the Society to fall below the minimum number of shares required by the Rules, they shall thereupon be deemed to have forfeited any interest accrued or other sums otherwise due to the Noteholder in respect of their holding of Notes and to have discharged the Society from any and all obligation thereon, other than the Society's obligation to redeem or repay the principal upon the Repayment Dates.

3. Amount of Notes

3.1 The principal amount of the Notes is limited to £375,000.

4. Description of Notes

4.1 The Notes shall be known as 6.5% fixed rate unsecured loan notes 2024 (series E - maturing 2031-33) and shall be issued in integral multiples of £1,000 by the Society.

5. Status of Notes

5.1 The Notes when issued shall rank (i) *pari passu* equally and rateably without discrimination or preference among themselves; (ii) subordinated to all other debts of the Society; and (iii) as an unsecured obligation of the Society.

6. Repayment of Notes

6.1 When the Notes become payable in accordance with the provisions of this instrument, the Society shall pay to the Noteholders the full principal amount (reduced pro rata in the event that partial redemption has already occurred) of the Notes due to be repaid together with any accrued interest on such Notes (less any tax which the Society is required by law to deduct or withhold from such payment) up to and including the date of payment.

6.2 All payments under this instrument, whether of principal, interest or otherwise, shall be made by the Society to the Noteholders entitled to such payments as provided in paragraph 8 of Schedule 3.

6.3 Where any payment to a Noteholder, whether of principal, interest or otherwise, is due in accordance with the terms of this instrument on a day that is not a Business Day, payment shall take place on the next succeeding Business Day. If that next succeeding Business Day is in the month following the month in which payment would otherwise be made, payment shall take place on the immediately preceding Business Day.

7. Interest on Notes

7.1 Until the Notes are fully repaid in accordance with the provisions of this instrument, interest shall accrue and be paid on the principal amount of the Notes which are outstanding at the rate and in the manner set out in the Conditions, except where otherwise noted in paragraph 2.2 above.

8. Certificates

8.1 Each certificate for Notes shall:

- (a) bear a denoting number;
- (b) be issued to a Noteholder in the form (or substantially in the form) set out in Schedule 1 and shall be executed by the Society in accordance with the Co-operative and Community Benefit Societies Act 2014; and
- (c) have the Conditions endorsed on or attached to it.

8.2 Each Noteholder shall be entitled to receive without charge one certificate for the Notes registered in their name.

8.3 The Society shall not be bound to register more than four persons as the joint holders of any Notes and, in the case of Notes held jointly by several persons, the Society shall not be bound to issue more than one certificate. Delivery of a certificate to the person who is first named in the Register as Noteholder shall be sufficient delivery to all joint holders of the Notes in respect of which such certificate has been delivered.

8.4 When a Noteholder transfers or redeems part only of their Notes, the old certificate shall be cancelled and a new certificate for the balance of such Notes shall be issued without charge.

9. Register

9.1 The Society shall, at all times, keep a Register at its registered office (or at such other place as the Society may from time to time have appointed for the purpose and have notified to the Noteholders).

9.2 The Register shall contain the following details:

- (a) the names and addresses of the Noteholders for the time being;
- (b) the principal amount of the Notes held by each Noteholder;
- (c) the date at which the name of each Noteholder is entered in respect of the Notes registered in their name;
- (d) the date of issue of each Note; and
- (e) all transfers and changes of ownership of the Notes.

9.3 Any change of name or address by any

Noteholder that is notified to the Society at its registered office address above shall be entered in the Register.

10. Default

10.1 The following are Events of Default:

- (a) **Non-payment:** the Society fails to pay any principal or interest on any of the Notes within 28 Business Days after the due date for payment thereof;
- (b) **Breach of undertaking:** the Society fails duly to perform or comply with any obligation (other than an obligation to pay principal or interest in respect of the Notes) expressed to be assumed by it in this instrument and such failure continues for 28 days after written notice has been given by any Noteholder requiring remedy thereof;
- (c) **Cross-default:** any indebtedness of the Society is not paid when due or is declared to be or otherwise becomes due and payable prior to its specified maturity or any creditor of the Society becomes entitled to declare any such indebtedness due and payable prior to its specified maturity;
- (d) **Insolvency:** the Society is (or could be, deemed by law or a court to be) insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of all or any material part of its indebtedness or commences negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit of, or composition with, any of its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;
- (e) **Enforcement proceedings:** a diligence, arrestment or other legal process is levied, enforced or imposed on or against all or any part of the assets of the Society and is not discharged or sisted within 28 days;
- (f) **Winding-up:** the Society takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation previously approved by Special Resolution) or for the appointment of a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of any or all of its assets;
- (g) **Analogous proceedings:** anything analogous to or having a substantially similar effect to any of

the events specified in clause 10.1(d) to clause 10.1(f) inclusive shall occur under the laws of any applicable jurisdiction;

