

Transfer of part of the Banking Business of The Bank of New York Mellon SA/NV to The Bank of New York Mellon

Scheme Summary

1. INTRODUCTION

- 1.1 The Bank of New York Mellon SA/NV (the "**Transferor**") has agreed to transfer certain parts of its alternative investment, asset servicing and corporate trust business (including the accepting of deposits) (the "**Transferring Business**") to the Bank of New York Mellon (the "**Transferee**") (the "**Transfer**"). The Transferring Business is currently run by the London Branch of the Transferor. It is proposed that the Transferring Business be transferred to the Transferee which will carry on the Transferring Business from its London branch.
- 1.2 The Transfer will be effected by way of a scheme under Part VII of the UK Financial Services and Markets Act 2000 ("**FSMA**") (the "**Scheme**"). This document provides a summary of the terms of the Scheme as required by Regulation 5(4) of the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001. The information in this document is only a summary of the Transfer and the Scheme. The full Scheme can be found online at the following website: www.bnymellon.com/emea/en/who-we-are/partviitransfer.jsp.

2. COURT APPROVAL OF THE TRANSFER AND EFFECTIVE DATE

- 2.1 The Scheme must be approved by the High Court of Justice of England and Wales (the "**Court**"). The Court hearing at which the Transfer will be considered is due to be held on 26 June 2018 (the "**Sanctions Hearing**").
- 2.2 If the Court approves the Scheme, the Transferring Business shall be transferred to the Transferee in separate tranches on staggered effective dates between 9 July 2018 and 28 September 2018 (the "**Transfer Period**"). Each client that will transfer as part of the Transferring Business (a "**Transferring Client**") will be notified individually of the exact date during the Transfer Period on which the Transfer is expected to become effective in respect of their Transferring Business (the "**Relevant Date**").

3. OBJECTIONS

- 3.1 If you feel you may be adversely affected by the Scheme you are entitled to put your concerns before the Court at the Sanctions Hearing. You may also register your concerns or complaint with the Transferor without appearing at Court. If you have any objections to the Scheme you can contact the Transferor by:

3.1.1 contacting your relationship manager; or

3.1.2 email to partviitransfer@bnymellon.com;

The Transferor will keep a record of all objections it has received. Details of these will be submitted to the Court and the UK financial services regulators: the Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority (the "**FCA**").

4. EFFECT OF THE SCHEME

Transfer of the Business

- 4.1 If the Court approves the Transfer, each of the Transferring Clients will no longer be a client of the London branch of the Transferor and will become a client of the London branch of the Transferee and their relevant agreements with the London branch of the Transferor in respect of the Transferring Business ("**Transferring Client Agreements**") will transfer to the London branch of the Transferee as of the Relevant Date. At each Relevant Date all the relevant rights and obligations of the Transferor in relation to the relevant tranche of the Transferring Business will automatically transfer to the Transferee. This means that the Transferee will be responsible for any obligations that were previously obligations of the Transferor from the Relevant Date in relation to that tranche of the Transferring Business.

References and Terms and Conditions of Transferring Agreements

- 4.2 It is also necessary to change the terms and conditions of the agreements relating to the Transferring Business in order to reflect the fact that Transferring Clients will no longer be clients of the Transferor and will become clients of the Transferee as of the Relevant Date. These changes are set out at a high level below and set out in greater detail in the Scheme.
- 4.3 References in the terms and conditions of the agreements relating to the relevant tranche of the Transferring Business to the Transferor, its location, directors, officers, representatives or employees will, from the Relevant Date, take effect as if they were references to the Transferee, its location, directors, officers, representatives or employees.
- 4.4 On and with effect from each Relevant Date, Transferring Client Agreements will be amended to reflect that:
- 4.4.1 the Belgian Fungible Securities Rules will no longer apply and references to the Belgian Fungible Securities Rules shall be deleted and any terms and conditions stating that underlying clients of the Transferring Clients may have claims against the Transferor in relation to the assets as provided under the Belgian Fungible Securities Rules shall be deleted; and
- 4.4.2 the Belgian Royal Decree of 3 June 2007, being the main Belgian legislation implementing Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments, or other relevant Belgian law, regulation or rule in respect of treating a Transferring Client as a professional client will no longer apply and all such references shall be deleted and replaced by reference to the FCA's rules and the FCA's Conduct of Business Sourcebook.
- 4.5 On and with effect from each Relevant Date, Transferring Client Agreements will be amended to delete references to the Belgian deposit and investor protection scheme via the Protection Fund for Deposits and Financial Instruments (for financial instruments) and the Guarantee Fund (for deposits) which will be replaced by the UK's Financial Services Compensation Scheme.

