

5.5 Payment of the Surplus¹

5.5.1 PFG shall contribute (or shall procure the contribution of) an amount equal to the Surplus to the Company.

5.5.2 As soon as reasonably practicable following the determination of the Surplus, the Company shall calculate the Surplus Payment Percentage.

5.5.3 Subject to Clause 5.5.4, as soon as reasonably practicable following the later of:

(a) the determination of the Surplus; and

(b) receipt of an amount equal to the Surplus from PFG or PPC,

the Company shall pay the Surplus Dividend to each Scheme Creditor with a Ascertained Scheme Liability in accordance with Clause 5.1.2.

5.5.4 The Company shall have no obligation to pay a Surplus Dividend to a Scheme Creditor where the amount of such Surplus Dividend is less than the lower of £3 and the direct cost which would be incurred in paying such Surplus Dividend. Surplus Dividends which are not paid to Scheme Creditors in accordance with this Clause shall be aggregated and paid to a charity chosen by the Scheme Supervisors.

5.5.5 The Surplus Dividend shall be deemed paid on the date that the Company gives its bank an instruction to pay the Surplus Dividend to the relevant Scheme Creditor in accordance with Clause 5.4.1 by electronic transfer to the Designated Bank Account (or upon issue of a cheque in favour of the Scheme Creditor for such amount). The credit of the Surplus Dividend into the Designated Bank Account (or the issue of a cheque in favour of the Scheme Creditor for the Surplus Dividend), shall be good discharge and satisfaction of the obligation to pay the Surplus Dividend and the Company will have no further Liability for such Surplus Dividend.

5.5.6 PFG shall provide the Company with an account of the total Cash Receipts and the total Managed Wind Down Expenses for the period starting on the Effective Date and ending on:

(a) 31 December in each calendar year during the Managed Wind Down Period; and

(b) the end of the Managed Wind Down Period.

Such account shall be provided within 60 days of the end of the relevant period.

5.5.7 The Scheme Supervisors shall:

¹ This Clause 5.5 was added to the Scheme by way of amendment on 21 June 2021.

- (a) review each such account provided in accordance with Clause 5.5.6; and
- (b) provide an update on the Website.

5.5.8 For the avoidance of doubt, the Scheme Supervisors shall not be permitted to issue a notice of Scheme Completion in accordance with Clause 8.1 until:

- (a) the Company has received notice in accordance with Clause 5.5.6(b) and that notice confirms that there is no Surplus; or
- (b) the Company has received notice in accordance with Clause 5.5.6(b) and:
 - (i) such notice confirms that there is a Surplus; and
 - (ii) the Surplus Dividend has been paid to Scheme Creditors, subject to Clause 5.5.4 but otherwise in accordance with Clause 5.5.5; or
- (c) The Company and the Scheme Supervisors agree, following the collection of all Cash Receipts or substantially all anticipated Cash Receipts, that there will be no Surplus or that notwithstanding that there will be a Surplus, no Surplus Dividend will be payable to any Scheme Creditor due to Clause 5.5.4.

5.5.9 For the purpose of this Clause 5.5:

"Cash Receipts" means the cash received by PPC from non-Group parties in respect of the Managed Wind Down as determined by the Company or, if required by the Scheme Supervisors, an Independent Accountancy Firm;

"Independent Accountancy Firm" means an independent accountancy firm agreed between the Company and PFG;

"Managed Wind Down" means the process by which PPC shall wind down and close its business and settle all actual, contingent and prospective liabilities in an orderly manner including the collection of payments, when due, from those customers who continue to have outstanding loans payable to the Lenders (or the disposal of the same on an arms' length basis for value);

"Managed Wind Down Expenses" means the expenses paid by or on behalf of PPC for the purpose of implementing the Managed Wind Down (including expenses reasonably and properly recharged to PPC by PFMSL in relation to winding down of those parts of PFMSL's business which have been engaged in providing services supporting PPC's business) as determined by the Company or, if required by the Scheme Supervisors, by an Independent Accountancy Firm);

"Managed Wind Down Period" means the period starting with the Effective Date and ending with the first date on which each of PPC, Greenwood and PFMSL have been dissolved;

"PFMSL" means Provident Financial Management Services Limited, a company incorporated on 18 June 1937, with company number 00328933 and its registered address at No. 1 Godwin Street Bradford, West Yorkshire, BD1 2SU;

"Surplus" means the Cash Receipts during the Managed Wind Down Period less the Managed Wind Down Expenses during the Managed Wind Down Period, where the balance after such deduction is greater than nil;

"Surplus Dividend" means, in relation to a Scheme Creditor, an amount equal to the Surplus Payment Percentage of that Scheme Creditor's Ascertained Scheme Liability; and

"Surplus Payment Percentage" means the total Surplus divided by the aggregate amount of all Ascertained Scheme Liabilities.