- (h) **Encumbrance enforceable:** any encumbrance on or over the assets of the Society becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;
- (i) **Cessation of business:** the Society ceases to carry on the business it carries on at the date of this instrument or a substantial part thereof; and
- (j) **Illegality:** it is or becomes or will become unlawful for the Society to perform or comply with any of its obligations under this instrument, or any such obligation is not or ceases to be legal, valid and binding.

11. Acceleration

- 11.1 If, at any time and for any reason, any Event of Default has occurred, the Noteholders may by Special Resolution or by written notice to the Society from Noteholders holding more than 50% in nominal value of the Notes then issued and outstanding, at any time while such Event of Default remains unremedied and has not been waived by a Special Resolution, direct that the principal amount of all Notes, all unpaid accrued interest and any other sum then payable on such Notes shall become due and payable immediately. If the Noteholders give such a direction under this clause, then the principal amount of all Notes, all unpaid accrued interest and any other sum then payable on such Notes (in each case less any applicable taxes) shall be immediately due and payable by the Society and the Society shall immediately pay or repay such amounts to the Noteholders.

12. No set-off

- 12.1 All amounts due under this instrument from the Society to the Noteholders shall be paid in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

13. Meetings of Noteholders

- 13.1 The provisions for meetings of the Noteholders set out in Schedule 4 shall be deemed to be incorporated in this instrument and shall be binding on the Society and the Noteholders and on all persons claiming through or under them respectively.

14. Enforcement

- 14.1 From and after the date of this instrument and so long as any amount is payable by the Society in respect of the Notes, the Society undertakes that it shall duly perform and observe the obligations on its part contained in this instrument.
- 14.2 The Notes shall be held subject to and with the benefit of the provisions of this instrument, the Conditions and the schedules (all of which shall be deemed to be incorporated in this instrument). All such provisions shall be binding on the Society and the Noteholders and all persons claiming through or under them respectively, and shall enure for the benefit of all Noteholders, their executors or personal representatives, successors and permitted assignees.
- 14.3 Except as expressly provided in clause 14.4, no-one other than a party to this instrument shall have any rights to enforce any of its terms.
- 14.4 This instrument and the Notes are enforceable by each Noteholder and their executors, personal representatives, successors and permitted assignees.

15. Modification

- 15.1 The provisions of this instrument and the Conditions and the rights of the Noteholders may from time to time be modified, abrogated or compromised in any respect (including in any manner set out in paragraph 16.1 of Schedule 4) with the sanction of a Special Resolution and with the consent of the Society.

16. Governing law and jurisdiction

- 16.1 This instrument and the Notes and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with any of them or their subject matter or formation shall be governed by, and construed in accordance with, Scots law.
- 16.2 The courts of Scotland shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this instrument or any Note or their subject matter or formation.

IN WITNESS WHEREOF these presents consisting of this and the 5 preceding pages together with the four (4) Schedules annexed hereto are executed as follows:

On behalf of the said **GlenWyvis Distillery Limited** by its undernoted duly authorised signatory

At **GlenWyvis Distillery, Upper Dochcarty, Dingwall, IV15 9UF**

On **28 March 2024** in the presence of the following witness:

Signatory

Signature



Name (print) **David McIntyre**

Position **Chairman**

Witness

Signature



Name (print) **Dickon Sandbach**

Address **c/o GlenWyvis Distillery, Upper Dochcarty, Dingwall, IV15 9UF**



GLENWYVIS DISTILLERY LIMITED (the “Society”)

£375,000 6.5% FIXED RATE UNSECURED LOAN NOTES [2024]

SERIES E - Maturing 2032-34

Created pursuant to a resolution of the Management Committee of the Society passed on [date].

