

Scheme of Arrangement - Script

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If you were a Customer of Morses Club, or a company that Morses Club acquired loans from, between the 1st of April 2007 and the 2nd of August 2022, then you might be owed compensation.

In providing loans, Morses Club are required to make sure that these loans are affordable, and in some historical cases, those requirements may not have been met.

Morses Club takes full responsibility for these errors, is sorry for any harm that customers may have incurred as a result and has set-up a Scheme by which it can pay part-compensation to affected customers.

In this video, we explain how the Scheme works, provide important facts for you to consider, and tell you what actions you may need to take.

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A Scheme of Arrangement is a Court approved agreement between a company, and some or all of the people it owes money to, known as its creditors.

The Morses club Scheme is intended to provide a settlement for all eligible Customers, and the Financial Ombudsman Service.

The Scheme needs to be voted on by customers, and, if approved, it will allow us to pay reduced compensation to our customers, both past and present.

As Morses Club cannot afford to pay all redress claims in full, in order to avoid insolvency, it has developed the Scheme to process redress claims, pay as much compensation as possible, and carry on trading.

The amount of cash compensation that customers will get, will depend on the number of valid claims submitted and enough funding being obtained for the Scheme.

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In designing our Scheme, we formed an independent committee which consisted of eight past and present Morses Club customers.

The committee helped choose between options about, how the Scheme would work, and how much money should be set aside to pay compensation.

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For the Scheme to go ahead, there are certain conditions that Morses Club must meet.

Firstly, the Scheme passes a vote by customers and the Financial Ombudsman Service.

Secondly, the court approves the Scheme, and thirdly, Morses Club will need to raise 20 million pounds to pay compensation. 5 million will come Morses Club and 15 million will come from Investors.

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If Customers vote against the scheme, and it does not go ahead, Morses Club will be insolvent and will stop trading.

Any money left after paying operating cost and any Secured Funders, will be used to compensate redress customers and the Financial Ombudsman Service.

You will not be paid in full, but we estimate that you might receive between 1 and 3 pence in the pound of the cash owed.

If you are a current customer, with a valid redress claim, the balance of your unpaid loans will be reduced by the amount Morses Club owes you.

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If Customers vote in favour of the Scheme, and it goes ahead, then creditors will not be paid in full, but we estimate that you can expect compensation of around 20p in the pound of the cash owed to you.

This is not guaranteed, and you may receive less.

If you are a current customer, the balance of your unpaid loans will be reduced by the amount Morses Club owes you for a valid redress claim, and if there are any further amounts that you are owed, then these will be paid as part of the scheme.

In this scenario, Morses Club continues to trade and is able to offer loans to customers in the future.

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If Customers vote in favour of the scheme, and it goes ahead, but then ends early because Morses Club is not able to raise the 20 million pounds to pay compensation, Morses Club will be insolvent and will stop trading.

If this happens Morses Club can guarantee that Customers will receive at least 1 pence in pound of the cash owed to them.

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We encourage you to vote on the Scheme.

Morses Club believes that voting in favour of the Scheme should provide the best outcome for Customers.

To help you make-up your mind about which way to vote, you should read the letter or e-mail that we send to you in full. If you have not received a letter or e-mail, please contact us.

If you wish to vote, you must do so before the registration deadline which is 5.00 p.m. on 12 May 2023. You can do this either:

Online: by registering your vote via the online Claims Portal.

By email: by using the quick vote button, emailed to those customers for whom we have an e-mail address, or,

By completing and returning a Claim Form by post, so that we receive it by the Registration Deadline. (Please post it early to ensure it gets to us on time).

If you wish to vote on the Scheme via the postal method, you can download the claim form at: www.morsesclubscheme.com/documents, or request the claim form in writing, or by calling 0333 011 0688.

Customers who have already registered for postal communications, will receive a paper copy of the claim form by post.

By voting, unless you tell us otherwise, should the Scheme go ahead, we will automatically submit your claim into the Scheme.

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A virtual Scheme Meeting will be held for all of Morses Club's customers who are affected by the Scheme to allow them the opportunity to consider and vote on the Scheme.

You have the right to attend the Scheme Meeting which will be held remotely by telephone and live webcast at 10.am on Thursday 18th May 2023.

If you wish to attend, you must pre-register your attendance by the Registration Deadline. You can do this either:

On the Claims Portal.

Or, by post, using section A, part 3 of the Claims Form.

Or, by calling us.

There is an option for customers wishing to attend the meeting, to submit questions.

Details of how to do this will be provided prior to the meeting.

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You will find answers to Frequently Asked Questions at: www.morsesclubscheme.com/faqs

You can also contact us by email at: contactus@morsesclub.com, or call us on 0333 011 0688.

You can also contact an independent Customer Advocate, by email at: jy@morsesclubca.co.uk

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As a quick reminder:

- Please read the letter or e-mail that we have sent to you in full and consider whether you wish to vote for or against the Scheme
- Please vote on the scheme before the deadline of 5pm on 12 May 2023 and let us know if you would like to attend the Scheme Meeting
- Contact us if you have any questions; and
- Check for updates on the Scheme website on a regular basis

That's the end of this short video. Thank you for watching.