Mandates and Other Instructions

- 4.6 Any mandate or other instruction, for example an instruction to a bank in the form of a direct debit, which is in force on the Relevant Date in respect of the relevant tranche of the Transferring Business and provides for payment to be made to the Transferor will, from the Relevant Date, take effect as if it provided for payment to be made to the Transferee.
- 4.7 Any mandate or other instruction which is in force on the Relevant Date in respect of the relevant tranche of the Transferring Business and which relates to the manner of payment of any amount by the Transferor will, from the Relevant Date, continue in force as an effective authority to the Transferee.

Continuity of Proceedings

- 4.8 Any proceedings brought by or against the Transferor in connection with the relevant tranche of the Transferring Business will, from the Relevant Date, be continued with effect by or against the Transferee. Any defences, claims, counter-claims or rights of set-off that would have been available to the Transferor may be raised in such proceedings in favour of or against the Transferee.
- 4.9 From and after the Transfer, all liabilities (present or future, actual or contingent) of the Transferor in relation to the Transferring Business, or which arise as a result of the Transferor carrying out the Transferring Business, shall transfer to the Transferee.

Effective Date

- 4.10 The Scheme shall not become operative in respect of a Transferring Client on the relevant Effective Date unless:
- 4.10.1 in the event that the Court imposes any modification of or addition to the Scheme or any further condition or provision affecting the same, the Transferor and the Transferee consent to such modification, addition or condition; and
- 4.10.2 the requisite approvals from each of the Board of Governors of the Federal Reserve System in the United States, the National Bank of Belgium and the European Central Bank have been received.

Effect of the Scheme

- 4.11 Unless and to the extent otherwise provided in the Order, the Transfer shall take effect and shall be valid and binding on all parties having any interest in the same notwithstanding any provision to the contrary in any agreement or arrangement with any person, including any restriction on transferring, assigning or otherwise dealing with the same and whether or not the Transferor would, apart from the terms of this Scheme, have the capacity to effect the same and in particular shall not:
- 4.11.1 invalidate or discharge any contract, security or other thing; or
- 4.11.2 require further registration in respect of any security or charge; or

- 4.11.3 constitute a breach of, or default under, or require any obligation to be performed sooner or later than would otherwise be the case under any instrument or contract or arrangement to which the Transferor is a party or is bound; or
- 4.11.4 entitle any party to a contract or arrangement to which the Transferor is a party to terminate such contract or arrangement; or
- 4.11.5 confer any greater or lesser rights or benefits, or impose any greater or lesser obligations, under a contract to which the Transferor is party.

Data Protection

- 4.12 On each Relevant Date the records relating to the relevant tranche of the Transferring Business, which may include personal data, will transfer to the Transferee.
- 4.13 From the Relevant Date, the Transferor will cease to be a controller or processor (as relevant) in respect of all personal data relating to the relevant tranche of the Transferring Business and the Transferee will become a controller or processor (as relevant) instead.

5. COSTS AND EXPENSES

All costs and expenses related to the preparation of the Scheme and the related Court process will be borne by the Transferee and not by Transferring Clients.

6. AMENDMENTS TO THE SCHEME

- 6.1 The Court may amend the Scheme before approving it. Any such amendment must be agreed to by both the Transferor and the Transferee.
- 6.2 After the Court has approved the Scheme minor or technical amendments to the terms of the Scheme, or any amendment to correct any manifest error in its terms, may be made without the consent of the Court provided that the PRA and FCA shall have been notified of the proposed amendment and no objection is received by the Transferor or the Transferee from the PRA or FCA within 14 days of such notification.
- 6.3 After the Court has approved the Scheme the Transferee can make changes to the Scheme with the consent of the Court, the FCA and the PRA. If the proposed changes to the Scheme affects the rights, obligations or interests of the Transferor then the Transferor must also consent before the change can be made.