THIS IS TO CERTIFY THAT [NAME OF NOTEHOLDER] is the registered holder of £[AMOUNT] of the £375,000 6.5% fixed rate unsecured loan notes 2024 (series E - maturing 2032-34) constituted by an instrument entered into by the Society on 19th January 2023 (Instrument). Such Notes are issued with the benefit of and subject to the provisions contained in the Instrument and the Conditions endorsed hereon.

1. The Notes are repayable in accordance with Condition 1.
2. This Certificate must be surrendered before any transfer, whether of the whole or any part of the Notes comprised in it, can be registered or any new certificate issued in exchange.
3. Any change of address of the Noteholder(s) must be notified in writing signed by the Noteholder(s) to the Society at its registered office from time to time.
4. The Notes are not transferable, except under the circumstances described in Schedule 3, section 2 of the Loan Instrument.
5. Words and expressions defined in the Instrument shall bear the same meaning in this Certificate and in the Conditions endorsed hereon.
6. The Notes and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, Scots Law.
7. The courts of Scotland shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Notes or their subject matter or formation (including non-contractual disputes or claims).
8. A copy of the Instrument is available for inspection at the registered office of the Society.

IN WITNESS WHEREOF these presents are executed as follows:

On behalf of the said GlenWyvis Distillery Limited by its undernoted duly authorised signatory At Dingwall on April 30th 2024 in the presence of the following witness:

Signatory

Witness

Name (print)

Name (print)

Position

Address

Certificate Number	
Date	
Amount	

Schedule 2 The Conditions

1. Repayment

- 1.1 On each Repayment Date, the Society shall redeem one-third of the principal amount of Notes issued on the date of this instrument. Any redemption of the Notes under this Condition 1 shall be made pro rata to the holdings of all Noteholders, together with accrued and unpaid interest (less any tax required by law to be deducted or withheld from such payment) accrued on the relevant Notes up to (and including) the date of such repayment by the Society.

2. Voluntary early repayment

- 2.1 The Society may at any time, subject to Condition 2.5, by giving the Noteholders not less than one month's written notice, repay the principal amount of all or a portion of the Notes on the date specified in such notice.
- 2.2 The Society shall also pay to the Noteholders all unpaid interest accrued on the Notes to be redeemed up to and including the date of such redemption (in each case less any taxes required by law to be deducted or withheld from such payments).
- 2.3 Any payment made under the provisions of Condition 2.1 shall be treated as reducing the amount of the repayments under Condition 1.1 proportionately.
- 2.4 Any redemption of the Notes under the provisions of Condition 2.1 shall be made pro rata to the holdings of all Noteholders.

3. Cancellation

- 3.1 All Notes repaid, prepaid or purchased by the Society shall be cancelled and the Society shall not reissue the same.

4. Payment of interest

- 4.1 Until the Notes are repaid in accordance with these Conditions, interest on the principal amount of the Notes outstanding from time to time shall accrue at the rate of 6.5% per annum, payable in two instalments on 30 April and 31 October in each year.
- 4.2 The Society shall pay accrued interest in cash, in arrear to the persons who were registered as Noteholders at the close of business on the relevant Repayment Date.
- 4.3 Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365 day year.
- 4.4 If the Society fails to pay any amount of interest or principal on any Note when such amount is due, interest at the rate applicable under these Conditions plus 1% per annum shall accrue on the unpaid amount from the due date until the date of payment.
- 4.5 Interest on any Notes repaid by the Society in accordance with these Conditions shall cease to accrue as from the date of such repayment.

5. Dealings

- 5.1 The Notes shall not be capable of being dealt in or on any stock exchange in the United Kingdom or elsewhere and no application has been or shall be made to any stock exchange for permission to deal in or for an official or other quotation for the Notes.

6. Notices

- 6.1 Any Noteholder described in the Register as being at an address outside the United Kingdom but who shall from time to time give to the Society an address within the United Kingdom at which any notice may be served upon them shall be entitled to have notice served on them at such address. Save as otherwise provided in this Condition 6, no Noteholder other than a Noteholder described in the Register as being at an address within the United Kingdom shall be entitled to receive any notice.

Schedule 3 Provisions as to registration, transfer and other matters

1. Recognition of Noteholder as absolute owner

1.1 The Society shall recognise as absolute owner the registered holder of any Notes. The Society shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Notes may be subject. The receipt of the registered holder for the time being of any Notes or, in the case of joint registered holders, the receipt of any of them, for the principal payable in respect of such Notes and for the interest from time to time accruing due in respect of such Notes or for any other moneys payable in respect of such Notes shall be a good discharge to the Society notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Notes, interest or moneys. The Society shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Notes.

2. Transferability of Notes

2.1 The Notes shall not be transferable save in the event of the death of a Noteholder, in which event they may be transferred by the executors of the deceased Noteholder in accordance with the provisions in respect of transfer of Notes set forth in these Conditions, and that all without prejudice to the provisions in respect of transmission of Notes set forth in these Conditions.

2.2 The Notes are transferable by instrument in writing in the usual common form (or in such other form as the Directors of the Society may approve) in amounts and multiples of £1,000. There shall not be included in any instrument of transfer any Notes other than the Notes constituted by this instrument.

3. Execution of transfers

3.1 Every instrument of transfer shall be duly signed by or on behalf of the transferor and the transferor shall be deemed to remain the owner of the Notes to be transferred until the transferee's name is entered in the Register in respect of such Notes.

4. Registration of transfers

4.1 Every instrument of transfer shall be left for registration at the address where the Register is maintained for the time being (as referred to in clause 9.1 of this instrument) accompanied

by the Certificate(s) for the Notes to be transferred, together with such other evidence as the Directors or other officers of the Society authorised to deal with the transfers may require to prove the title of the transferor or their right to transfer the Notes and, if the instrument of transfer is executed by some other person on their behalf, the authority of that person to do so. All instruments of transfer which are registered shall be retained by the Society. No transfer shall be registered of Notes in respect of which a notice of repayment has been given under Condition 2 (Voluntary early repayment).

5. No fees for registration of transfers

5.1 No fee shall be charged for the registration of any transfer or for the registration of any confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any Notes or for making any entry in the Register relating to or affecting the title to any Notes.

6. Recognition of executors

6.1 The executors of a deceased Noteholder (not being one of several joint registered holders) and in the case of the death of one or more of several joint registered holders the survivor or survivors of such joint registered holders, shall be the only person(s) recognised by the Society as having any title to such Notes.

7. Transmission of Notes

7.1 Any person who becomes entitled to any of the Notes as a result of the death or bankruptcy of any Noteholder, or of any other event giving rise to the transmission of such Notes by operation of law may, upon producing such evidence that they sustain the character in respect of which they propose to act under this Condition or of their title as the Directors shall think sufficient, be registered themselves as the holder of such Notes or, subject to the preceding Conditions as to transfer, may transfer such Notes. The Society may retain any payments paid upon any such Notes which any person under this provision is entitled to, until such person is registered as the holder of such Notes or has duly transferred the Notes.

8. Payment of interest and principal

8.1 The payments of principal, interest or other sums payable in respect of the Notes may be paid by:

- (a) electronic transfer in immediately available cleared funds on the due date for payment, to the account specified for the purpose by the Noteholder or joint Noteholders in writing to the Society; or
- (b) in the absence of such notification, by cheque, warrant or bankers' draft made payable to and sent to the registered address of the Noteholder or in the case of joint registered holders, made payable to the order of and sent to the registered address of that one of the joint registered holders who is first named on the Register or made payable to such person and sent to such address as the registered holder or all the joint registered holders may in writing direct.

8.2 Every such cheque, warrant or bankers' draft shall be sent on the due date for payment and may be sent through the post at the risk of the registered Noteholder or joint registered holders. Payment of the cheque, warrant or bankers' draft shall be a good discharge to the Society.

8.3 All payments of principal, interest or other moneys to be made by the Society shall be made after any deductions or withholdings for or on account of any present or future taxes required by law to be deducted or withheld from such payments.

9. Receipt of joint holders

9.1 If several persons are entered in the Register as joint registered holders of any Notes then without prejudice to the provisions of paragraph 8 the receipt of any one of such persons for any interest or principal or other moneys payable in respect of such Notes shall be as effective a discharge to the Society as if the person signing such receipt were the sole registered holder of such Notes.

10. Replacement of certificates

10.1 If the Certificate for any Notes is lost, defaced or destroyed it may be renewed on such terms as to evidence as the Directors may require, and will be subject to the Noteholder issuing a written indemnity to the Society to protect against any loss arising from the use or misuse of the original certificate if it is recovered. In the case of defacement the defaced Certificate shall be surrendered before the new Certificate is issued. The Society shall be entitled to charge a fee of £25 for each renewal.

11. Notice to Noteholders

11.1 Any notice or other document (including Certificates for Notes) may be given or sent to any Noteholder by sending the same by post in a prepaid, first-class letter addressed to such Noteholder at their registered address in the United Kingdom or (if they have no registered address within the United Kingdom) to the address (if any) within the United Kingdom supplied by them to the Society for the giving of notice to them. In the case of joint registered holders of any Notes a notice given to the Noteholder whose name stands first in the Register in respect of such Notes shall be sufficient notice to all joint holders. Notice may be given to the persons entitled to any Notes as a result of the death or bankruptcy of any Noteholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Noteholder at the address (if any) in the United Kingdom supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

12. Notice to the Society

12.1 Any notice or other document (including Certificates for Notes and transfers of Notes) may be given or sent to the Society by sending the same by post in a prepaid, first-class letter addressed to the Society at its registered office for the time being.

13. Service of notices

13.1 Any notice, communication or document sent by post shall be deemed to have been delivered or received on the second Business Day following the day on which it was posted. In proving such delivery or receipt it shall be sufficient to prove that the relevant notice, communication or document was properly addressed, stamped and posted (by airmail, if to another country) in the United Kingdom.

Schedule 4 Provisions for meetings of Noteholders

1. Calling of meetings

- 1.1 The Society may at any time and shall on the request in writing signed by any registered holder of the Notes for the time being outstanding convene a meeting of the Noteholders. The Society may hold a partial or fully virtual Noteholders' Meeting by telephone or video conference to be held at such time and date as the Society shall determine.

2. Notice of meetings

- 2.1 At least 14 clear days' notice specifying the day and hour of the meeting shall be given to the Noteholders of any meeting of Noteholders in the manner provided in Schedule 3. Information will be sent or supplied by electronic means to those Noteholders providing e-mail addresses to the Society as prior consent to receive information in this way; Noteholders opting out of this method will receive their information by first-class post. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolutions to be proposed. The omission to give notice to any Noteholder shall invalidate any resolution passed at any such meeting.

3. Chairman of meetings

- 3.1 A person nominated by the Society shall be entitled to take the chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Noteholders present shall choose one of their number to be Chairman. The Directors and the Secretary and legal advisers and auditors of the Society and any other person authorised in that behalf by the Directors may attend at any such meeting.

4. Quorum at meetings

- 4.1 At any such meeting convened for any purpose, other than the passing of a Special Resolution, the lesser of a person or persons holding or representing by proxy one one-hundredth in nominal value of the Notes for the time being outstanding, or 10 Noteholders shall form a quorum for the transaction of business. At any meeting convened for the purpose of passing a Special Resolution the lesser of a person or persons holding or representing by proxy a clear majority in nominal value of the Notes for

the time being outstanding, or 20 Noteholders shall form a quorum. No business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.

5. Absence of quorum

- 5.1 If within 30 minutes from the time appointed for any meeting of the Noteholders a quorum is not present the meeting shall, if convened upon the requisition of the Noteholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 days and not more than 42 days thereafter) and to such place as may be appointed by the Chairman and at such adjourned meeting two Noteholders present in person or by proxy and entitled to vote, whatever the principal amount of the Notes held by them, shall form a quorum.

6. Adjournment of meetings

- 6.1 The Chairman may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business that might lawfully have been transacted at the meeting from which the adjournment took place.

7. Notice of adjourned meetings

- 7.1 Notice of any adjourned meeting at which a Special Resolution is to be submitted shall be given in the manner provided for in this instrument. Such notice shall state that 20 Noteholders present by telephone or video conference, in person or by proxy and entitled to vote at the adjourned meeting whatever the principal amount of the Notes held by them shall form a quorum.

8. Resolution on show of hands

- 8.1 Every question submitted to a meeting of Noteholders shall be decided in the first instance by a show of hands, or by electronic poll. In case of an equality of votes the Chairman shall have a casting vote.

9. Demand for poll

- 9.1 At any meeting of Noteholders, unless (before or on the declaration of the result of the show of hands, or by electronic poll) a poll is demanded by the Chairman or by one or more Noteholders present in person or by proxy, a declaration by the Chairman that a resolution has been carried

or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact.

10. Manner of taking poll

10.1 If at any such meeting a poll is so demanded it shall be taken in such manner as the Chairman may direct. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

11. Time for taking poll

11.1 Any poll demanded at any such meeting shall be taken at the meeting without adjournment. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

12. Persons entitled to vote

12.1 The registered holders of any of the Notes or, in the case of joint holders, any one of them shall be entitled to vote in respect thereof either in person or by proxy and in the latter case as if such joint holder were solely entitled to such Notes. If more than one of such joint holders be present at any meeting either personally or by proxy the vote of the senior who tenders a vote (seniority being determined by the order in which the joint holders are named in the Register) shall be accepted to the exclusion of the votes of the other joint holders.

13. Instrument appointing proxy

13.1 Every instrument appointing a proxy shall be in writing, signed by the appointor or their attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Noteholder.

14. Deposit of instrument appointing proxy

14.1 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority shall be deposited with the Society at the address where the Register is maintained for the time being (as referred to in clause 9.1 of this instrument) or at such other place as may be specified in the notice

convening the meeting before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or lack of mental capacity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Notes in respect of which it is given unless previous intimation in writing of such death, lack of mental capacity, revocation or transfer shall have been received by the Society at the address where the Register is maintained for the time being (as referred to in clause 9.1 of this instrument). No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

15. Votes

15.1 On a show of hands or by electronic poll every Noteholder who (being an individual) is attending the meeting by telephone or video conference, present in person or by proxy or (being a corporation) is present by a representative (not being themselves a Noteholder) or by proxy shall have one vote (provided that a proxy appointed by more than one member should only have one vote or, where the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against it, such proxy shall have one vote for and one vote against the resolution). On a poll every Noteholder shall have one vote. A Noteholder (or a proxy or representative of a Noteholder) entitled to more than one vote on a poll need not use all their votes or cast all the votes they use in the same way.

16. Power of meetings of Noteholders

16.1 In addition to any other powers it may have, a meeting of the Noteholders may, by Special Resolution:

- (a) sanction any compromise or arrangement proposed to be made between the Society and the Noteholders;
- (b) sanction any abrogation, modification or compromise or any arrangement in respect of the rights of the Noteholders against the Society or its property whether such rights shall arise under this instrument or otherwise;
- (c) sanction any scheme for the reconstruction of the Society or for the amalgamation of the Society with any other company or community benefit society or other organisation;

- (d) sanction any scheme or proposal for the sale or exchange of the Notes for, or the conversion of the Notes into, cash or shares, stock, debentures, debenture stock or other obligations or securities of the Society or any other company or community benefit society or other organisation formed or to be formed, and for the appointment of a person with power on behalf of the Noteholders to execute an instrument of transfer of the Notes held by them in favour of the person to or with whom the Notes are to be sold or exchanged (as the case may be);
- (e) assent to any modification or abrogation of the provisions contained in this instrument that shall be proposed by the Society and authorise the Society to execute an instrument supplemental to this instrument embodying any such modification or abrogation; and
- (f) give any authority or sanction which under the provisions of this instrument is required to be given by Special Resolution.

16.2 No resolution that would increase any obligation of the Society under this instrument or postpone the due date for payment of any principal or interest in respect of any Note without the consent of the Society shall be effective.

17. Special Resolution binding on all Noteholders

17.1 A Special Resolution, passed at a meeting of Noteholders duly convened and held in accordance with the provisions of this schedule, shall be binding on all the Noteholders whether or not present at such meeting and each of the Noteholders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution.



18. Resolutions in writing

18.1 A resolution in writing signed by all the holders of at least 75% in nominal value of the Notes for the time being outstanding who are for the time being entitled to receive notice of meetings in accordance with the provisions contained in this instrument shall for all purposes be as valid and effectual as a Special Resolution. Such resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Noteholders.

19. Minutes of meetings

Minutes of all resolutions and proceedings at every such meeting of the Noteholders shall be made and duly entered in books to be from time to time provided for that purpose by the Society. Any minutes which purport to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings held or by the Chairman of the next succeeding meeting of the Noteholders shall be conclusive evidence of the matters contained in such minutes. Unless the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly convened and held and all resolutions passed at such meetings to have been duly passed.





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